

COUNTIES POWER CONSUMER TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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COUNTIES POWER CONSUMER TRUST



DIRECTORY

Nature of Business The Trustees have 100 % ownership of Counties Power Limited. The shares of the company are held in Trust for the users of the Company Lines network – the beneficiaries of the Trust.

The Counties Power Trust was constituted on 17 May 1993 by a Trust Deed dated 10 May 1993. By a Deed of Resettlement, dated 14 September 1995, all the assets of the Counties Power Trust were resettled on the Trustees of the Counties Power Consumer Trust.

Trustees	Mr A D Eyes - Chairman	M Com, Dip Mgt, CA, CMA
	Mrs C P Rupp	JP, Post Grad Dip Sc
	Mr G Singh	QSM, JP
	Mr P S Beston	
	Mr D W Thomson	
Secretary	Gail Riddell	CA
Contact Address	Suite 6, 23 Hall St, PUKEKOHE P O Box 580, PUKEKOHE Telephone: 09 2383780	
Solicitors	Simpson Grierson, AUCKLAND	
Bankers	ANZ, PAPAURA	
Auditors	RSM Hayes Audit, AUCKLAND	

INDEPENDENT AUDITOR'S REPORT

TO THE BENEFICIARIES OF COUNTIES POWER CONSUMER TRUST

Report on the Financial Statements

We have audited the accompanying financial statements of Counties Power Consumer Trust on pages 5 to 13, which comprise the balance sheet as at 31 March 2015 and the statement of comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



RSM Hayes Audit
Audit • Assurance • Advisory

Other than in our capacity as auditor we have no relationship with, or interests in, Counties Power Consumer Trust.

Opinion

In our opinion, the financial statements on pages 5 to 13 present fairly, in all material respects, the financial position of Counties Power Consumer Trust as at 31 March 2015 and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

RSM Hayes Audit

RSM Hayes Audit

31 July 2015

Auckland

**COUNTIES POWER CONSUMER TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

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Budget for 2015	Note	2015	2014
Income			
300,000	Dividend Received	300,000	300,000
234,344	Interest - all Banks	230,125	192,654
11,400	Sundry Income	7,042	6,952
545,744	Total Income	537,168	499,606
Less Expenses			
14,042	Accountancy	17,850	14,765
11,575	Audit Fees	11,982	11,437
10	Bank Fees	10	40
1,500	Communication & Public Relations	4,523	1,202
377	Depreciation	376	426
-	Election Expenses	-	15,848
14,500	Energy Trust Levies	1,944	14,433
7,490	General Expenses	6,859	8,166
5,366	Insurance	5,285	3,611
1,680	Light and Power	1,348	1,456
-	Ownership Review	-	9,327
8,170	Post, Stationery, Phone & Fax, Internet	6,711	8,300
30,000	Professional Fees	1,025	33,041
24,000	Rent	22,613	24,027
200	Repairs and Maintenance	104	44
57,903	Secretarial Fees	51,204	60,783
40	Security	15	-
10,000	Training	-	-
8,002	Travel & Accommodation	9,205	6,614
194,855		141,054	213,520
90,757	Trustees' Fees	98,711	93,530
1,350	Trustees' General Expenses	1,696	1,149
3,000	Trustee Meeting & Seminar Exp	2,469	2,298
95,107		102,876	96,977
289,962	Total Expenses	243,930	310,497
\$ 255,782	Comprehensive Income for the Year	\$ 293,238	\$ 189,109

The financial statements have been audited and should be read in conjunction with the notes to the accounts and the auditor's report.



**COUNTIES POWER CONSUMER TRUST
ACCUMULATED INCOME ACCOUNT and
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

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ACCUMULATED INCOME ACCOUNT

	Note	2015	2014
Opening Balance		5,398,082	5,208,973
Comprehensive Income		293,238	189,109
		<u>5,691,320</u>	<u>5,398,082</u>
Unclaimed Distributions	(1)	-	-
Closing Balance		<u>\$ 5,691,320</u>	<u>\$ 5,398,082</u>

STATEMENT OF CHANGES IN EQUITY

	Note	2015	2014
Equity at Beginning of the Year		<u>36,195,182</u>	<u>36,006,073</u>
Comprehensive Income		293,238	189,109
Closing Balance		<u>\$ 36,488,420</u>	<u>\$ 36,195,182</u>

The financial statements have been audited and should be read in conjunction with the notes to the accounts and the auditor's report.

**COUNTIES POWER CONSUMER TRUST
BALANCE SHEET
AS AT 31 MARCH 2015**

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	Note	2015	2014
Equity			
Opening Balance	(1)	30,797,100	30,797,100
Trust Accumulated Income		5,691,320	5,398,082
Closing Equity		\$ 36,488,420	\$ 36,195,182
Represented by:			
Current Assets			
Cash and Cash Equivalents	(2)(a)	1,652,263	827,719
Short Term Investments	(2)(b)	3,954,586	4,550,000
Total at Bank		5,606,849	5,377,719
Prepayments		6,378	1,857
Receivables		67,680	7,849
Taxation Refund	(3)	963	193
		<u>5,681,871</u>	<u>5,387,618</u>
Less: Current Liabilities			
Accounts Payable		19,847	20,726
Working Capital		<u>5,662,023</u>	<u>5,366,894</u>
Non Current Assets			
Website Development		1,330	1,330
Prepayments		18,588	20,105
Office Equipment & Furniture		15,553	15,553
Less: Accumulated Depreciation		(6,076)	(5,700)
		<u>29,395</u>	<u>31,288</u>
Investments			
Shares – Counties Power Ltd	(1)	30,797,000	30,797,000
		<u>30,797,000</u>	<u>30,797,000</u>
		\$ 36,488,420	\$ 36,195,182



Chairman

31/07/15



Secretary

31/07/15

The financial statements have been audited and should be read in conjunction with the notes to the accounts and the auditor's report.

**Counties Power Consumer Trust
Annual Financial Statements
For the Year ending 31 March 2015**



**COUNTIES POWER CONSUMER TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

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	Note	2015	2014
Cash Flows from Operating Activities			
Cash was provided from:			
Interest		170,293	223,706
Taxation Refund		193	2,866
Dividends		300,000	300,000
Sundry		7,042	6,952
		<u>477,528</u>	<u>533,524</u>
Cash was disbursed to:			
Administration expenses		247,436	320,371
Taxation		963	193
		<u>248,399</u>	<u>320,564</u>
Net Cash Inflows from Operating Activities		<u>229,129</u>	<u>212,960</u>
 Net Increase in Cash Held		 229,129	 212,960
Add: Opening Cash		<u>5,377,720</u>	<u>5,164,760</u>
Closing Cash (Bank and Investments)	(2)	<u>\$ 5,606,850</u>	<u>\$ 5,377,720</u>
 RECONCILIATION OF NET INCREASE IN CASH HELD TO NET SURPLUS FOR THE YEAR			
Net Surplus for the Year		<u>293,238</u>	<u>189,109</u>
Increase/(Decrease) in Accrued Interest		59,831	(31,052)
Increase/(Decrease) in Taxation Refund		771	(2,673)
Increase/(Decrease) in Prepayments		3,004	(1,689)
Increase/(Decrease) in Assets		-	-
Decrease/(Increase) in Accounts Payable		879	11,989
		<u>64,485</u>	<u>(23,425)</u>
Add back:			
Depreciation		<u>376</u>	<u>425</u>
		<u>376</u>	<u>425</u>
Net Increase in Cash Held		<u>\$ 229,129</u>	<u>\$ 212,960</u>

The financial statements have been audited and should be read in conjunction with the notes to the accounts and the auditor's report.

**COUNTIES POWER CONSUMER TRUST
BUDGET INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

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		Budget 2016	Actual 2015
Income			
Dividend Received	300,000		300,000
Interest Received	240,886		230,125
Sundry Income	11,400		7,042
Total Income		552,286	537,168
Less Expenses			
Accountancy	15,841		17,850
Audit Fees	12,225		11,982
Bank Fees	10		10
Communication & Public Relations	4,530		4,523
Depreciation	337		376
Election Expenses	64,400		-
Energy Trust Levies	14,500		1,944
General Expenses	7,733		6,859
Insurance	4,932		5,285
Light and Power	1,680		1,348
Ownership Review	-		-
Post, Stationery, Phone & Fax, Internet	6,700		6,711
Professional Fees	30,000		1,025
Rent	24,000		22,613
Repairs and Maintenance	200		104
Secretarial Fees	58,012		51,204
Security	40		15
Training	10,000		-
Travel & Accommodation	8,002		9,205
		263,142	141,054
Trustees' Fees	92,532		98,711
Trustees' General Expenses	1,350		1,696
Trustee Meeting & Seminar Exp	3,000		2,469
		96,882	102,876
Total Expenses		360,024	243,930
Comprehensive Income for the Year		\$ 192,262	\$ 293,238

The financial statements have been audited and should be read in conjunction with the notes to the accounts and the auditor's report.

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Reporting Entity

Counties Power Consumer Trust is a Trust constituted under a Deed of Resettlement dated 14 September 1995. The financial statements are for the year ended 31 March 2015. Separate financial statements for the trust and consolidated financial statements are prepared to meet the Trustees' reporting requirements. The financial statements were authorised for issue by the Trustees on 25 May 2015.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to non profit oriented entities.

Counties Power Consumer Trust is designated as a non profit oriented entity for financial reporting purposes.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by Counties Power Consumer Trust.

Presentation Currency

These financial statements are presented in New Zealand dollars (\$).

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Investment in Wholly owned Subsidiary

The investment is recorded at the total opening Shareholders' Funds of Counties Power Limited \$30,797,000 at the time of acquisition.

(b) Non Current Assets

The fixed assets are recorded at cost less accumulated depreciation and impairment losses. Website Development Costs have not been depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset carrying amount is greater than its estimated recoverable amount.

(c) Depreciation

Depreciation is charged so as to write off the cost over the estimated useful lives. Depreciation is charged to the Statement of Comprehensive Income. The following rates have been used.

Office Equipment & Furniture	12% - 60% Diminishing Value
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- (d) **GST**
The financial statements are GST inclusive as the Trust is not eligible to register for GST
- (e) **Receivables**
These (if any) are measured at their cost.
- (f) **Revenue recognition**
Dividends are recognised when received.

Interest is recognised when received. Interest on any unexpired investment at balance date is accrued at the rate of the particular investment.
- (g) **Cash and cash equivalents**
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.
- (h) **Short term deposits**
Consist of short-term cash deposits held with financial institutions, with original maturities of more than three months and which are subject to an insignificant risk of changes in value.
- (i) **New standards and interpretations**
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2014, and have not been applied in preparing these financial statements. The Trustees believe after review that none of these are expected to have a significant effect on the financial statements of the Trust.

Notes

(1) Trust Equity	2015	2014
(i) Cash received from Counties Power Ltd	100	100
(ii) 15,000,000 fully paid ordinary shares in Counties Power Ltd vested in the Trust in terms of the Energy Companies (Counties Power Limited) Vesting Order 1993, represented by shares and reserves being Opening Shareholders' Funds of Counties Power Ltd.		
	30,797,000	30,797,000
The investment in the subsidiary has been accounted for at cost.	<u>\$ 30,797,100</u>	<u>\$ 30,797,100</u>
The latest valuation of the shares in Counties Power Ltd. was made by Ernst and Young Chartered Accountants. As at 23 August 2000, the fair market value was fixed at between \$85,000,000 and \$90,000,000.		
(2) (a) Cash and Cash Equivalents		
Cheque Account – ANZ	11,354	(1,715)
Trustee Fees Account - ANZ	40	254
On Call Deposit – ANZ	178,181	53,837
ASB - Cheque Account	10	10
ASB - Fastsaver	134,209	119,869
BNZ - Oncall Saver	88,837	61,445
Rabobank	341,962	331,331
RaboDirect account	897,669	262,687
	1,652,263	827,719
Add: Interest accrued on short term investments	67,680	7,849
(See Note 4)	<u>\$ 1,719,943</u>	<u>\$ 835,568</u>
(2) (b) Short Term Deposits		
ASB Bank	-	800,000
ANZ Bank	1,704,586	1,900,000
BNZ	1,750,000	750,000
RaboDirect	500,000	1,100,000
(See Note 4)	<u>\$ 3,954,586</u>	<u>\$ 4,550,000</u>
Total at Bank (excluding Interest Accrual)	\$ 5,606,849	\$ 5,377,719

Notes

(3) Taxation

	2015	2014
Total Gross Income (excluding accrued Interest)	469,487	491,757
Less: Expenses	(243,930)	(310,497)
Add: Imputation Credits attached to dividend	116,667	116,667
Assessable Income	<u>342,224</u>	<u>297,927</u>
Less Loss brought forward & utilised	<u>342,224</u>	<u>297,927</u>
Trustees' Taxable Income	<u>\$ -</u>	<u>\$ -</u>
Taxation on Trustees' Income @ 33%	-	-
Application of available Imputation Credits	-	-
Tax losses applied	-	-
Payable	-	-
RWT paid on Interest	<u>963</u>	<u>193</u>
Taxation Refund due	<u>\$ 963</u>	<u>\$ 193</u>

Imputation Credit Account

Imputation credits attached to Dividend received	342,224	297,927
Applied to Trustees' Income	-	-
Closing Balance	<u>\$ 342,224</u>	<u>\$ 297,927</u>

Tax Losses

Opening Balance	1,030,103	974,494
Less: Applied to Trustee Income	<u>(342,224)</u>	<u>(297,927)</u>
	687,879	676,567
Imputation Credits converted to Loss Carried Fwd	<u>353,535</u>	<u>353,535</u>
Closing Balance	<u>\$ 1,041,415</u>	<u>\$ 1,030,103</u>

Notes

(4) Financial Instruments

Credit Risk

Financial Instruments which potentially subject the Trust to credit risk principally consist of bank balances and short term deposits.

The Trust has a credit policy which is used to manage this credit risk. As part of this policy, limits of exposure have been set within the constraints of the Trust Deed and are monitored on a regular basis.

The maximum exposures to credit risk at balance date are:

	2015	2014
Bank Balances	5,674,529	5,385,568
	<u>\$ 5,674,529</u>	<u>\$ 5,385,568</u>

Fair Values

Bank Balances	5,674,529	5,385,568
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The carrying value of these amounts is the fair value

(5) Consolidation

The Trust owns 100% of the shares in Counties Power Ltd. To give a true and fair view of the operations of both the Trust and the company, the Trust also prepares a set of consolidated financial accounts.

(6) Operating Leases

	2015	2014
Non - cancellable operating lease commitments:		
Current	19,454	19,454
Non - Current	36,324	37,872
Total Operating Lease Commitments	<u>\$ 55,778</u>	<u>\$ 57,326</u>

(7) Related Parties

The elected Trustees of Counties Power Consumer Trust own 100% of the shares in Counties Power Limited. The Trust rents office premises from SBH Holdings in which a Trustee is a partner. The following transactions occurred with related parties.

	2015	2014
Dividends received	300,000	300,000
Rent paid	19,454	17,349