

ANNUAL REPORT 2016–2017

FROM THE CHAIR & CHIEF EXECUTIVE

OUR MISSION:

To Enhance Assets
& Enrich Lives

OUR VISION:

To make our
community
a better
place to be

Central Lakes Trust
owns 100% of Pioneer
Energy Limited

Since its inception,
Central Lakes Trust
has approved total
grants of \$82,961,320

Central Lakes Trust
group holds Net
Assets of \$297m

We are delighted to advise the Trust achieved several key milestones during the past year and can reflect upon another productive chapter in the organisation's evolution.

The Trust was created in November 2000 to grant funds for community charitable purposes. It was formed when the Otago Central Electric Power Board bestowed Central Lakes Trust with assets valued at \$155m.

Today, the Trust enjoys a strong financial position and can be proud that its positive impact radiates into all corners of our region.

In November 2016, the triennial elections for Trustees were held which were hotly contested by 12 candidates. All incumbent Trustees who stood were re-elected which is testament to the highly valuable role they play in representing community needs. Tim Cadogan stood down as a Trustee after a three year term, and we wish to acknowledge his contribution to the trust.

Tony Hill, a 40 year resident of the Wakatipu Basin and also recently elected QLDC Councillor, was elected as a new Trustee and subsequent to his election was voted in as Chairman by his fellow Trustees. From Trustee and staff perspective, it is important to note the value Dr Malcolm Macpherson provided during his three-year term as Chairman.

Another key feature of the election was the referendum held to

determine whether the Trust should adopt a new governance structure to help future-proof the organisation. The result of the public referendum backed the proposal to have the governance of the Trust being comprised of both elected and appointed members.

Since Central Lakes Trust was established, the governance of the organisation has solely consisted of publically elected Trustees. Although this has served the Trust extremely well over the past 17 years, the organisation has grown in size and complexity from an investment perspective and it is therefore important to consider what governance skills the organisation may need in the future to ensure the Trust is available in perpetuity for the benefit of future generations.

Later this year, two new Trustees will be appointed by an independent panel. This will add even further value to the organisation as well as helping to ensure greater governance continuity.

The financial performance of the Trust's investments during the 2016-17 year was extremely pleasing with our budget expectations being significantly exceeded. The net value of the Trust's investments today is almost \$300m – about double the value when the Trust was established - and although we live in one of New Zealand's fastest growing regions, the scale of the investment portfolio is significant when you consider the total population of the region is still considerably less than 50,000 residents.



Central Lakes Trust owns 100% of Pioneer Energy Limited.

In 2016/17 Pioneer Energy Limited:

- Completed the acquisition of Aniwhenua Hydro Electric Power Scheme, in conjunction the partners of Southern Generation Limited Partnership
- To date Pioneer Energy Ltd has paid over \$62.5m to Central Lakes Trust
- Achieved the highest level of accreditation for our safety practices, from ACC
- Focused on implementing international Asset Management best practice



The contribution that Pioneer Energy makes to the Trust cannot be underestimated. Central Lakes Trust is proud to be the 100% owner of this award winning, diversified energy company. Its annual dividend comprises an important component of the Trust's annual income. The Trust enjoys a strong comradeship with Pioneer's Board and Executive team.

Another historical milestone that the Trust reached during the 2016-17 year was bringing up a total of \$80m grants approved since establishment. During the year, about 100 grants totalling \$5m were approved to support a wide range of community projects and services. These range in scale and diversity - from funding for defibrillators that help save lives - to larger grants for major capital projects and facilities that enhance the quality of life for our residents.

The Queenstown-Central Otago trail network project -which will connect over 500 kilometers of a continuous high quality cycle trail linking the four existing Central Otago Great Rides - continues to be a flagship grant (\$11.15m over a 5 years period) for the Trust and we wish to thank the members of the steering group who has been working diligently behind the scenes over the past year to ensure this project is well planned and becomes a reality in the years ahead.

Another key feature of the past year was the formulation of a new Strategic Plan which provides a blueprint for the Trust over the

next four years. This plan is a culmination of over 12 months work by both trustees and staff and contains the following key priorities:

- To grow our capital base so the fund is available in perpetuity for the benefit of future generations
- To identify opportunities and provide guidance for potential charitable projects that would benefit communities within our region long-term.
- To partner with our stakeholders to understand our communities, agree objectives and align funding to maximise sustainable outcomes
- To be a capable, sustainable organisation that helps produce outstanding results for our communities and to assist other charitable organisations to do the same

It is important to convey our appreciation to the exemplary small group of staff who support both the CEO and Trustees, day to day, with a formidable passion for our region.

Central Lakes Trust is proud of continuing to make a positive impact upon this region.

Tony Hill
Chairman

Paul Allison
Chief Executive



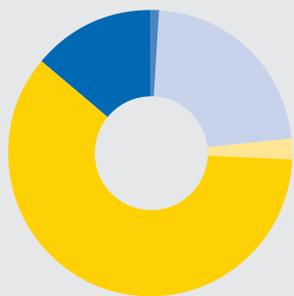
The Trustees and Chief Executive of Central Lakes Trust

From left to right: Greg Wilkinson, Cath Gilmour, Tony Hill, Paul Allison, Dr Malcolm Macpherson, Bernice Lepper, Alex Huffadine

Since its inception, Central Lakes Trust has approved total grants of \$82,961,320

In 2016-17 Central Lakes Trust

- Approved 95 grants totalling \$4,981,962
- Granted over \$650,000 to health and social service agencies that provide valuable services across the region



- Arts & Culture - \$18,500
- Education - \$1,157,242
- Heritage & Environment - \$75,400
- Recreation & Sport - \$3,047,304
- Welfare & Health - \$683,516

GRANTS APPROVED 2016-2017

Arts & Culture

Alexandra Musical Society
Central Otago Regional Choir
Christchurch Symphony Trust
Kahu Youth Trust

2016 Production 'Pirates of Penzance'	\$5,000
Spring & Autumn concerts 2016-17	\$5,000
Outreach programme 2017	\$7,000
Youth Matariki 2017	\$1,500
Total	\$18,500

Education

Alexandra Primary School
Arrowtown Primary School
Aspiring Beginnings Early Learning Centre
Central Otago REAP
Central Otago Agricultural & Pastoral Assn
Central Otago Principals Association
CLT Tertiary Scholarships
CLT Tertiary Scholarships
Connected Media Charitable Trust
Cromwell College
Cromwell Combined Churches Trust

Outdoor learning space	\$40,000
Shade sails & playground surface	\$56,300
Playscape Project	\$22,000
2017 Courses	\$67,500
2017 Annual Show Day	\$4,000
2017 Referral programme	\$80,000
2016 Tertiary Scholarships	\$125,000
2017 Tertiary Scholarships	\$125,000
Film-making workshops	\$6,000
Defibrillator	\$1,500
2017 Bible in schools programme - Goldfields Primary	\$1,200
Programme expenses Year 1	\$25,000
Business case Stage 1 - Multi Purpose Facility	\$7,000
Business case Stage 2 - Multi Purpose Facility	\$3,000
Multi Purpose Facility Operational 2017	\$300,000
Operational 2017	\$15,000
Playground equipment	\$6,200
Playground upgrade	\$20,261
Solar water heating system	\$6,281
Upgrade play surface	\$11,000
New playgrounds	\$185,000
Natural playspace	\$50,000
Total	\$1,157,242

Cromwell Presbyterian Church
Cromwell Primary School

Cromwell Primary School

Cromwell Primary School
Heartland Life Education Trust
Holy Family School Wanaka
Kopuwai Early Learning Centre
Omakau Primary School
Queenstown Childcare Centre
Shotover Primary School
Wanaka Primary School



Wanaka Recreation Centre



Lauder Beautification



Holy Family School Wanaka Playground Equipment

MAKING A DIFFERENCE

“It's an amazing award and definitely goes a long way to getting a head start in our tertiary studies.”

Megan Taylor - CLT Tertiary Scholarship recipient 2016

“That this project eventuated at all, was due to the drive and enthusiasm of Central Lakes Trust.”

Bill Macnaught - National Librarian Re: digitisation of Cromwell Argus newspaper

GRANTS APPROVED 2016-2017

Heritage & Environment

CODC	Alexandra Airport GPS navigation system	\$13,400
CODC	Cromwell bridge landscaping	\$16,000
CODC	Reclad Millers Flat Hall	\$30,000
Otago Goldfields Heritage Trust	Reprint brochures and panels	\$5,000
St Andrews Anglican Church, Cromwell	Seismic strengthening work	\$11,000
		\$75,400

Recreation & Sport

Bannockburn Community Ctr Mgmt Committee	Coronation Hall rebuild/refurbish	\$125,000
Central Otago Queenstown Trail Network Trust	Maintenance fund	\$1,500,000
Central Otago Queenstown Trail Network Trust	Pre construction costs (Stage 1)	\$873,863
Central Otago Sports Turf Trust	Amenities building	\$40,000
Challenge Wanaka Sports Trust	2017 Event expenses	\$15,000
CODC	Clyde Comm. Centre - Roof/heat pumps/flooring	\$40,000
CODC	Omakau Community Facs. - Feasibility study	\$25,000
CODC - Molyneux Oval	Renovation - Molyneux Cricket Oval	\$5,000
Halberg Disability Sport Foundation	Accessibility assessment tool - pilot	\$11,956
IceInline Central	Refrigeration & energy share plant (Stage 1)	\$150,000
NZ Mountain Film Festival Charitable Trust	2017 Mountain Film & Book Festival	\$2,000
Pisa Range Music Society	2017 River Range Music Festival	\$6,000
Queenstown Bowling Club	Replacement and upgrade of artificial greens	\$100,000
Roxburgh Area School	Roxburgh Community Pool business case - stage 1	\$35,000
Roxburgh Area School	Roxburgh Community Pool business case - stage 2	\$5,700
Roxburgh Golf Club	Defibrillator	\$2,205
Showgrounds Community Sports Centre Trust	Feasibility study/business case	\$10,000
Sport Otago	Swim Safe 2017	\$73,080
Sport Otago	Operational 2016/17	\$27,500
		\$3,047,304

Welfare & Health

Age Concern Otago	Operational 2016/17	\$15,000
Age Concern Southland	Operational 2016/17	\$15,500
Alexandra Community Advice Network	Operational 2016/17	\$7,000
Alexandra Senior Citizens Centre	Operational 2016/17	\$10,000
Alpine Community Development Trust	Operational 2017	\$45,000
Alzheimers Society Otago	Operational 2017/18	\$16,000
Anglican Family Care Centre	Operational 2016/17	\$12,000
Aphasia NZ Charitable Trust	Aphasia Awareness Event	\$2,000
Birthright Central Otago	Operational 2017	\$4,750
Brain Injury Association Otago	Operational 2017/18	\$10,000
Cancer Society of NZ, Otago and Southland Div.	Operational 2017/18	\$25,000
Central Otago Budget Advice Service	Operational 2016/17	\$17,000
Central Otago Budget Advice Service	Emergency Heating Fund - 2016/17	\$20,000
Central Otago Compassionate Friends	Operational 2016/17	\$10,000

Central Otago Friendship Network	Operational funding 2016/17	\$6,887
Central Otago Riding for Disabled	Replacement fencing	\$5,000
Central Otago Victim Support	Operational 2016/17	\$8,000
CLT Resthome Goldfish	Aquaria in resthomes 2016/17	\$13,410
Cromwell Community Welfare Trust	Operational 2017	\$4,000
Cromwell Youth Trust	Nathan Mikaere Wallis visit	\$5,000
Disabilities Resource Centre Southland Ch. Trust	Operational 2016/17	\$20,000
Dunedin Community Law Centre	Operational 2016/17	\$16,000
Dunstan Anglican Parish	Heat pumps - St Aidans Church Hall	\$5,000
Happiness House Trust	Operational 2016/17	\$38,000
Mobility Assistance Dogs Trust	Training & resources	\$3,000
New Zealand Red Cross	Major incident airshelter	\$11,500
Otago Suicide Prevention Trust	Operational 2016/17	\$20,000
Paradise Charitable Trust	Defibrillator	\$1,521
Parent to Parent New Zealand Incorporated	Operational 2016/17	\$2,000
Parkinsonism Society Otago	Exercise and speech therapy	\$6,750
Presbyterian Support Otago	Operational 2016/17	\$62,000
Presbyterian Support Southland	Operational 2016/17	\$20,000
Queenstown Citizens Advice Bureau	Operational 2016/17	\$9,000
RC Diocese of Dunedin - Catholic Social Services	Vehicle for Central Otago	\$7,500
RC Diocese of Dunedin - Catholic Social Services	Operational 2017	\$23,000
Royal New Zealand Foundation of the Blind	Digital talking books	\$2,500
Salvation Army Alexandra	Operational 2016/17	\$30,000
Salvation Army Queenstown Comm. Ministries	Operational 2016/17	\$20,000
Southland Multiple Sclerosis Society	Operational 2017	\$1,000
Stroke Foundation of New Zealand Ltd	Additional grant for 2016/17	\$2,500
Teviot Valley Community Christian Trust	Top-up funding for 2016/17	\$5,750
The Parenting Place	Programme expenses 2017	\$1,950
Wakatipu Abuse Prevention Network	Operational 2016/17	\$80,000
Wakatipu Senior Citizens Association	Purchase of minibus	\$23,850
Wanaka Search & Rescue	Training & equipment	\$19,148
		\$683,516



Arrowtown Pump Track



Central Otago Sports Turf Trust
(photo credit Image Central)

CENTRAL LAKES TRUST: SUMMARY FINANCIAL STATEMENTS 2017

Central Lakes Trust group holds net assets of \$297m

In 2016/17 Central Lakes Trust (Parent Entity):

- Achieved an 10.2% return on its investment portfolio which does not include the Pioneer Energy Ltd dividend
- Tracked positively against its reserving objectives

Investment Subcommittee



Sir Eion Edgar
Chair



Mark Taylor



Tony Hill



Greg Wilkinson



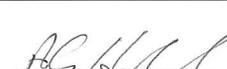
Paul Allison

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Summary Consolidated Statement of Comprehensive Revenue and Expenses for the year ended 31 March 2017

	Group	
	2017 \$000	2016 \$000
Revenue from Exchange Transactions		
Investment Revenue	20,716	13,665
Generation, Retail and Energy	99,539	79,431
Other Revenue	1,110	4,002
	<u>121,365</u>	<u>97,098</u>
Less Expenses		
Cost of Sales-Electricity	68,972	48,940
Depreciation & Amortisation Expense	7,381	7,524
Finance Costs	5,270	3,353
Operating Items	18,288	16,816
	<u>99,911</u>	<u>76,663</u>
Net Operating Surplus	21,454	20,465
Less Grants Approved	(4,982)	(3,726)
Add Grants Rescinded	277	92
	<u>16,749</u>	<u>16,831</u>
Gains/(losses on Derivatives)	(1,462)	(2,420)
Share of Surplus from Joint Ventures	5,116	323
Net Surplus (Deficit) for the year	20,403	14,734
Other Comprehensive Revenue or Expense		
<i>Item that may be reclassified subsequently to surplus or deficit</i>		
<i>Cash Flow Hedges</i>		
Fair Value gain/(loss) on Interest Rate Swaps	1,371	(1,437)
Fair Value gain/(loss) on Foreign Exchange Contracts	(17)	792
	<u>1,354</u>	<u>(645)</u>
Total Comprehensive Revenue or Expense for the year	21,757	14,089
Net Surplus (Deficit) for the year attributable to:		
Trust	20,476	14,792
Minority interests	(73)	(58)
	<u>20,403</u>	<u>14,734</u>
Total Comprehensive Revenue and Expense for the year attributable to:		
Trust	21,830	20,346
Minority interests	(73)	(26)
	<u>21,757</u>	<u>20,320</u>


Trustee


Trustee

These Summary Financial Statements should be read in conjunction with the full financial statements, which are available at www.clt.net.nz.

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Summary Consolidated Statement of Changes in Net Assets/Equity for the year ended 31 March 2017

Group	General Funds	Capital Maintenance Reserve	Population Growth Reserve	Minority interests	Hedging Reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2015	177,038	67,805	18,160	718	(1,786)	261,935
Total Comprehensive Revenue & Expense for the year	14,792	-	-	(58)	(645)	14,089
Transfer from General Funds	(9,983)	(1,828)	11,811	-	-	-
Balance at 31 March 2016	<u>181,848</u>	<u>65,977</u>	<u>29,971</u>	<u>660</u>	<u>(2,431)</u>	<u>276,025</u>
Total Comprehensive Revenue & Expense for the year	20,476	-	-	(73)	1,354	21,757
Transfer from General Funds	(14,193)	5,133	9,060	14	-	14
Balance at 31 March 2017	<u>188,131</u>	<u>71,110</u>	<u>39,031</u>	<u>601</u>	<u>(1,077)</u>	<u>297,796</u>

These Summary Financial Statements should be read in conjunction with the full financial statements, which are available at www.clt.net.nz.

Our Trustees



Tony Hill
Chairman



Bernice Lepper
Deputy Chair



Cath Gilmour
Trustee



Alex Huffadine
Trustee



Greg Wilkinson
Trustee



Malcolm Macpherson
Trustee

Our Staff



Paul Allison
Chief Executive

Susan Finlay
Operations Manager

Vicci Lawrence
Administration Development

Tracey De Rooy
Grant Administration

Jennifer Gillan
Administration

CENTRAL LAKES TRUST: SUMMARY FINANCIAL STATEMENTS 2017 cont.

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Summary Consolidated Statement of Financial Position
As at 31 March 2017

	Group	
	2017 \$000	2016 \$000
Assets		
Non Current:		
Investments	268,739	217,505
Investment Property	4,185	4,050
Property, Plant & Equipment	87,910	92,300
Intangibles	20,415	21,095
Derivative Financial Assets	16,046	1
Current	41,404	34,621
	438,699	369,572
Liabilities		
Non-current	114,283	73,551
Current	26,620	19,996
	140,903	93,547
Net Assets	297,796	276,025
Represented by:		
Trust Capital & Reserves - attributable to the Trust	297,195	275,365
Trust Capital & Reserves - attributable to the Minority Interests	601	660
Closing Equity	297,796	276,025

Summary Consolidated Cash Flow Statement
for the year ended 31 March 2016

	Group	
	2017 \$000	2016 \$000
Opening Cash	5,414	950
Net Cashflows from Operating Activities	3,207	8,725
Net Cashflows from Investing Activities	(29,498)	(22,611)
Net Cashflows from Financing Activities	24,750	18,350
	(1,541)	4,464
Closing Cash	3,873	5,414

Explanatory Note

The summary financial information has been derived from, and should be read in conjunction with, the Central Lakes Trust Group annual financial statements (the 'full financial statements'). The full financial statements were authorised for issue by the Trustees on 7 August 2017 and are available at www.clt.net.nz or a copy can be requested by contacting the Trust on 0800 00 11 37. The accounting policies used in these financial statements are included in the notes to the full financial statements. The full financial statements comply with Not For Profit Public Benefit Entity Accounting Standards (PBE Standards (NFP)) and have been prepared in accordance with Tier 1 PBE Standards (NFP). The full financial statements have been audited by Deloitte Limited and an unqualified opinion given. The summary financial information cannot be expected to provide as complete an understanding as provided by the full financial statements.



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www.clt.net.nz