STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ending 31 December 2006

	NOTE	31-DEC-06	31-DEC-05
INCOME			
Sundry Income	1	267,695	358,600
Investment income	2	26,129	20,426
TOTAL INCOME		**293,824**	**379,026**
EXPENDITURE			
Scholarships	3	120,000	115,000
EPE Centre Management		65,000	68,302
Power Engineering Education Support	4	8,000	12,000
Field Trips		20,000	20,000
Visiting Lecturers		20,000	-
Promotional Costs		-	764
Sundry	5	14,500	34,000
TOTAL EXPENDITURE		**247,500**	**250,066**
NET SURPLUS / (DEFICIT)		**46,324**	**128,960**

STATEMENT OF MOVEMENTS IN EQUITY
For the Year Ending 31 December 2006

Balance as at 1 January		603,973	423,124
Net Surplus / (Deficit) for period		46,324	128,960
Other Distributions	6	42,066	51,889
Total Recognised Income & Expenditure		88,390	180,849
Balance as at 31 December		692,363	603,973

STATEMENT OF FINANCIAL POSITION
As at 31 December 2006

	NOTE		
CURRENT LIABILITIES			
Sundry Creditors	0	5,500	
Total Current Liabilities	0	5,500	
NON-CURRENT ASSETS			
Investments	7	692,363	609,473
Total Non-Current Assets		**692,363**	**609,473**
TOTAL NET ASSETS		692,363	603,973
REPRESENTED BY:			
Trust Funds	8	692,363	603,973
TOTAL TRUST FUNDS		**692,363**	**603,973**

NOTES TO THE FINANCIAL STATEMENTS
For the Period Ending 31 December 2006

	31-DEC-06	31-DEC-05
1 Sundry Income		
Industry Funding	267,695	358,600
	267,695	358,600
2 Investment Income		
Investment Income	26,129	20,426
	26,129	20,426

Investment Income for 2005 and 2006 was calculated at 4.5% on the average equity balance as per the Statement of Investment Policy Objectives, which is approved by University Council.

3 Scholarships		
Postgraduate	60,000	20,000
Undergraduate	50,000	50,000
Research Fellowships	10,000	40,000
Summer Scholarships	0	5,000
	120,000	115,000
4. Power Engineering Education Support		
Support for Convention / Expo	2,000	2,000
Funding for Power Engineering Documentary	4,000	5,000
EPEC Symposium	2,000	2,000
Marketing	0	3,000
	8,000	12,000
5 Sundry Expenditure		
EPE Centre Administration Support	5,000	3,000
Machine Labs upgrade	10,000	31,000
Calligraphy 2005 accrual reversed	(500)	-
	14,500	3,000
6 Other Distributions		
CPI Adjustment to Base Capital	15,097	14,525
Revenue Reserve	26,969	37,364
	42,066	51,889

These distributions are as per the Statement of Investment Policy Objectives. The Base Capital adjustment is to maintain the purchasing power of the fund, spending this effectively reduces the capital of the fund.

The Revenue Reserve is to be used as and when necessary, during years of low or negative investment returns, to support the flow of distributions without recourse to reducing the capital of the fund.

7 Investments

As at 31 December 2006 the amount of $ 692,363 is invested through the University Trust Fund. Investment of these funds is overseen by Mercer Investment Consulting and is governed by the Statement of Investment Policy and Objectives.

8 Trust Funds		
Balance at beginning of period	603,973	423,124
Net Operating Surplus / (Deficit) for period	46,324	128,960
Other Distributions	42,066	51,889
Balance at end of period	692,363	603,973

members

PREMIUM

Meridian Energy
Contact Positive Energy
Mighty River Power
genesis Energy
Vector
Transpower
Siemens
Transfield Services
Powerco
Orion
unison The Powerlines People

ORDINARY

ABB
eea Electricity Engineers' Association
PB 100 YEARS PB POWER
Beca
Alpine Energy
Marlborough Lines
MainPower
maunsell
SKM
WEL Networks
MWH
Electrix
TrustPower

NON-MEMBER

Power Systems Consultants

POWER ENGINEERING EXCELLENCE TRUST

Annual Report 2006

POWER ENGINEERING EXCELLENCE TRUST

"promoting and supporting the education of power engineers and the study of power engineering as a field of excellence in New Zealand"

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chairman's statement

Power Engineering Excellence Trust

This is the forth annual report for PEET, which over the last four years has grown Power Engineering students dramatically and continues to be very successful in attracting students from a declining entry pool.

It is only through the membership and support of industry organisations that has enabled PEET to achieve these results. This success has been recognized internationally in 2006 when EPECentre was invited to present its story at the CIGRE 2006 Session in Paris. Additionally during the year Trustees wrote to each Member of Parliament and received excellent recognition of the work the industry is doing to promote itself.

Contributing to the success is the contribution from industry. Over the last four years the Power Industry has contributed $1,100,000, in 2006 industry contributions were $267,695 with an additional $26,129 from invested funds.

PEET has $603,000 of investments which are required to underwrite forward commitments to staff and scholarships. They invested through the Canterbury University Trust Fund. For the 2006 year Trust funds increase to $692,363, this is a 14% increase on the previous year. This increase was due to good return from investments and operating expenses coming in under budget.

When allocating funds, Trustee's focus, is to apply funds where a material impact will occur for the Power Industry. The overall success is a result of a number of initiatives, however the main initiative over the last four years has been the employment of the EPE Center manager, Joseph Lawrence. Through Joseph's passion and industry networks he has raised awareness and deployed initiatives that continue to contribute to the success of PEET.

In ensuring funds are focused to encourage learning and development for power engineering the following measures are being monitored. For the 2006 year funding was applied in the following areas as a percentage of annual spend of $247,500

Student Development - 54%
Funding applied that directly impact on students and their education ($134,000). This has increased on the 2005 year as a result of allocating Post Graduate scholarships.

Power Engineering education- 44%
A decrease on the 2005 year from 56%, less funding was applied to the machines lab upgrade in 2006 following the upgrade in 2005.

Operational overheads-2%
Only 2% ($4000) of total expenditure was applied to operational overheads promoting and supporting the education of Power Engineering, this is a decrease on the 2005 financial year. Overheads include administration, marketing material and membership recognition.

Scholarships are a key component of Student development for PEET. In the 2006 year ten undergraduate scholarships where awarded. Four Post Graduate scholarships where awarded, three of these are for PhD's and one for Masters, these scholarships are for a three year duration. Areas of research for the Post Graduates are Power Quality Harmonics & Flicker, Optimisation of Power Systems using Artificial Intelligence, Partial-Core HV Transformers and HV Plasma Discharge. These are exciting areas of research for our industry and we look forward to the application of this research in the years ahead.

Enrolments in Power engineering have continued to rise with 2007 enrolments being the highest is eight years. Where students have selected Power in Second Professional Year 91 % of them continue to Third Profession Year.

A worrying trend is the number of students selecting a B.E. in electrical and electronic engineering, over the last 7 years we have seen a decline of 29%, in the 2007 year total entry is down to 84 students.

In response to the declining entry roll, PEET in conjunction with EPE Centre launched a new initiative in the 2006. "Energise Your Future "campaign in which "Energise your Future DVD" was developed and distributed to over 440 secondary schools across New Zealand. In 2007 we introduced a competition called "Energise Your Future Challenge", in which students have to work in teams to design a renewable energy system for Antarctica for the chance to win scholarships to study engineering. The aim of the campaign is to encourage students to consider a future career in power engineering while still at secondary school, this work to promote at secondary school level will be critical to monitoring PEET's objectives.

The Charities Commission charities register opened in Feb 2007 to receive applications for registration from charitable organizations. As a charitable organization PEET is required to register. We are working with the University of Canterbury to register as a group charity as this will ease costs associated with compliance and provide benefits to PEET in terms of maintaining good returns from the invested funds.

During the year John Galambos's resignation as Executive Assistant to the trust was reluctantly accepted. John was instrumental in setting up PEET and has provided excellent advice and support to the Trustees over the last fours. As Trustees we want to thank John for his work in PEET, most of which has been done in addition to his day job. Sean McCready has accepted the role of Executive Assistant and we welcome him as the Executive Assistant.

On behalf of the Trustees and the many students who are benefiting from your support of the Trust I thank all those who contributed and supported PEET during the 2006 year and look forward to your continuing support for the Trust in the 2007 year and beyond. We are entering challenging time in the engineering profession.

Dr Keith Turner
Chair, Power Engineering Excellence Trust
Chair, Electric Power Engineering Centre
May 2007

The Trustees for 2006 were – Dr Keith Turner (Chair, and generation rep), Professor Pat Bodger (University of Canterbury), Gavan Jackson (contracting – replaced Geoff Hunt), Richard Aitken (consulting), David Laurie (transmission), Peter Berry (professional engineering), and Tas Scott (distribution). We met four times during 2006 and do not receive any remuneration in our capacity as Trustees.

2006 Highlights

Interest in Power Engineering as a career continued to grow

+ **Power Engineering uptake for 2nd Professional year students is at the highest level for over 8 years (55% of all 2nd Prof. students)**
+ Undergraduate survey showed very positive perceptions of Power Engineering:
  - Interest in electric power for 1st Professional year students is 30% higher than before the establishment of PEET in 2002
  - Over 80% of students in 2nd Professional year linked power engineering with opportunity, bright career prospects and employment
  - Over 93% of final year students said they would like to work in the power industry

We played a major role in supporting and developing Power Engineering students:

+ **Through scholarships:**
  - 4 Post-graduate scholarships awarded
  - 10 Under-graduate scholarships awarded
+ **Through practical work placement**:
  - Over 230 applications
+ **Through Engineering field trips:**
  - Both North and South Island field trips undertaken
  - Practical onsite full-day lecture at Ohau B power station for final year students
+ **Through funding significant initiatives:**
  - Machines Lab upgrade provided better facilities for students
+ **Funded Visiting Lecturer (Professor Vic Gosbell) who worked with final year power students**

We continued to build positive perceptions of Power Engineering

+ 'Energise your Future' DVD promoting power engineering as a career was developed and distributed to almost all secondary schools in New Zealand
+ 'Energise your Future Challenge', an associated competition was launched for secondary school students.
+ R&D Expo, 'The Phenomenon' attracted over 300 attendees – the biggest event in the history of Canterbury University's Electrical & Engineering Department.
+ EPECentre Convention held to promote careers in the power industry with over 150 attendees

We gained international recognition

+ EPECentre was invited to present the success story at the CIGRE 2006 session in Paris, France – an internal acknowledgement of our achievements.

financials

POWER ENGINEERING EXCELLENCE TRUST
FINANCIAL STATEMENTS
For The Period Ending 31 December 2006

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY
The Power Engineering Excellence Trust is a charitable trust established in 2002. The Objects of the trust are:

+ encourage a greater number of students to study power engineering, thus increasing the quantity and quality of power engineers in New Zealand.
+ maintain, enhance and sustain research into, and the study of, power engineering.
+ create closer, stronger and synergistic relationships between students of power engineering and the power industry.
+ provide for and foster power engineering innovation as a product of education.
+ provide better awareness of the existence and benefits of the Department's power engineering courses to the power industry.

GENERAL ACCOUNTING POLICIES
The financial statements have been prepared in accordance with the Financial Reporting Standards and Statements of Standard Accounting Practice issued by the Institute of Chartered Accountants of New Zealand.

The Power Engineering Excellence Trust applies differential reporting in the preparation of these financial statements.

Full advantage has been taken of all differential reporting exemptions.

The general policies adopted in the preparation of these financial statements are the measurement and reporting of financial performance and position on an historical cost basis.

PARTICULAR ACCOUNTING POLICIES
The following are the particular accounting policies which have a material effect on the measurement of financial performance and the financial position:-

INVESTMENTS
All investments are stated at market value. Foreign investments have been translated to New Zealand currency at the ruling rates of exchange at balance date.

FINANCIAL INSTRUMENTS
Income and expenditure relating to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.

GOODS AND SERVICES TAX
All amounts are stated net of the Goods and Services Tax.

TAXATION
The Trust is exempt from the payment of income tax as it is a not-for-profit organisation. Accordingly there is no provision for income tax.

CHANGES IN ACCOUNTING POLICIES
Prior to 2004 investment income was calculated on the monthly balance, of the fund, at the Official Cash Rate. As of January 2004 investment income is calculated as per the Statement of Investment Objectives, which is approved by University Council.

This provides for a 4.5% operating return and two further distributions to equity, which maintain the purchasing power and also allow for future market fluctuations.

There have been no other changes in accounting policies.