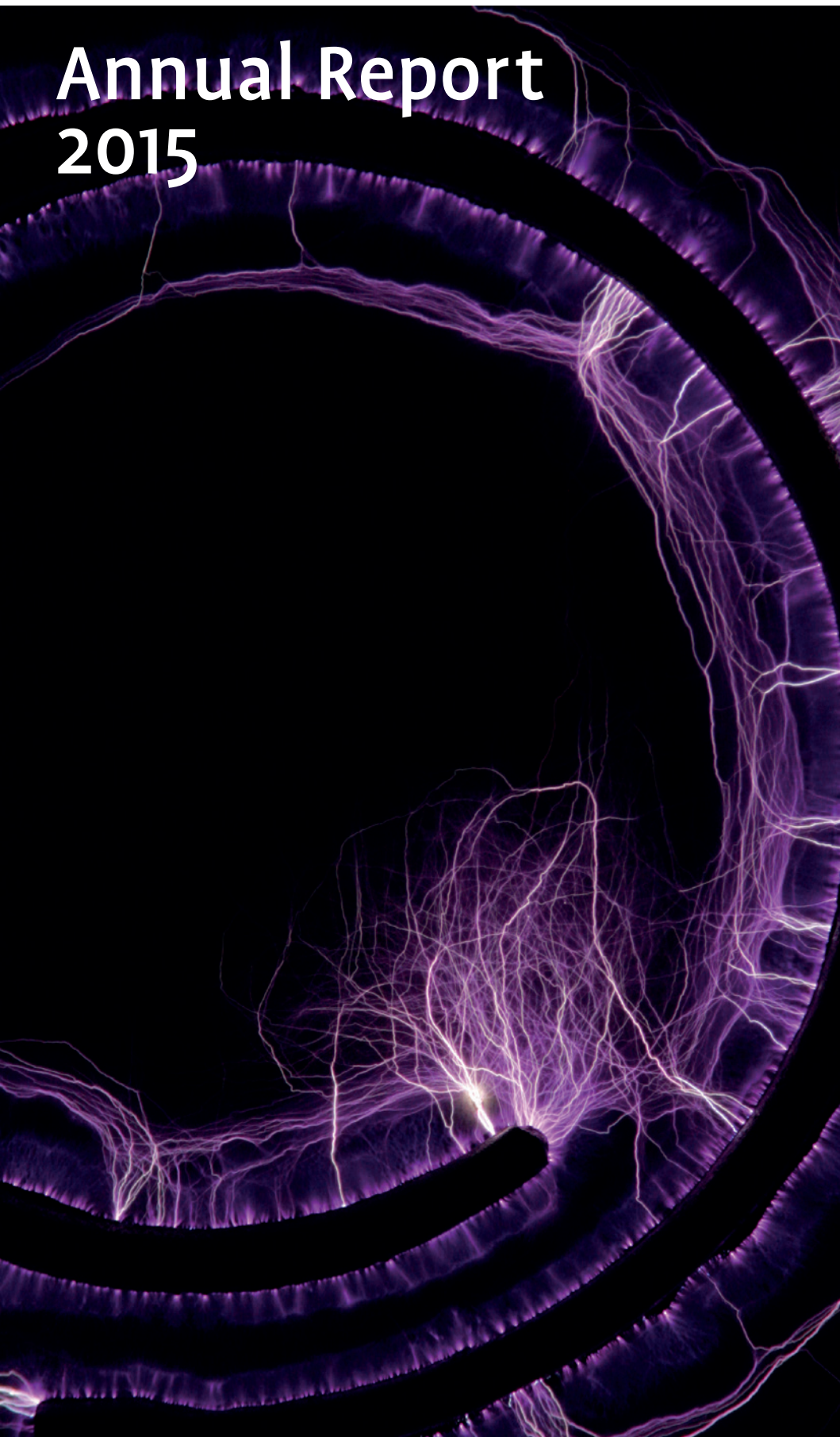




POWER
ENGINEERING EXCELLENCE
TRUST

Annual Report 2015



Chairman's Statement

The Power Engineering Excellence Trust (PEET) exists to promote and support the education and development of industry's future power engineers and the study of power engineering as a field of excellence. The trust and the Electric Power Engineering Centre (EPECentre) together, provide a significant education and research platform for the development of industry engineers. We offer extensive scholarship schemes for undergraduate and postgraduate students, promote electrical engineering to secondary students and host events that enable these future electrical engineering students to meet and learn about the challenges and opportunities in our industry. In conjunction with the MBIE, the University of Canterbury and industry sponsors of the 'Green Grid Project' we have helped to develop a world class smart grid research facility which is providing leading edge research outcomes and tools that support industry understanding and implementation of consumer technologies. These students are a key to unlocking future opportunities, and we are working to ensure they understand they can be part of shaping the new electricity future.

In this annual report I am pleased to address PEET's key achievements in 2015, give you a snapshot of how and where our former scholarship recipients are contributing to industry and provide you with the financial statements for the year 2015.

This year we awarded the new PEET funded undergraduate scholarships to eight school leavers who commenced their degrees. The scheme offers \$15,000 over a four year degree period to students enrolled into electric power engineering or prerequisite courses. The EPECentre also launched its PEET funded online NCEA Guide to assist secondary students achieve their "Electrical Systems" learning objectives. The new scholarships scheme and the NCEA guide are offered by the EPECentre in response to the decline of falling enrolments into the Electrical and Electronic Engineering (EEE) degree programme.

In 2013, our pursuit to promote excellence in the field of power engineering led us to co-fund the staffing cost of New Zealand's only research and teaching high voltage laboratory. Our support was in response to the uncertainty of the laboratory partly due to funding constraints. The HV lab has since become heavily used by electrical engineering students attending courses and laboratory exercises as well as hosting a number of visits from Year 12/13 science students. This year, there were total of seventeen final year and postgraduate students carrying out research and design projects on topics ranging from Partial Core Transformer design to the design of electromagnetism technology that can launch rockets into space.

PEET support of this facility enables an education that prepares graduates with the knowledge and capability to investigate innovative solutions for our industry.

Following the 2010/11 Canterbury earthquakes, 1st professional year of EEE enrolment numbers fell sharply from 87 in 2010 to 41 in 2014. This year we observed a turning point with a total of 49 enrolled students commencing their EEE degree. We have the opportunity to grow the supply of high achieving graduates, we must continue to invest in EPECentre's engagement with schools, fund attractive scholarships to students and look at how we can grow the research capability the EPECentre has developed through the Green Grid Project.

Our survey of past EPECentre scholars' show that PEET members who are part of the EPECentre activities are attracting the vast majority of PEET scholars. These employees are involved in innovative, leading edge work within the industry, such as HVDC upgrade, major distribution upgrades projects, design of new protection systems and leading innovative maintenance practices to optimize future maintenance. They are all "very satisfied" with their career choice and are all committed to longer term careers in the industry.

PEET is a unique partnership between our industry and the University of Canterbury and paramount in meeting industry future engineering skill needs. It provides excellence in electric power engineering education and is focused on future capability for our industry. I thank those companies that support and fund the work of the trust and strongly encourage others to join this important initiative – it's about our future as an industry! I would also like to thank Dr Allan Miller and his team at the EPECentre for their dedicated work, my fellow trustees, and Professor Jan Evans-Freeman at the College of Engineering, UC for their commitment, support and wise counsel.

Peter Berry

Chair, Power Engineering Excellence Trust/
Electric Power Engineering Centre

The trustees for 2015 were: Peter Berry (chair and professional engineering representative), John Foote (generation), John Clarke (transmission), Tas Scott (distribution), Craig Price (consulting), Robert Ferris (Contracting) and Professor Neville Watson (academia), Sean McCready (executive assistant to the trust) and Valerie Lang (secretary to the trust). The PEET Trustees met four times during the year and did not receive any remuneration in their capacity as Trustees.

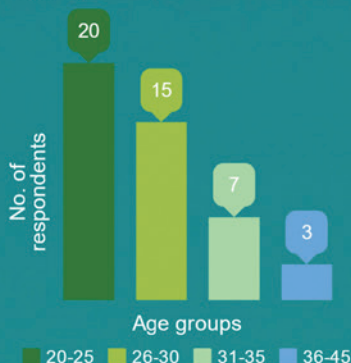
Where are our scholars now?

Between 2002 and 2015, we supported a total of 96 students in the field of electric power engineering through scholarships. This is who they are and what they are doing now*.

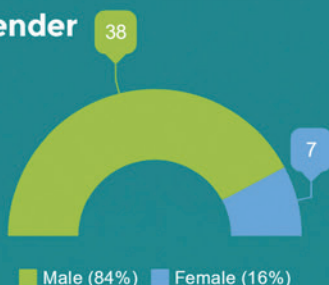
Demographics

A majority of the respondents graduated recently, are male, and are currently in their 20s.

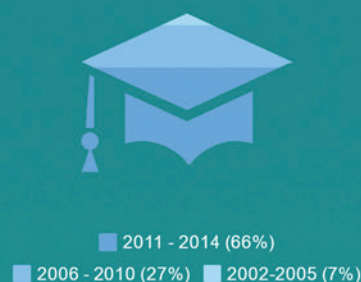
Age (now)



Gender



Year Graduated



So where are they?

30 (70%) of the respondents are working in the electricity industry.



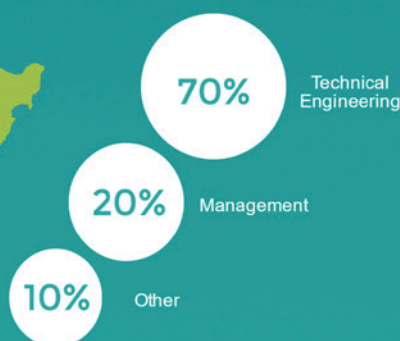
44%
of the
respondents
are working for
PEET members

22%
of the respondents
are working for
non PEET members
in the electricity industry

Location



Types of roles



A majority (80%) of the respondents are 'close to' or 'very satisfied' with their career choice.

"Power engineering presents all sorts of challenges in some of the most scenic parts of the world."

- Cameron Chapman,
Genesis Energy

"I feel privileged to be involved in looking after the HVDC link, being one of the key parts of New Zealand's power system."

- Darren O'Neill,
Transpower

"The EPECentre is really supportive through their scholarship scheme, and also with helping final year students find jobs in the industry."

- Melissa Ling,
Mighty River Power

* Questions were sent to 96 former scholarship recipients. We received 45 responses (47% response rate).

Financial Statements

For the year ended 31 December, 2015

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.

BASIS OF PREPARATION

These Financial Statements have been prepared on a going concern basis, and the Accounting Policies have been applied consistently throughout the period.

Statement of Compliance

These Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These Financial Statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards as appropriate that have been authorised for use by the External Reporting Board (XRB) for not-for-profit (NFP) public benefit entities. For the purposes of complying with NZ GAAP, the Power Engineering Excellence Trust has designated itself as a NFP PBE and is eligible to apply Tier 2 NFP PBE IPSAS - Reduced Disclosure Regime (RDR) on the basis that it does not have public accountability and it is not defined as large.

These Financial Statements are the first full year to be presented in accordance with the new PBE Accounting Standards. The impact on the Financial Statements, of the transition to the new PBE Accounting Standards, is explained in Note 14. The Power Engineering Excellence Trust are deemed a qualifying entity within the Framework for Differential Reporting, on the basis that they are not publicly accountable and are not large. As such, the Power Engineering Excellence Trust has taken advantage of all differential reporting concessions available to them except for FRS19 Accounting for Goods and Services Tax and FRS 10 on Cash Flows, with which they have complied fully

Presentation Currency and Rounding

These Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

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. 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.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at expected realisable value and are all receivables from exchange contracts; where a debt is considered unrecoverable it is written off.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when The Power Engineering Excellence Trust become party to the contractual provisions of the financial instrument. The Power Engineering Excellence Trust derecognise a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the UC Trust Funds have transferred the rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

The Power Engineering Excellence Trust have transferred substantially all The risks and rewards of The asset: or

– The Power Engineering Excellence Trust have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset

i. Financial Assets

Financial Assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

ii. Financial Liabilities

The Power Engineering Excellence Trust's financial liabilities include trade and other creditors. All financial liabilities are recognised at fair value.

FOREIGN CURRENCIES

Foreign currency transactions throughout the year have been translated to New Zealand currency at the ruling rates of exchange at date of payment. Realised and unrealised exchange gains or losses are accounted for in the Statement of Comprehensive Revenue and Expense

GOODS AND SERVICES TAX

All amounts are stated inclusive of Goods and Services Tax. As the Power Engineering Excellence Trust is not registered for GST, all GST is non-recoverable.

REVENUE

The Power Engineering Excellence Trust classify its revenue into exchange and non-exchange transactions. Investment Revenue: Dividend revenue is recognised in the period the dividend is declared. Interest revenue is accounted for as it is earned.

EXPENDITURE

Trust expenditure on scholarships, prizes and related travel is expensed/ accrued in the year that it is incurred.

TAXATION

The Power Engineering Excellence Trust are exempt from the payment of income tax as it is a not-for-profit organisation registered under the Charities Act 2003. Accordingly, there is no provision for income tax.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All accounting policies have been applied on a consistent basis with the previous year.

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31 December 2014	Note	31-Dec-15	31-Dec-14
Sundry Income	1	272,253	320,920
Investment Income	2	43,141	37,916
Total Income		315,394	358,836
EXPENDITURE			
Scholarships	3	75,333	75,000
Personnel		131,826	137,627
Education Support		—	—
Field Trips		16,484	24,453
Consulting		—	—
Sundry		60,638	34,451
TOTAL EXPENDITURE		284,281	271,531
NET SURPLUS		31,113	87,305

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ended 31 DECEMBER 2014			
Balance as at 1 January		947,690	817,887
Net Surplus for period		31,113	87,305
Other Distributions	4	36,222	42,498
Total Recognised Income & Expenditure		67,335	129,803
Balance as at 31 December		1,015,025	947,690

STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2015			
CURRENT ASSETS			
Sundry Debtors		—	—
Total Current Assets		—	—
CURRENT LIABILITIES			
Accounts Payable		—	—
Total Current Liabilities		—	—
NON-CURRENT ASSETS			
Investments	5	1,015,025	947,690
Total Non-Current Assets		1,015,025	947,690
TOTAL NET ASSETS		1,015,025	947,690
REPRESENTED BY:			
Trust Funds	6	1,015,025	947,690
TOTAL TRUST FUNDS		1,015,025	947,690
POWER ENGINEERING EXCELLENCE TRUST			

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015	31-Dec-15	31-Dec-14
1. Sundry Income		
Industry Funding	207,750	286,187
Consulting Income	—	34,733
	207,750	320,920
2. Investment Income		
Investment Income Gain	43,141	37,916
	43,141	37,916

The investment gain for 2015 and 2014 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	33,333	25,000
Undergraduate	42,000	50,000
Prior year scholarships	—	—
	75,333	75,000
4. Other Distributions		
CPI Adjustment to Base Capital	958	6,741
Revenue Reserve	35,264	35,757
	36,222	42,498

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.

5. Investments		
As at 31 December 2015 the amount of \$1,015,025 (2014: \$947,690) is invested through the University Trust Fund. Investment of these funds is overseen by investment advisers, Eriksen & Associates. This is in a manner that is in accordance with the Statement of Investment Policy and Objectives.		
6. Trust Funds		
Balance at beginning of period	947,690	817,887
Net Operating Surplus for period	31,113	87,305
Other Distributions	36,222	42,498
Balance at end of period	1,015,025	947,690

7. Commitments	
As at the balance sheet date, there were no commitments (2014: nil)	

Members

Premium Members

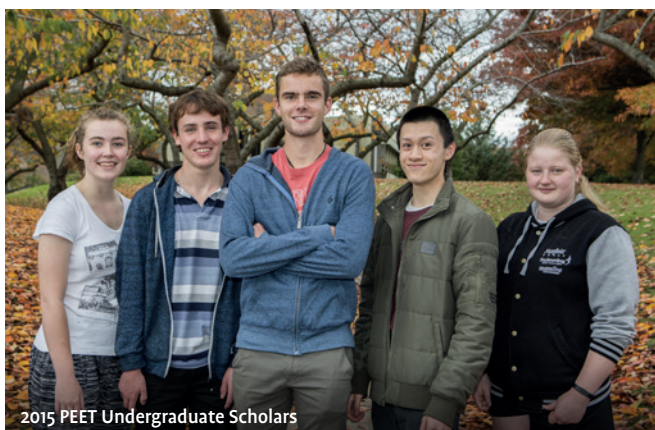


Members



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2015 PEET Undergraduate Scholars



EPECentre Careers Convention



PEET sponsored 2015 Power Engineering Field Trip



“Promoting and supporting the education of power engineers and the study of power engineering as a field of excellence in New Zealand”