CENTRAL LAKES TRUST GROUP

CONSOLIDATED FINANCIAL REPORT

31 MARCH 2024

BUSINESS DIRECTORY

Nature of Business	Charitable Trust
Business Address	190 Waenga Drive, Cromwell
Postal Address	PO Box 138, Cromwell
Trustees	Linda Robertson - Chair Kathy Dedo – Deputy Chair Lindsay Breen Jim Boult Kathy Grant Tony Lepper Hetty Van Hale Trudi Webb
Auditors	Deloitte Limited PO Box 1245 Dunedin 9054
Bankers	Bank of New Zealand 11-13 Rees Street Queenstown 9371
Solicitors	Berry and Co PO Box 179 Queenstown 9300
Accountants	McCulloch & Partners Level 2 / 11 – 17 Church Street Queenstown 9300

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STATEMENT OF SERVICE PERFORMANCE - for the year ended 31 March 2024

WHO ARE WE?

Central Lakes Trust (CLT) is dedicated to supporting charitable organisations within our funding region. The CLT funding region, which spans much of both Central Otago and Queenstown Lakes, was originally defined by our original benefactor, the Otago Central Electric Power Trust. As a charitable trust, our primary focus is to distribute funds to a diverse array of charitable initiatives that enrich the communities across this vibrant area.

Since inception in November 2000, CLT has grown its asset base from the $155 million settled by the Otago Central Electric Power Trust to assets totalling over $495 million. As at FYE 31 March 2024, CLT has granted $146.6 million to various charitable community programmes and projects across our region.

CLT is proud of its ownership in Pioneer Energy Limited (PEL) which comprises approximately 35% of CLT's investment portfolio.

PEL's business now includes – both through direct investment and through various joint ventures – a retail electricity distributor, multiple hydro and wind generation sites, and energy solutions throughout New Zealand. PEL is governed by an independent Board of Directors.

The remainder of CLT's investments are made up of a diversified portfolio which includes a range of national and international investments, in three asset classes:

- Growth Assets
- Alternative Growth/Fixed Interest Assets
- Income Assets.

CLT has allocated a percentage of funds to invest in social impact investments which, in addition to a financial return, generate a measurable community benefit to the CLT region. CLT continues to proactively seek out opportunities to increase these investments.

CLT operates under a Trust Deed and is governed by a Board of three appointed, and five publicly elected trustees. The Board has established committees to assist the Board and these committees provide advice and recommendations to the Board for its consideration.

WHY DO WE EXIST?

CLT's purpose is to ensure that funds can be available over time to help support charitable projects throughout its funding region to enhance the community and lives of its residents.

One of the CLT's primary objectives is to grow its capital base so that funds are available in perpetuity for the benefit of future generations. The ability to fund annual grants is dependent upon the performance of CLT's investments and the adequacy of its reserves.

CLT's strategic priorities are to:

- Manage our investment portfolio to maintain our fund in perpetuity
- Address the needs and opportunities of our region in collaboration with stakeholders and community; and
- Ensure we have effective processes and resources in place to enable us to achieve our vision.

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CLT'S MEDIUM TO LONG TERM GOALS:

Investment:

CLT expects an annual dividend from its ordinary shares in PEL to return a minimum of 7% on the current valuation of the company over the long-term.

In terms of its other investments, CLT is a long-term investor and aims to ensure its Reserving Position is greater than its Hard Benchmark and manages its portfolio in accordance with a Statement of Investment Policies and Objectives.

Community:

CLT aims to make grants across all its charitable sectors and funds a wide range of projects and programmes across its funding region.

WHAT DID WE DO AND HOW DID WE PERFORM?

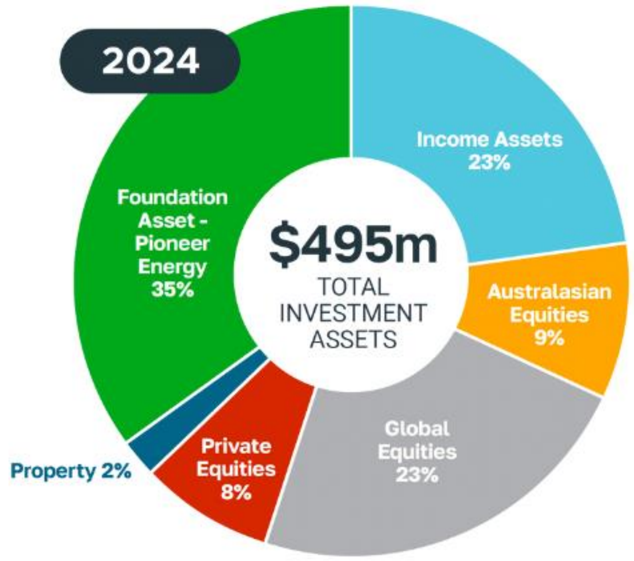
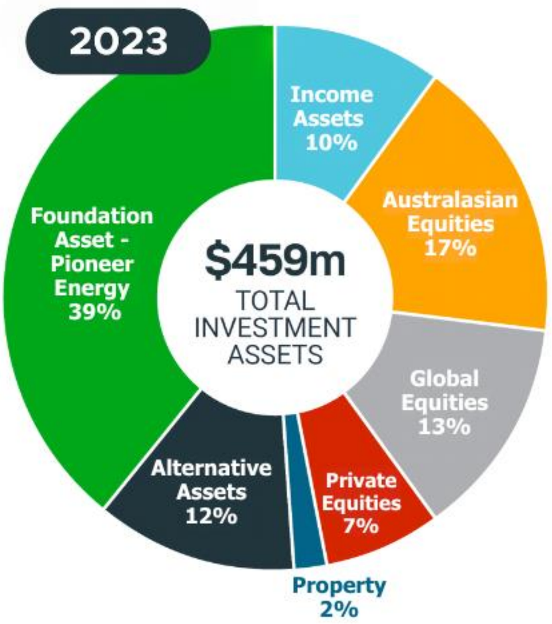
***Key Judgements**: In preparing the Statement of Service Performance and Annual Report, significant judgement is required regarding the elements of service performance reported and how those elements are measured or described. Management have elected to report on performance measures that reflect the objectives of CLT as stated in CLT's Strategic Plan and Trust Deed.*

Investment

Investment Portfolio

As a long-term investor, we manage our investment portfolio in accordance with our Statement of Investment Policies and Objectives (SIPO), which we formally review annually.

CLT invests its funds as follows:

2024	2023
	

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Pioneer Energy Limited

CLT's founding asset investment in PEL is valued at $172 million and comprises ordinary shares and redeemable preference shares.

CLT expects an annual dividend from its ordinary shares in PEL to return a minimum of 7% on the most recent valuation of the company. CLT acknowledges that PEL's financial performance can be negatively impacted by several factors and therefore takes a medium to long term view (five plus years) for the dividend calculations to allow a smoothing effect and to help cater for market volatility. PEL paid $8.8 million in dividends, a return of 7% on the most recent valuation of the company. PEL also paid $4.0m in interest on Redeemable Preference Shares (RPS), a return of 8% on the value of the RPS.

Social Impact Investments

CLT aims to make social impact investments of up to $20 million. Social impact investments are investments that are intended to provide a financial return and generate a measurable community benefit to the CLT region.

As at year end social impact investments were valued at $10.1 million and comprised of:

Investment	Project	2024 $m	2023 $m
Queenstown Lakes Community Housing Trust	Community housing development in Queenstown Lakes District (Shotover Country and Hikuwai)	4.0	4.1
New Ground Capital	Mixed tenure housing project in Frankton – Toru Apartments	2.9	2.4
Southern Cross CLT Hospital	Hospital	3.2	2.7

RESERVING FRAMEWORK

The Reserving Framework is a tool CLT uses to monitor its investment portfolio and to aid its decision making. The Reserving Position is defined as Total Assets less Total Liabilities. CLT strives to maintain a Reserving Position that sits above the Hard Benchmark. To preserve the CLT's capital over the long-term, it is preferable that the value of the Reserving Position not fall below the Hard Benchmark.

CLT's Hard Benchmark has been restated at $286 million in March 2024 due to the change in methodology which removed the population adjustment. Trustees were advised that maintaining the population adjustment within the reserving calculation in a climate of fast-paced population growth could result in a situation where the fund is growing but unable to distribute funds until such time as the population or inflation falls well below current levels.

The Reserving Position increased significantly over the year (up $32 million). This was influenced by favourable investment market returns, especially in global equities, led by the strong performance of companies in the United States and the technology sector.

The overall investment return for the period was 8.8% (2023: 1.2%)

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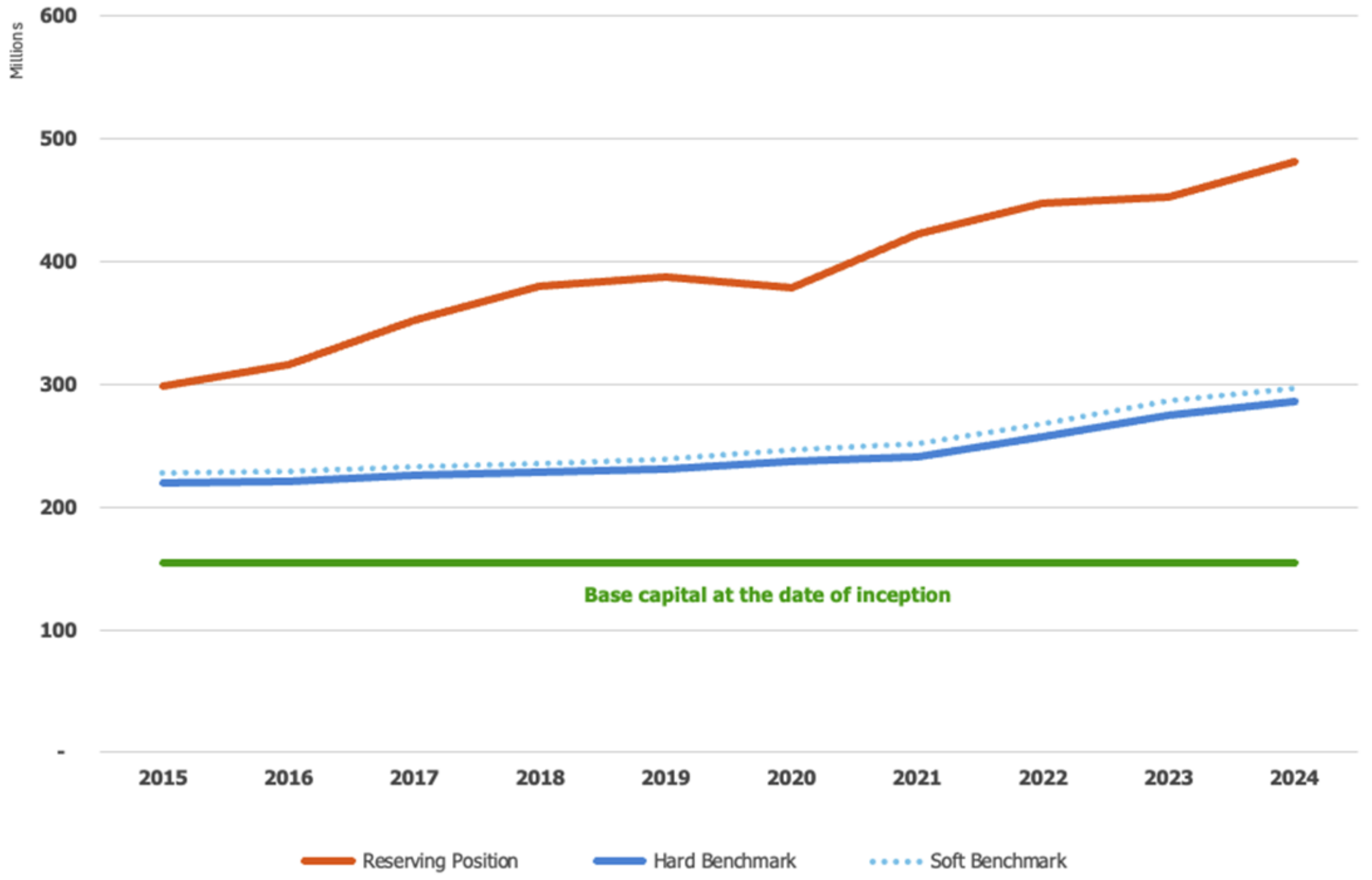
Investment Statistics	2024 $m	2023 $m
Hard Benchmark	285.9	274.8**
Reserving Position *	482.4	450.3

*The Reserving Position is a measure calculated from CLT's result and does not align with the Group financial statements.
**The Hard Benchmark has been restated with the removal of the population estimate.

Hard Benchmark
The Hard Benchmark is Base Capital ($155 million) adjusted for CPI since inception. CLT monitors its Reserving Position aiming to remain above the Hard Benchmark, therefore protecting its capital for future generations.

Soft Benchmark
CLT maintains a Soft Benchmark above the Hard Benchmark, which equates to a rolling three year average of actual grants approved and operating costs. The three years of granting and operational expenditure has been formulated to allow CLT to continue to support the community whilst still protecting our capital for future generations in times when world events such as COVID-19 affect our Reserving Position.

Reserving Position
Total CLT Assets less Total CLT Liabilities.



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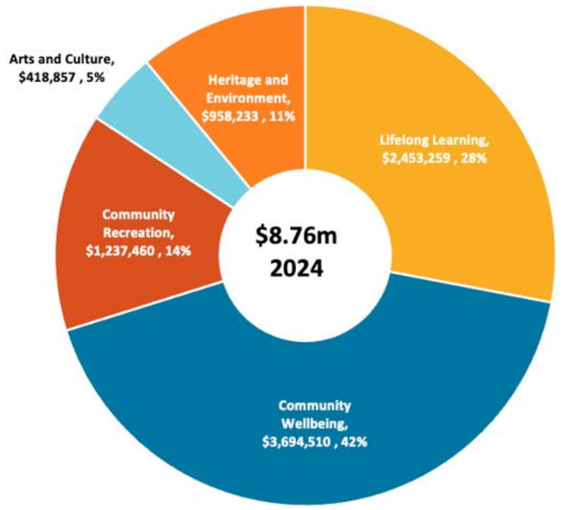
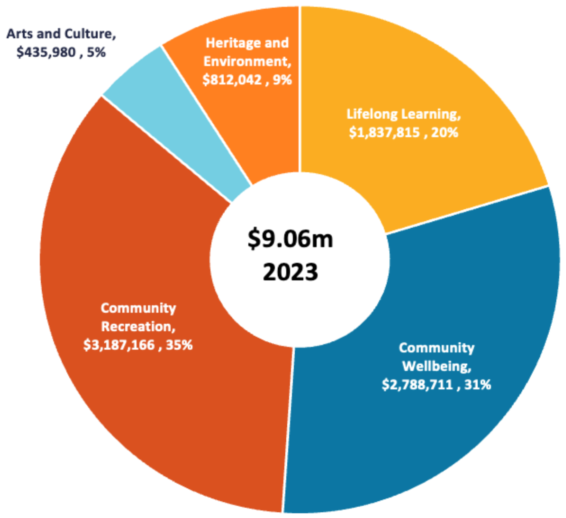
Community

CLT makes grants across all its charitable sectors and funds a wide range of projects and programmes across the Central Lakes region. For the year ended 31 March 2024 CLT granted $8,762,400 (2023 - $9,061,700) through the provision of 179 grants (2023 - 169). The figures shown in the financial statements differ from these figures as each year the trustees make decisions on granting activity which may impact future years. Whilst this decision is accounted for in the year in which the decision is made, the reporting on granting activity for the year, reflects the year in which the grant relates.

Our grants are categorised into five different sectors:

Grants for year to 31 March 2024	Grants for year to 31 March 2023
	

CLT also aims to make grants across the entire Central Lakes Region:

Town	2024	2023
Alexandra	1,248,000	1,032,200
Arrowtown	335,700	462,000
Bannockburn	115,000	109,600
Clyde	262,500	344,000
Cromwell	1,401,700	1,038,500
Glenorchy	44,300	49,200
Hāwea	306,000	376,000
Luggate	71,700	112,500
Makarora	106,800	64,900
Millers Flat	20,100	108,300
Omakau	108,800	107,900
Poolburn	5,600	8,600
Queenstown	2,791,500	2,487,500
Roxburgh	193,500	432,900
St Bathans	4,300	9,000
Tarras	12,000	36,200
Wānaka	1,734,900,	2,282,400
Total	**8,762,400**	**9,061,700**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES for the year ended 31 March 2024

	Notes	2024 $000	2023 $000
Revenue from Exchange Transactions			
Investment Gains/(Losses)	2a	34,898	(5,840)
Generation, Retail & Energy	2b	67,542	101,367
Other Revenue	2c	11,277	2,957
		113,717	**98,484**
Less Expenses			
Cost of Sales – Electricity		18,534	48,300
(Gain)/Loss on fair value of electricity derivatives		18,007	(21,406)
Audit Fees – Deloitte Limited	2d	248	211
Other Fees paid to Auditor	2d	8	8
Investment Advice/Management Fees		99	63
Trustee Remuneration	25c, d, e	263	264
Director Remuneration	25f	360	291
Employee Remuneration	2e	6,464	7,717
Depreciation & Amortisation Expense	2f	8,319	6,620
Finance Costs		10,379	7,145
Other Expenses	2g	18,454	46,654
Total Expenses		**81,135**	**95,867**
Net Operating Surplus		**32,582**	**2,617**
Less Grants Approved	17	(10,858)	(8,666)
Add Grants Rescinded	17	117	185
		21,841	**(5,864)**
Gains/(Losses) on foreign exchange derivatives		-	17
Share of Surplus / (Deficit) from Joint Ventures	14	16,628	(38,337)
Gain on disposal of equity accounted interest in joint venture	12	7,037	-
Net Surplus/(Deficit) for the year		**45,506**	**(44,184)**
Surplus/(Deficit) for the year is Attributable to:			
Equity holders of the parent		46,170	(44,184)
Non-Controlling Interests		(664)	-
		45,506	**(44,184)**
Other Comprehensive Revenue or Expense			
Item that may be reclassified subsequently to surplus or deficit			
Cash Flow Hedges			
Fair value gain/(loss) on Interest Rate Swaps	19d	(741)	3,017
Fair value gain/(loss) on Foreign Exchange Contracts	19d	-	6
Other Comprehensive Revenue or Expense		**(741)**	**3,022**
Total Comprehensive Revenue and Expense for the year		**44,765**	**(41,162)**

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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2024

	Notes	General Funds	Capital Maintenance Reserve	Population Growth Reserve	Non-Controlling Interests	Hedging Reserve	Total
		$000	$000	$000	$000	$000	$000
Balance at 31 March 2022	19	175,910	102,499	159,581	-	3,241	441,231
Net Surplus/(Deficit) for the year		(44,184)	-	-	-	-	(44,184)
Other Comprehensive Revenue or Expense for the year	19	-	-	-	-	3,022	3,022
							-
Total Comprehensive Revenue & Expense for the year		(44,184)	-	-	-	3,022	(41,162)
Transfer from General Funds	19	(40,811)	17,137	23,674	-	-	-
Balance at 31 March 2023	19	90,916	119,636	183,255	-	6,263	400,069
							-
Net Surplus/(Deficit) for the year		46,170	-	-	(664)	-	45,506
Non Controlling Interest		(664)	-	-	4,950	-	4,286
Other Comprehensive Revenue or Expense for the year	19	-	-	-	-	(741)	(741)
Total Comprehensive Revenue & Expense for the year		45,506	-	-	4,286	(741)	49,051
Transfer to Capital Maintenance Reserve	19	-	183,255	(183,255)	-	-	-
Transfer from General Funds	19	(11,049)	11,049	-	-	-	-
							-
Balance at 31 March 2024	19	**125,374**	**313,940**	**-**	**4,286**	**5,522**	**449,122**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

	Notes	Group 2024 $000	2023 $000
Current Assets			
Cash and Cash Equivalents	20a	5,019	1,003
Receivables from Non-Exchange Transactions	4	482	587
Receivables from Exchange Transactions	5	13,602	31,918
Inventories	6	1,311	328
Investments	7	3	35,196
Other Financial Assets	8	9,878	12,725
		30,295	**81,757**
Non Current Assets			
Property, Plant & Equipment	13	97,651	57,606
Investments	7	316,611	239,154
Investment Property	10	6,300	5,850
Other Intangible Assets	15	14,526	7,062
Goodwill	9	16,268	16,268
Other Financial Assets	8	15,719	21,937
Investment in Joint Ventures	14	141,221	141,547
		608,296	**489,424**
Total Assets		**638,591**	**571,181**
Current Liabilities			
Payables under Exchange Transactions	16	16,896	12,435
Provision for Grants	17	17,999	17,019
Borrowings	18	17,400	21,400
Other Financial Liabilities	8	16,245	13,205
		68,540	**64,059**
Non Current Liabilities			
Income in Advance	16	10,319	-
Other Financial Liabilities	8	2,813	6,451
Provision for Grants	17	1,797	602
Borrowings	18	106,000	100,000
		120,929	**107,053**
Total Liabilities		**189,469**	**171,112**
Equity			
Capital and Reserves		449,122	400,069
Equity attributable to the Trust	19	**449,122**	**400,069**
Total Liabilities and Equity		**638,591**	**571,181**

For and on behalf of the Trust:

Trustee   **Trustee**

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CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2024

	Notes	Group 2024 $000	2023 $000
Cashflows from Operating Activities			
Cash was provided from:			
Receipts from customers – exchange transactions		97,877	136,872
Rent received		245	228
Interest & Dividends received		3,050	2,546
		101,172	139,646
Cash was disbursed to:			
Payment to Suppliers		(56,580)	(126,983)
Payment to Employees		(6,727)	(7,748)
Interest paid		(10,379)	(7,148)
Payment of Grants		(8,566)	(10,025)
		(82,252)	(151,902)
Net cash inflow/(outflow) from operating activities	20b	**18,920**	**(12,256)**
Cashflows from Investing Activities			
Cash was provided from:			
Funds received from Investments		225,992	26,210
Proceeds from sale of Property, Plant & Equipment		11,932	22,713
Distributions from Joint Ventures		14,194	10,825
		252,118	59,748
Cash was disbursed to:			
Payment for Investments		(249,613)	(18,932)
Payment for Property, Plant & Equipment		(11,073)	(31,424)
Payment for Other Intangible Assets		(1,623)	(6,697)
Capital Contribution to Joint Ventures		(10,992)	(10,687)
Issue of Loan to Joint Venture		(391)	-
		(262,619)	(67,740)
Net cash inflow/(outflow) from investing activities		**(10,500)**	**(7,992)**
Cashflows from Financing Activities			
Cash was provided from:			
Proceeds from Borrowings		-	6,900
Proceeds from Prudential Security		596	11,266
		596	18,166
Cash was disbursed to			
Repayment of Borrowings		(5,000)	-
		(5,000)	-
Net cash inflow from financing activities		**(4,404)**	**18,166**

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CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2024 (cont'd)

	Notes	Group 2024 $000	2023 $000
Net increase/(decrease) in Cash and Cash Equivalents		**4,016**	**(2,082)**
Add Cash and Cash Equivalents at beginning of the year		1,003	3,085
Cash and Cash Equivalents at end of the year	20a	**5,019**	**1,003**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2024

The consolidated financial statements of the Group are for the year ended 31 March 2024. The financial statements were authorised for issue by the trustees on 6 September 2024.

1. SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

Central Lakes Trust (the Trust) is a Charitable Trust incorporated in New Zealand on 7 February 2001 under the Charitable Trusts Act 1957. The Central Lakes Trust Group consists of Central Lakes Trust and its 100% owned subsidiaries, Pioneer Energy Limited and Central Lakes Direct Limited.

The principal activities of the Trust are:

- To lawfully make charitable grants for the benefit of the Central Lakes Trust region,
- To ensure that grant applications are assessed and decided upon in an unbiased manner.
- To produce a portfolio of grants that is representative of the region’s interests and needs.
- To be helpful, responsive and accessible to communities within the Central Lakes Trust region.
- To prudently manage investments to maximise returns.

Basis of Preparation

<u>Statement of Compliance</u>

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”).

These financial statements comply with Not For Profit Public Benefit Entity Accounting Standards (PBE Standards (NFP)). The financial statements have been prepared in accordance with Tier 1 PBE Standards (NFP).

For the purpose of these financial statements, the Trust has been designated as a public benefit entity (PBE). Public benefit entities (PBEs) are reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

<u>Functional and Presentation Currency</u>

The financial statements are presented in thousands of New Zealand dollars ($000). The New Zealand dollar is the Group’s functional currency.

<u>Measurement Basis</u>

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain assets and liabilities as identified in the following accounting policies. Cost is based on the fair value of the consideration given in exchange for assets.

<u>Changes in Accounting Policies</u>

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

<u>Critical Judgements, Estimates and Assumptions</u>

In the application of the Group’s accounting policies, the trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may vary from these estimates.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements, estimates and assumptions made in the preparation of these financial statements are outlined below:

Impairment Assessment of Generation and Heat Property, Plant and Equipment and Investments in Joint Ventures

At the end of each reporting period, the Group assesses whether there is any indication that its assets may be impaired. In the event that any such indication exists, the Group shall estimate the recoverable amount of the assets. In the current year, to support management's assessment as to whether there was any indication that any assets may be impaired, the Group obtained an independent valuation that utilised a discounted cash flow model.

Depreciation

In determining the appropriate depreciation rate to apply against property, plant and equipment, management are required to make estimates regarding the useful lives and residual values of property, plant and equipment.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The estimates used by management in determining the depreciation rate may ultimately be different to the actual pattern of use. In the event these estimates differ to the actual pattern of use the depreciation charge recognised may be more or less than what would have been charged had this information been available at the time of determining the estimate.

Valuation of electricity derivative financial instruments

The valuation of the electricity derivative contracts relies on an internally developed pricing methodology. Agreed prices are compared against publicly available ASX and Energy Link forward hedge prices over the agreement period in order to determine a fair value of each derivative. Assumptions that can have a significant impact on the fair value are the publicly available forecasted spot price at each grid exit point and unobservable forecast volumes to be delivered.

Borrowing Costs

Judgement has been applied to calculate the proportion of borrowings related to qualifying assets and the capitalisation period. Judgement has also been exercised to determine that borrowing costs that have been expensed are not attributable to qualifying assets.

Investments in Joint Ventures

Refer to note 14.

Investments in Private Equities

Refer to note 7 and note 21.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Significant Accounting Policies

Significant accounting policies which are pervasive to the financial statements are set out below. Significant policies specific to certain transactions or balances are set out within the particular note to which it relates.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Trust and its controlled entities.

Controlled entities are those entities over which the Trust has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. In preparing the consolidated financial statements, all intra-group assets, liabilities, equity, revenues, expenses and cashflows relating to transactions between entities within the Group are eliminated in full, on consolidation.

Controlled entities are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. On acquisition, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under NZ PBE IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with NZ PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in surplus or deficit.

Non-Controlling Interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the minority interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Assets Classified as Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met, only when the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such asset (or disposal group), and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Impairment of Non-Financial Assets excluding Goodwill

At each balance date or when events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount, the Group reviews the recoverability of the carrying amounts of its tangible and intangible assets to determine whether they have suffered an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or group of assets (cash generating units).

An impairment loss is recognised immediately in the surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss is recognised immediately in the surplus or deficit.

Comparatives

When the presentation or classification of items change, comparative amounts are reclassified unless the reclassification is impracticable.

Adoption of New or Amended Standards or Interpretations

The Group has not yet assessed the impact of the following new standards and interpretations on issue which have yet to be adopted:

- 2022 Omnibus Amendments to PBE Standards which include general updates and amendments to several Tier 1 AND Tier 2 PBE accounting Standards. Issued June 2022 – Effective for periods beginning on or after 1 July 2024.
- Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1). Issued in May 2023 this amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm – Effective for periods beginning on or after 1 January 2024.
- PBE IFRS 17 Insurance Contracts. Issued in June 2023 this standard establishes principles for the recognitions, measurement, presentation, and disclosure of insurance contracts. – Effective for periods beginning on or after 1 January 2026.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

2. REVENUE & EXPENSES

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made.

a. Investment Revenue

***Policy**:*

Interest revenue - for all financial assets measured at amortised cost interest revenue is accrued on a time basis at the effective interest rate applicable. This is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the net carrying amount of the financial asset on initial recognition.

Net gains or losses arising on financial assets at Fair Value through Surplus or Deficit - incorporates any dividend or interest earned on the financial asset, as well as realised and unrealised gains and losses including foreign exchange.

Dividend revenue – dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of that investment.

Rent - rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

	Group	
	2024	**2023**
	$000	$000
Interest	3,053	2,664
Net gains/(losses) arising on Investments at Fair Value through Surplus or Deficit	31,599	(8,733)
Rent	246	229
Total	**34,898**	**(5,840)**

b. Generation, Retail & Energy

***Policy**:*

Supply of electricity (generation and retail) and energy revenue – is recognised at the time of supply and is measured at the fair value of the consideration received or receivable net of discounts and GST.

Revenue from exchange transactions:		
Electricity Generation and Retail Sales	48,798	84,592
Waste to Energy	2,923	-
Energy Sales	15,821	16,775
Total Exchange	**67,542**	**101,367**

c. Other Revenue

***Policy**:*

Other revenue – revenue is recognised when services are provided.

Gain/(Loss) on Sale - Property, Plant and Equipment - is calculated at the difference between the net disposal proceeds and the carrying amount of the asset.

Other Revenue	7,733	2,236
Gain/(Loss) on Sale - Property, Plant and Equipment	3,544	721
Total Other Revenue	**11,277**	**2,957**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

2. REVENUE & EXPENSES (cont'd)

d. Audit Fees

	Group	
	2024	**2023**
	$000	$000
Statutory audit – Deloitte Limited	222	186
Other non-assurance fees – Deloitte Limited (i)	8	8
Other fees paid to Deloitte Limited by entities related to the Group (ii)	26	25
Total	**256**	**219**

i) Other non-assurance fees paid to Deloitte Limited in the current year relate to tax compliance services (2023: tax compliance services).

ii) Other fees paid to Deloitte Limited by entities related to the Group are for the audit of joint venture investment entities.

e. Employees Remuneration includes:

Contribution to Defined Contribution Plans	**388**	**386**

f. Depreciation and Amortisation Expense

***Policy*:**

Refer to Note 13 and 15

Depreciation expense	7,751	6,362
Amortisation expense	568	258
Total	**8,319**	**6,620**

g. Other Expenses includes:

***Policy*:**

Operating leases - are leases that do not transfer substantially all the risks and rewards incidental of ownership of the leased item to the Group. Rentals payable under operating leases are recognised as an operating expense in surplus or deficit on a straight line basis over the lease term.

Net operating surplus/(deficit) has been arrived at after charging the following expenses:

Operating Lease Payments	**4,522**	**4,584**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

3. TAXATION

The Group is exempt from Income Tax. The Trust is a charitable organisation, which was granted exemption from Income Tax under Section CB 4(1)e of the Income Tax Act 1994 (replaced with Section CW 42(1) of the Income Tax Act 2007). Charitable Status for the Trust was effective from the inception of the Trust. Charitable status for Pioneer Energy Limited was effective from 23 October 2002, and accordingly, income earned after that date is exempt from taxation.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Policy:

GST - The Group is registered for GST, and reporting is exclusive of GST in terms of revenue, expenses and assets, except for receivables and payables, which are recognised inclusive of GST. Where the amount of GST is not recovered from the taxation authority, it is recognised as part of the cost of an asset or item of expense. The net amount of GST recoverable from or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

	Group	
	2024	**2023**
	$000	$000
Prudential Security Bond	216	260
GST refund due	266	327
Total	**482**	**587**

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Policy:

Trade and other receivables are initially recognised when they are originated. Recognition is at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses.

Collectability and change of credit risk of trade receivables is reviewed on an on-going baiss. Debts which are known to be uncollectible are written off. The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the lifetime of expected credit losses (ECL). Expected credit losses in the current year are negligible.

Trade Receivables	4,846	24,966
Prepayments & Accruals	6,969	4,611
Sundry Receivables	1,787	2,341
Total	**13,602**	**31,918**

As at 31 March 2024 Group trade receivables of $2,302,000 (2023: $39,204,000) were past due and a provision for expected credit losses of $Nil (2023: $Nil) was recognised in other expenses in the statement of comprehensive revenue and expenses.

Refer to note 25 for details regarding related party receivables.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

6. INVENTORIES

Policy:
Inventories are valued at the lower of cost and net realisable value.

Consumable	1,275	292
Carbon Credit Units	36	36
Total	**1,311**	**328**

7. INVESTMENTS

Policy:

Investment assets are classified, at initial recognition, as financial assets 'at fair value through surplus or deficit (FVTSD)' or 'amortised cost' as appropriate. The classification depends on the nature and purpose of the financial assets.

Financial assets are classified as at FVTSD when the financial asset is either held for trading or is designated as at FVTSD.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Investments in Unit Trusts, Managed Funds and Private Equities together with derivatives not designated as hedging instruments, are classified as financial assets at FVTSD. The Group has not designated any financial assets at FVTSD.

Financial assets at FVTSD are stated at fair value with any resultant gain or loss recognised in surplus or deficit. Refer to Note 21 for consideration of the significant assumptions and judgements associated with assessing fair value for Unit Trusts, Managed Funds and Private Equities.

Amortised Cost - Investments in NZ Cash, and a Queenstown Lakes Community Housing Trust Loan are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Interest revenue is recognised by applying the effective interest rate.

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in surplus or deficit. Purchases and sales of financial assets are accounted for at trade or settlement date (whichever is applicable).

Impairment of Financial Assets - Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

7. INVESTMENTS (cont'd)

	Group 2024	Group 2023
	$000	$000
AT AMORTISED COST		
Current		
NZ Cash	3	35,196
Total	**3**	**35,196**
Non-Current		
Queenstown Lakes Community Housing Loan	4,035	4,123
Total	**4,035**	**4,123**
TOTAL AT AMORTISED COST INVESTMENTS	**4,038**	**39,319**
AT FAIR VALUE THROUGH SURPLUS OR DEFICIT		
Non-Current		
Unit Trusts	271,495	199,361
Private Equities	41,081	35,671
Total	**312,576**	**235,032**
TOTAL INVESTMENTS	**316,614**	**274,350**
Disclosed as:		
Current	3	35,196
Non Current	316,611	239,154
Total	**316,614**	**274,350**

8. OTHER FINANCIAL ASSETS & OTHER FINANCIAL LIABILITIES

***Policy**:* Derivative Financial Instruments - The Group enters into certain derivative financial instruments to manage its exposure to movements in the spot price for electricity, foreign exchange rates and interest rates.

The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date.

The resulting gain or loss is recognised in surplus or deficit immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in surplus or deficit depends on the nature of the hedge relationship.

Hedge Accounting -
At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in off-setting changes in fair value or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument; and
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

8. OTHER FINANCIAL ASSETS & OTHER FINANCIAL LIABILITIES (cont'd)

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

The electricity derivatives are not designated as an effective hedge relationship and therefore are not hedge accounted and gains and losses are reflected in the statement of comprehensive revenue and expense related to the month in which they relate. Certain foreign currency forward contracts and interest rate swaps are accounted for as effective cash flow hedges.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Changes in the fair value of electricity derivatives that are designated as fair value hedges are recorded in surplus or deficit immediately, together with any changes in the fair value of the hedged item that are attributable to the hedging risk.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

8. OTHER FINANCIAL ASSETS & OTHER FINANCIAL LIABILITIES (cont'd)

The effective portion of changes in the fair value of foreign currency forward contracts and interest rate swaps that are hedge accounted are designated as cash flow hedges and are recognised in other comprehensive revenue or expense and accumulate as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. Changes in the fair value of the foreign currency forward contracts that are not hedge accounted are recorded in surplus or deficit.

	Group	
	2024	**2023**
	$000	$000
OTHER FINANCIAL ASSETS		
Current – At Fair Value		
Electricity Hedge Contracts (i)	9,878	12,725
Foreign Currency Forward Contracts	-	-
Total	**9,878**	**12,725**
Non Current		
Non Current – At Amortised Cost		
Other Finance Receivable – Dairy Creek	10,197	9,806
Non Current – At Fair Value		
Electricity Hedge Contracts (i)	-	5,868
Interest Rate Swap Contracts (ii)	5,522	6,263
Total	**15,719**	**21,937**
TOTAL OTHER FINANCIAL ASSETS	**25,597**	**34,662**
OTHER FINANCIAL LIABILITIES		
Current – At Fair Value		
Electricity Hedge Contracts (i)	(16,245)	(13,205)
Interest Rate Swap Contracts (ii)	-	-
Total	**(16,245)**	**(13,205)**
Non Current – At Fair Value		
Interest Rate Swap Contracts (ii)	-	-
Electricity Hedge Contracts (i)	(2,813)	(6,451)
Total	**(2,813)**	**(6,451)**
TOTAL OTHER FINANCIAL LIABILITIES	**(19,058)**	**(19,656)**

i) Electricity hedge contracts are classified as fair value through operating profit and gains and losses are also recognised in operating profit.

ii) Interest rate swaps are classified as financial instruments held at fair value through Other Comprehensive Income as they are designated as effective cash flow hedges. The effective portion of changes in their fair value are recognised in Other Comprehensive Income and accumulate as a separate component of equity in the hedging reserve. Any gain or loss relating to the ineffective portion is recognised immediately in profit or loss Refer to Note 19 for a reconciliation of the gain/(loss) recognised in Other Comprehensive Income and accumulated in the Hedge Reserve.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

8. OTHER FINANCIAL ASSETS & OTHER FINANCIAL LIABILITIES (cont'd)

iii) At 31 March 2018 the Group provided a loan facility to Dairy Creek Limited Partnership of $9,000,000 at an annual interest rate of 9%. This was increased to $10,641,000 in 2020. The loan is required to be repaid in 2027. Dairy Creek Irrigation Company Limited, a joint venture of the Group, has an option to repay all or part of the loan annually between 2022 and 2027. The outstanding balance had the interest rate re-set at an annual rate equivalent to the NZ Government 5 year bond rate (at the time) plus 600 basis points on the 20th of December 2022, being 10.3% (2023: 10.3%). The Group classified this as financial asset measured at amortised cost. Pioneer Energy Limited hold security in the form of encumberance over participating landowners land under the Water Rights Agreement.

Refer to Note 21 for further information on other financial assets and other financial liabilities accounting policies.

9. GOODWILL

***Policy**:*

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount is the higher of fair value less cost to sell and value in use. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in surplus or deficit and is not reversed in subsequent periods. On disposal of a relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the surplus or deficit on disposal.

	Group	
	2024	**2023**
	$000	$000
Cost	16,268	16,268
Accumulated impairment losses	-	-
Carrying Amount	**16,268**	**16,268**
Cost		
Balance at 1 April	16,268	16,268
Acquisition of subsidiaries	-	-
Balance at 31 March	**16,268**	**16,268**
Accumulated Impairment Losses		
Balance at 1 April	-	-
Impairment Losses	-	-
Balance at 31 March	**-**	**-**

Goodwill arose on the acquisition of Pioneer Energy Limited by the Trust and on the acquisition of Ecosystems Limited by Pioneer Energy Limited.

The entire balance of goodwill has been allocated for impairment testing purposes to the Pioneer Energy Limited cash generating unit. Refer to Note 13 for details of the latest valuation of generation and energy assets of Pioneer Energy Limited.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

10. INVESTMENT PROPERTY

***Policy**:*

Investment property, which is property held to earn rentals, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in surplus or deficit in the period in which they arise.

Measurement and Assumptions:

The fair value of the Group's investment property at 31 March 2024 (and 31 March 2023) has been arrived at on the basis of a valuation carried out at that date by APL Property Limited, an independent registered valuer who is member of the New Zealand Property Institute and New Zealand Institute of Valuers.

The valuation was prepared by capitalising the potential revenue that the property can generate. Comparison to market evidence of transaction prices for similar properties was also performed.

The capitalisation rate utilised in the valuation is 5.5% (2023: 5.5%).

There were no significant contractual obligations of a capital and/or maintenance nature relating to the current investment property at balance date (2023: Nil).

	Group	
	2024	**2023**
	$000	$000
Balance at beginning of the year	5,850	5,450
Gain/(loss) on property revaluation at fair value	450	400
Balance at end of the year	**6,300**	**5,850**

11. SUBSIDIARIES & CONTROLLED ENTITIES

Details of the Group's subsidiaries at 31 March are as follows:

Name	Place of Incorporation	Principal Activity	Ownership interests and voting rights 2024 %	Ownership interests and voting rights 2023 %
Central Lakes Direct Limited	NZ	Investment Company	100%	100%
Pioneer Energy Limited	NZ	Electricity & Energy Generation	100%	100%
Ecogas Limited Partnership	NZ	Waste to Energy	85% (60%)	85% (50%)
Pioneer Generation Investment Limited	NZ	Holding Company	100%	100%

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

12. ACQUISITION OF SUBSIDIARIES/PARTNERSHIP

Name	Principal Activity	Date of Acquisition	Proportion of shares acquired
Ecogas Limited Partnership	Waste to Energy	1 November 2023	85%

Ecogas Limited Partnership was acquired by way of obtaining control through directors voting rights increasing from 50% to 60% on 1 November 2023 via a step acquisition. No consideration was paid for obtaining control. The following summarises, on a provisional basis, the fair value of assets acquired and liabilities assumed at the acquisition date. The Group has 12 months from the date of acquisition to finalise the business combination accounting.

Analysis of provisional fair value of assets and liabilities acquired	Fair Value at acquisition $000
Cash at bank	1,690
Trade and other receivables	698
Prepayments	119
Inventories	11
Property, plant, and equipment	38,452
Intangible assets	13,059
Right of use assets	5,781
Trade creditors and other payables	(2,270)
Income in advance	(11,758)
Lease liability	(5,782)
Borrowings - PGF	(7,000)
Net identifiable assets acquired	33,000
Less non controlling interest	(4,950)
Net assets acquired	28,050
Net cash inflow on acquisition	1,690

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

13. PROPERTY, PLANT & EQUIPMENT

Policy:
Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation is provided on a straight line basis for the main generation assets. For all other assets, the diminishing value method has been adopted using the effective rates set out below.

Expenditure incurred to maintain these assets is charged to surplus or deficit in the period incurred.

Any capital expenditure incurred subsequent to the commissioning of fixed assets is capitalised to the asset at the time it is incurred. The cost of internally constructed assets comprise direct labour, materials, transport and overhead apportioned on the basis of labour and plant costs.

The estimated useful lives of the major asset classes have been estimated as follows:

Generation Assets	Rate	Method
Land	Nil	-
Land Improvements	1.5-11.4%	DV & SL
Buildings and Civil Assets	2-15%	DV & SL
Computer Equipment	4-100%	DV & SL
Furniture & Fittings	7.8-100%	DV & SL
Generation Plant	1-80.4%	DV & SL
Heat Plant	8-44%	SL
Motor Vehicles	8-21.6%	DV & SL
Office Equipment	7-48%	DV & SL
Other Equipment & Tools	8-67%	DV & SL

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Disposal - An item of property, plant and equipment is de-recognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit in the period the asset is derecognised.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

13. PROPERTY, PLANT & EQUIPMENT (cont'd)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

Judgements:

Impairment Assessment - At the end of each reporting period, the Group assesses whether there is any indication that its assets may be impaired. In the event that any such indication exists, the Group estimates the recoverable amount of the assets. In the prior year, to assess whether there was any indication that an asset may be impaired, the Group obtained an independent valuation using the discounted cash flow model. In the current year, the Group has assessed whether there were any adverse changes to the key assumptions and judgements in the valuation model.

Depreciation - In determining the appropriate depreciation rate to apply against property, plant and equipment, the trustees are required to make estimates regarding the useful lives and residual values of property, plant and equipment. The estimates used by the trustees in determining the depreciation rate may ultimately be different to the actual pattern of use. In the event these estimates differ to the actual pattern of use the depreciation charge recognised may be more or less than what would have been charged had this information been available at the time of determining the estimate.

Borrowing Costs - Judgement has been applied to calculate the proportion of borrowings related to qualifying assets and the capitalisation period. Judgement has also been exercised to determine the borrowing costs that have been expensed are not attributable to qualifying assets.

Valuation:

During the 2024 year the Group elected to undertake a business valuation incorporating its total operating assets and investments (which included generation, heat plant and investments in joint ventures) carried at cost in the financial statements. The valuation was performed at 31 March 2024 and the assessed value at this date was $110.3 million relating to generation and heat assets.

The fair value of the generation and heat assets (including associated electricity derivative contracts) of $110.3 million was determined using a discounted cash flow model. The valuation was based on the present value of the estimated future cash flows of the assets using existing hedge contract prices and forecast prices based on Energy Link forward price paths. It also excludes any allocation of debt funding. The valuation was prepared by independent valuers Northington Partners which has the appropriate qualifications and experience in valuing businesses with generation and heat energy assets.

The waste to energy assets were also valued as part of obtaining control in November 2023. Refer to Note 12 for details of the provisional assets value at that date.
The key assumptions and judgements in the valuation model were:

- The life of:
  - the generation assets is deemed to be 40 years, a terminal growth rate of 1.5% was applied
  - the heat assets are based on existing contract lengths, with a maximum of 23 years.

- The WACC for generation, waste to energy and heat assets is estimated to be between 8.7% and 10.0%, expressed on a post-tax nominal basis.
- General inflation over the life of the project of 2.00% has been assumed.
- Forecast hedged generation prices are based on output prices using existing hedge contracts and Energy Link forward price paths.
- Annual average generation of 190.7 GWh has been assumed.

The next valuation will be prepared with a valuation date of 31 March 2026.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

13. PROPERTY, PLANT & EQUIPMENT (cont'd)

Group 2024	Cost 1 April 2023	Additions	Disposals	Transfers from Capital Work in Progress	Cost 31 March 2024	Accumulated Depreciation & Impairment Charges 1 April 2023	Impairment Losses charged in Surplus/ (Deficit)	Depreciation Expense	Accumulated Depreciation reversed on Disposal	Transfers Between Assets Classes	Accumulated Depreciation & Impairment Charges 31 March 2024	Carrying Value 31 March 2024
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Land	1,980	3,500	-	1,384	6,864	-	-	8	-	223	231	6,633
Land Improvements	758	-	-	5,557	6315	401	-	57	-	(223)	235	6,080
Buildings	38,393	1,877	72	5,923	46,121	15,322	-	1,194	66	-	16,450	29,671
Motor vehicles	1,602	205	131	2,167	3,843	1,155	-	162	131	(10)	1,176	2,667
Generation Plant	35,095	2,214	150	24,423	61,582	23,873	-	3,869	12	2,026	29,756	31,826
Heat Plant	47,080	-	12,034	539	35,585	32,215	-	2,864	10,632	47	24,494	11,091
Other Equipment and Tools	2,114	6	-	(1,156)	964	2,114	-	88	-	(2,063)	139	825
Furniture & fittings	361	-	3	14	372	275	-	15	1	-	289	83
Office equipment	104	34	1	10	147	52	-	7	-	-	94	43
Computer equipment	791	74	8	109	966	653	-	93	8	-	738	228
Total	**128,278**	**7,910**	**12,399**	**38,970**	**162,749**	**76,060**	**-**	**8,357**	**10,850**	**-**	**73,602**	**89,147**
Capital Work in Progress	5,422	42,052	-	38,970	8,504	-	-	-	-	-	-	8,504
Total Property, Plant & Equipment	**133,700**	**49,962**	**12,399**	**-**	**171,253**	**76,060**	**-**	**8,357**	**10,850**	**-**	**73,602**	**97,651**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

13. PROPERTY, PLANT & EQUIPMENT (cont'd)

Group 2023	Cost 1 April 2022	Additions	Disposals	Transfers from Capital Work in Progress	Cost 31 March 2023	Accumulated Depreciation & Impairment Charges 1 April 2022	Impairment Losses charged in Surplus/ (Deficit)	Depreciation Expense	Accumulated Depreciation reversed on Disposal	Accumulated Depreciation & Impairment Charges 31 March 2023	Carrying Value 31 March 2023
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Land	1,980	-	-	-	1,980	95	-	-	-	95	1,885
Land Improvements	983	-	225	-	758	437	-	16	147	305	453
Buildings	38,692	-	357	58	38,393	14,590	-	943	211	15,322	23,071
Motor vehicles	2,591	1	1,226	236	1,602	2,059	-	107	1,011	1,155	447
Generation Plant	35,711	-	1,025	409	35,095	22,897	-	1,397	421	23,873	11,222
Heat Plant	46,981	-	819	918	47,080	29,198	-	3,809	792	32,215	14,865
Other Equipment and Tools	2,115	-	-	-	2,115	2,115	-	-	-	2,115	-
Furniture & fittings	346	6	-	9	361	260	-	15	-	275	86
Office equipment	99	2	-	3	104	81	-	7	-	89	17
Computer equipment	752	-	12	51	791	597	-	68	12	653	138
Total	**130,249**	**9**	**3,664**	**1,684**	**128,278**	**72,328**	**-**	**6,362**	**2,594**	**76,095**	**52,183**
Capital Work in Progress	15,800	31,436	40,130	(1,684)	5,422	-	-	-	-	-	5,422
Total Property, Plant & Equipment	**146,049**	**31,445**	**43,794**	**-**	**133,700**	**72,328**	**-**	**6,362**	**2,594**	**76,095**	**57,606**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

14. JOINT VENTURES

Policy:

A joint venture is a binding arrangement whereby two or more parties commit to undertake an activity and agree to share control over the activity (joint control). The Group has interests in joint ventures which are jointly controlled entities

The Group's investment in joint ventures is accounted for using the equity method. Under the equity method, an investment in a joint venture is initially recognised in the Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of net assets of the joint venture. The Group's share of any movements in the joint ventures other comprehensive revenue or expense is recognised in other comprehensive revenue and expenses. The cumulative movements are adjusted against the carrying amount of the investment.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in joint ventures that are not related to the Group.

Judgement:

Classification of joint ventures – Southern Generation Limited Partnership, Pulse Energy Alliance Limited Partnership, Dairy Creek Limited Partnership, Wood Energy New Zealand Limited Partnership, Wood Energy NI New Zealand Limited Partnership , EcoGas Limited Partnership, Lochindorb Wind Limited Partnership, and Southern Cross CLT Limited are limited liability entities whose legal form confers separation between the parties to the joint ventures and the Trust itself and whereby the limited partnership partners or shareholders commit and agree to share control over the jointly controlled entities.

See overleaf for details.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

14. JOINT VENTURES (cont'd)

a. Details of Material Joint Ventures

Name of joint venture	Principal activity	Place of incorporation and operation	Proportion of ownership interest and (voting power) held by the Group	
			2024	2023
Southern Generation Limited Partnership (SGLP)	Electricity Generation	New Zealand	50% (50%)	50% (50%)
Pulse Energy Alliance Limited Partnership (PEALP) (ii)	Energy Retail	New Zealand	51% (50%)	48.9% (50%)
Wood Energy NZ Limited Partnership	Biomass	New Zealand	50% (50%)	50% (50%)
Wood Energy NI NZ Limited Partnership	Biomass	New Zealand	33.3% (33.3%)	-
Dairy Creek Limited Partnership	Irrigation	New Zealand	98% (50%)	98% (50%)
Ecogas Limited Partnership (ECOGAS) (i)	Biowaste	New Zealand	85% (60%)	85% (50%)
Lochindorb Wind Limited Partnership (LWLP)	Electricity Generation	New Zealand	50% (50%)	50% (50%)
Southern Cross CLT Limited (SCCL)	Provision of Healthcare facilities	New Zealand	50% (50%)	50% (50%)

i) During the year Pioneer gained control of Ecogas Limited Partnership (60% of voting rights on the 1st of November 2023) and consequently now account for this investment as a consolidated entity from this date forming part of the Group results. Refer Note 12.
ii) During the year Pulse Energy Alliance Limited Partnership acquired the shares of minority interest Electra Limited. Following the cancellation of the acquired shares, Pioneer Energy Limited's ownership stake increased to 51%

b. Summary Financial Information

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's material jointly controlled entities and reconciliation with the carrying amount of the investment in the consolidated Group financial statements is set out below:

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

14. JOINT VENTURES (cont'd)

Summarised Statement of Financial Position	SGLP	PEALP	WENZ	WENZ NI	LOCHINDORB	SCCL	2024
							$000
Current assets	3,257	76,186	412	1,272	2,012	3,699	
Non-current assets	156,891	53,748	-	-	13,814	4,530	
Current liabilities	(2,001)	(29,752)	-	-	(296)	(1,802)	
Non-current liabilities	-	(5,545)	-	-	-	-	
Equity	158,147	94,637	412	1,272	15,530	6,427	
Portion of the Group's ownership	50%	51%	50%	50%	50%	50%	
Carrying amount of investment in Group's financial statements	**84,676**	**48,265**	**211**	**636**	**4,219**	**3,213**	**141,221**

Summarised Statement of Comprehensive Revenue and Expense	SGLP	PEALP	WENZ	WENZ NI	ECOGAS	LOCHINDORB	SCCL	2024
								$000
Revenue	31,208	205,079	11,111	4,306	2,270	-	11,202	
Expenses	(13,707)	(197,206)	(16,997)	(4,335)	(3,900)	(182)	(13,646)	
Surplus (deficit) for the year	17,501	7,873	(5,886)	(29)	(1,630)	(182)	(2,444)	
Other comprehensive revenue or expense for the year	-	18,839	-	-	-	-	-	
Total comprehensive revenue and expense for the year	17,501	26,712	(5,886)	(29)	(1,630)	(182)	(2,444)	
Portion of the Group's ownership	50%	51%	50%	50%	85%	50%	50%	
Group's share of surplus /(deficit)	**8,751**	**13,533**	**(2,943)**	**(15)**	**(1,386)**	**(91)**	**(1,222)**	**16,628**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

14. JOINT VENTURES (cont'd)

Summarised Statement of Financial Position	SGLP	PEALP	ECOGAS	WENZ	SCCL	Group 2023 $000
Current assets	2,986	56,520	2,940	8,418	2,545	
Non-current assets	159,446	57,918	46,427	5,077	4,749	
Current liabilities	(2,036)	(31,668)	(21,461)	(1,583)	(1,354)	
Non-current liabilities	-	(12,548)	(13,875)	-	-	
Equity	160,396	70,222	14,031	11,912	5,940	
Portion of the Group's ownership	50%	48.9%	85%	50%	50%	
Carrying amount of investment in Group's financial statements	**84,366**	**34,623**	**13,917**	**5,956**	**2,685**	**141,547**

Summarised Statement of Comprehensive Revenue and Expense	SGLP	PEALP	ECOGAS	WENZ	SCCL	Group 2023 $000
Revenue	30,668	183,300	4,633	6,292	7,409	
Expenses	(17,093)	(273,102)	(2,900)	(6,755)	(12,284)	
Surplus (deficit) for the year	13,575	(89,802)	1,773	(463)	(4,875)	
Other comprehensive revenue or expense for the year	-	-	-	-	-	
Total comprehensive revenue and expense for the year	13,575	(89,802)	1,773	(463)	(4,875)	
Portion of the Group's ownership	50%	48.9%	85%	50%	50%	
Group's share of surplus /(deficit)	**6,788**	**(43,870)**	**1,415**	**(232)**	**(2,438)**	**(38,337)**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

15. OTHER INTANGIBLE ASSETS

Policy:

Intangible assets acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software	up to 3 years	
Asset management	up to 7 years	
Lochindorb rights	30 Years	(transferred to Lochindorb Wind Limited Partnership in 2024)

Finite life intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Customer contract (Heat supply contract-Bromley, Christchurch) up to 13 years

In determining the appropriate amortisation rate to apply against intangible assets trustees are required to make estimates regarding the estimated remaining useful lives and residual values of intangible assets. The Group reviews the estimated useful lives of intangible assets at the end of each annual reporting period. The estimates used by trustees in determining the amortisation rate may ultimately be different to the actual pattern of use. In the event these estimates differ to the actual pattern of use the amortisation charge recognised may be more or less than what would have been charged had this information been available at the time of determining the estimate.

Judgements:

The Customer Contract asset will be fully amortised in 1 year (2023: 2 years).

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

15. OTHER INTANGIBLE ASSETS (cont'd)

Group	Software	Customer Contract	Lochindorb Rights	Asset Management	Ecogas Customer Contract	Ecogas Intellectual Prop.	Total
Cost	**$000**	**$000**	**$000**	**$000**	**$000**		**$000**
Balance at 31-Mar-22	**1,324**	**516**	**-**	**374**	**-**	**-**	**2,214**
Additions	61	-	6,650	-	-	-	6,711
Disposals	(26)	-	-	-	-	-	(26)
Balance at 31-Mar-23	**1,359**	**516**	**6,650**	**374**	**-**	**-**	**8,899**
Additions	1,623	-	-	-	11,796	1,415	14,834
Disposals	-	-	(6,650)	-	-	-	(6,650)
Balance at 31-Mar-24	**2,982**	**516**	**-**	**374**	**11,796**	**1,415**	**17,083**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

15. OTHER INTANGIBLE ASSETS (cont'd)

Accumulated Amortisation & Impairment

	Software	Customer Contract	Lochindorb Rights	Asset Management	Ecogas Customer Contract	Ecogas Intellectual Prop.	Total
Balance at 31-Mar-22	**(1,163)**	**(376)**	**-**	**(65)**	**-**	**-**	**(1,604)**
Amortisation	(52)	(47)	(133)	(26)	-	-	(258)
Accumulated Amortisation Reversed on Disposal	25	-	-	-	-	-	25
Balance at 31-Mar-23	**(1,190)**	**(423)**	**(133)**	**(91)**	**-**	**-**	**(1,837)**
Amortisation	(609)	(47)	(100)	(26)	-	(171)	(953)
Accumulated Amortisation Reversed on Disposal	-	-	233	-	-	-	233
Balance at 31-Mar-24	**(1,799)**	**(470)**	**-**	**(117)**	**-**	**(171)**	**(2,557)**
Carrying Amount							
At 31 March 2023	**169**	**93**	**6,517**	**283**	**-**	**-**	**7,062**
At 31 March 2024	**1,183**	**46**	**-**	**257**	**11,796**	**1,244**	**14,526**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

16. PAYABLES UNDER EXCHANGE TRANSACTIONS

Policy:

Payables and accruals are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Short term creditors and other payables are measured at the amount payable.

Provisions are recognised when the Group has a present obligation arising from past events, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits - Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and the cost is capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal rates using the remuneration rate expected to apply at the time of settlement.

Provisions not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

	Group	
	2024	**2023**
Current	$000	$000
Trade Payables	1,918	2,870
Employee Benefits	1,495	1,279
Income in Advance	3,291	416
Accrued Expenses	10,192	7,870
Total	**16,896**	**12,435**
Non-Current		
Income in Advance	**10,319**	**-**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

17. PROVISION FOR GRANTS

Policy:

Grants expense - Grants approved by trustees are recognised as an expense in surplus or deficit when approved by the trustees. A provision for the grants approved is maintained in the Statement of Financial Position, including grants covering multiple years.

	Group	
	2024	**2023**
	$000	$000
Balance at beginning of the year	17,621	19,165
Grants approved covering:		
2022/2023 year	-	7,258
2023/2024 year	7,259	861
2024/2025 year	1,839	547
2025/2026 year	1,760	-
2026/2027 year	-	-
Total Grants Approved	**10,858**	**8,666**
Grants Paid	(8,566)	(10,025)
Grants Rescinded	(117)	(185)
Balance at the end of the year	**19,796**	**17,621**
Current	17,999	17,019
Non Current	1,797	602
Balance at the end of the year	**19,796**	**17,621**

Since inception, grants of $146,427,812 have been approved as at 31 March 2024 (2023: $137,665,493).

The grants approved amount includes multi-year grants where CLT recognises the need for social service providers to have certainty of funding for future service provision.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

18. BORROWINGS

Policy:

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.
At 31 March 2024 the Group's borrowings were as follows:

	Maturity Date/Facility Term	Weighted Average Interest Rates		Group 2024	Group 2023
		2024	2023	$000	$000
Syndicated Facilities Agreement with ASB and BNZ	30/11/2026	6.70%	5.81%	116,400	121,400
PGF Loan	30/11/2031	6.62%	0.00%	7,000	-
Total				**123,400**	**121,400**

Secured Bank Loan Facility	Group 2024 $000	Group 2023 $000
Current		
Amount Drawn Current revolving	16,400	21,400
PGF Lending Facility Ecogas	1,000	-
Total	**17,400**	**21,400**
Non-Current		
Amount Drawn Term	100,000	100,000
PGF Lending Facility Ecogas	6,000	-
Total	**106,000**	**100,000**
Amount Available (i)	3,600	18,600

i) At 31 March 2024 the Group allocated $23.5million (2023: $3million) of the amount available to letters of credit and guarantees.

The Syndicated Facilities Agreement at balance date provides for a total facility of $120,000,000 (consisting of the following sub-limits:

- Term Loans - $100,000,000 (2023: $100,000,000)
- Revolving Facility - $20,000,000 (2023: $40,000,000)

In addition there is a Letter of Credit / Bond Facility in place for $30,000,000 (2023: $10,000,000).

The loan, term facility and the cash advance facility are secured by way of a debenture over subsidiary, Pioneer Energy Limited's assets and undertakings. The cash advance facility is drawn down as required to cover shortfalls in day-to-day operating cash flows.

The Group has complied with all bank covenants set by the ASB and Bank of New Zealand during the year.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

18. BORROWINGS (cont'd)

Ecogas has a loan of $7,000,000 with the Provincial Growth Fund with an original term of 10 years from 2020 with 7 years remaining with the last 7 years requiring capital repayments of $1,000,000 per year. The interest rate on the facility is 6.62%.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

19. EQUITY

Nature and Purpose of Reserves

Capital Maintenance Reserve

The annual percentage movement in the Consumer Price Index is calculated on the Trust Capital at 31 March each year and transferred to a Capital Maintenance Reserve. The purpose of this is to set aside an amount and show the real value of the Trust's Capital after taking inflation into account of 4% (2023: 7%).

Population Growth Reserve

The purpose of this Reserve is to set aside an amount to allow for an increase in grant requests as a result of an increase in population in the Trust's region, since 2012.

In the past inflation and population growth rate statistics have been sourced from Statistics New Zealand and retrospectively applied on an annual basis upon the release of the latest 30-June population estimate data. During the 2024 financial year the trustees agreed to remove the Population Growth adjustment from the calculation of the Trust's Capital, the effect was a growth rate of 0% was applied for the year (2023: 3%).

Hedging Reserve

The Group enters into interest rate swaps as a hedge against fluctuations in floating interest rates on certain borrowings and foreign exchange contracts as a hedge against fluctuations in the cost of capital equipment due to exchange rate movements where these are seen as significant. The effective portion of changes in the fair value of interest rate swaps and foreign currency forward contracts designated as cashflow hedges is recognised in other comprehensive revenue or expense and accumulated in the Hedging Reserve as a separate component of equity.

A. Trust Capital – General Funds

	Group	
	2024 $000	**2023 $000**
Balance at beginning of the year	90,916	175,910
Net surplus/(deficit) for the year	46,170	(44,184)
Transfer from Non-Controlling Interest	(664)	-
Transfer to Capital Maintenance Reserve	(11,049)	(17,137)
Transfer to Population Growth Reserve	-	(23,674)
Balance at end of the year	**125,374**	**90,916**

b. Capital Maintenance Reserve

	2024	2023
Balance at beginning of the year	119,636	102,499
Transfer from Population Growth Reserve	183,255	
Transfer from General Funds	11,049	17,137
Balance at end of the year	**313,940**	**119,635**

c. Population Growth Reserve

	2024	2023
Balance at beginning of the year	183,255	159,581
Transfer to Capital Maintenance Reserve	(183,255)	
Transfer from General Funds	-	23,674
Balance at end of the year	**-**	**183,255**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

19. EQUITY (cont'd)

d. Hedging Reserve

	Group Interest Rate Swaps $000	Foreign Exchange Contracts $000	Total $000
2024			
Balance at beginning of the year	6,263	-	6,263
Other comprehensive revenue or expense	(741)	-	(741)
Balance at end of the year	**5,522**	**-**	**5,522**
2023			
Balance at beginning of the year	3,246	(5)	3,241
Other comprehensive revenue or expense	3,017	5	3,022
Balance at end of the year	**6,263**	**-**	**6,263**

e. Non-Controlling Interest

	2024 $000	2023 $000
Balance at beginning of the year	-	-
Acquisition by Control	4,950	-
Other comprehensive revenue or expense	(664)	-
Balance at end of the year	**4,286**	**-**

	2024 $000	2023 $000
TOTAL EQUITY	**449,122**	**400,069**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

20. NOTES TO CASHFLOW STATEMENT

Policy:

Operating activities include cash received from all revenue sources and record the cash payments made for supply of goods and services.
Investing activities are those activities relating to the acquisition and disposal of investments and non-current assets.
Financing activities comprise the changes in net assets/equity and debt structure of the Group.

a. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes all cash on hand and in bank. Cash and cash equivalents at the end of the financial year as shown in the cash flow statements is reconciled to the related items in the Statement of Financial Position as follows:

	Group	
	2024	**2023**
	$000	$000
Cash and Cash Equivalents	5,019	1,003
	5,019	**1,003**

Although cash and cash equivalents at 31 March 2024 (2023: nil) are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

b. Reconciliation of surplus for the period to net cash flows from operating activities

Net Surplus/(Deficit) for the year	45,506	(44,184)
Add/(Deduct)		
Depreciation and Amortisation expense	8,319	6,620
(Gain)/loss on Sale of Property, Plant and Equipment	(3,546)	(1,842)
Cost of Sales	(3,232)	-
Net (Gains) /losses arising on investments at fair value through surplus or deficit	(31,153)	9,014
(Gain)/loss on Revaluation of Investment Property	(450)	(400)
(Gain)/loss on Derivative Financial Instruments	11,473	(21,303)
Grants Rescinded	(117)	(185)
Share of Joint Venture Net (Surplus)/Loss	(16,628)	38,337
Gain on disposal of equity accounted interest in Joint Venture	(7,037)	38,337
	(42,371)	30,241
Adjustments for changes in working capital:		
(Increase)/decrease Receivables from exchange transactions	18,421	(6,053)
(Increase)/decrease Inventories	(983)	1,954
Increase/(decrease) Payables for exchange transactions	(3,349)	(1,898)
Increase/(decrease) Provision for Grants	2,292	(1,360)
Add/(deduct) items reclassified as Investing/Financing	(596)	9,044
Net Cash inflow/(outflow) from operating activities	**18,920**	**(12,256)**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS

Group 2024	Total	Financial Assets At Amortised Cost	Financial Assets At Fair Value through Surplus or Deficit	Financial Assets at Fair Value through other Compreh-ensive revenue and expense	Financial Liabilities Fair Value through Surplus or Deficit	Financial Liabilities at Amortised Cost
	$000	$000	$000	$000	$000	$000
Categories of Financial Instruments						
Financial Assets:						
Cash and Cash Equivalents	5,019	5,019	-	-	-	-
Receivables - non-exchange	482	482	-	-	-	-
Receivables – exchange	13,602	13,602	-	-	-	-
Investments	316,614	4,038	312,576	-	-	-
Other Financial Assets	25,597	10,197	9,878	5,522	-	-
	361,313	**33,337**	**322,454**	**5,522**	**-**	**-**
Financial Liabilities:						
Cash and Cash Equivalents	-	-	-	-	-	-
Payables - exchange	27,215	-	-	-	-	27,215
Provision for Grants	19,796	-	-	-	-	19,796
Other Financial Liabilities	19,058	-	-	-	19,058	-
Borrowings	123,400	-	-	-	-	123,400
	189,469	**-**	**-**	**-**	**19,058**	**170,411**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21 FINANCIAL INSTRUMENTS (cont'd)

Group 2023	**Total**	**Financial Assets At Amortised Cost**	**Financial Assets At Fair Value through Surplus or Deficit**	**Financial Assets at Fair Value through other Compreh-ensive revenue and expense**	**Financial Assets/ Liabilities Fair Value through Surplus or Deficit**	**Financial Liabilities at Amortised Cost**
	$000	$000	$000	$000	$000	$000
Categories of Financial Instruments						
Financial Assets:						
Cash and Cash Equivalents	1,003	1,003	-	-	-	-
Receivables - non-exchange	587	587	-	-	-	-
Receivables – exchange	31,918	31,918	-	-	-	-
Investments	274,350	39,319	235,032	-	-	-
Other Financial Assets	34,662	9,806	18,553	6,263	-	-
	342,520	**82,633**	**253,585**	**6,263**	**-**	**-**
Financial Liabilities:						
Payables - exchange	12,435	-	-	-	-	12,435
Provision for Grants	17,621	-	-	-	-	17,621
Other Financial Liabilities	19,656	-	-	-	19,656	-
Borrowings	121,400	-	-	-	-	121,400
	171,112	**-**	**-**	**-**	**19,656**	**151,456**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Policy

(a) Recognition and Initial Measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value through Surplus or Deficit (FVTSD), transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(b) Classification and Subsequent Measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – or fair value through surplus or deficit (FVTSD).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. .

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCRE. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. This includes all derivative financial assets (see Note 8). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent Measurement and Gains and Losses

Financial assets at FVSD	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.
Equity investments at FVOCRE	These assets are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCRE and are never reclassified to surplus or deficit.

Financial liabilities – Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

(d) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Impairment of Non-Derivative Financial Assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives

The Group is currently exposed to market risk (including interest rates, equity prices, electricity prices and currency), credit risk, and liquidity risk.

The Group's revenue is generated from its financial assets together with the trading activities of Pioneer Energy Limited. Information regarding the fair value of financial assets and financial liabilities is regularly reported to the trustees. Under normal circumstances the investment portfolio is regularly rebalanced to ensure that asset classes remain within the Strategic Asset allocation set out in the Trust's Statement of Investment Policies and Objectives (SIPO).

The Group seeks to minimise the effects of the exposure to market risk by using derivative financial instruments to hedge exposures to electricity spot prices, floating interest rates and currency. The use of derivatives is governed by the Pioneer Energy Limited Group's Treasury policy.

2024 Strategic Asset Allocation of Invested Assets

For monitoring purposes the strategic asset allocation of the invested assets including investment property and ranges are as follows:

	2024 Actual $000	2024 Actual %	2024 Benchmark %	2024 Variance %	Allowable Range % - %
Australian Shares	45,151	14.0%	12%	2.0%	4.0 - 20.0
Global Shares	111,752	34.6%	28%	6.6%	18.0 - 45.0
Total Equities	**156,903**	**48.6%**	**40%**	**8.6%**	
Cash	25,852	8.0%	5%	3.0%	0.0 - 15.0
NZ Bonds	20,447	6.3%	5%	1.3%	0.0 - 15.0
Global Bonds	23,841	7.4%	6%	1.4%	0.0 - 12.0
Global Credit	26,573	8.2%	4%	4.2%	0.0 - 12.0
Absolute Return Bonds	17,876	5.5%	5%	0.5%	0.0 - 12.0
Private Debt	-	0.0%	5%	-5.0%	0.0 - 15.0
Total Fixed Income and Cash	**114,592**	**35.5%**	**30%**	**5.5%**	
Total Managed Funds	**271,497**	**84.1%**	**70%**	**14.1%**	
Private Equity	37,061	11.5%	15%	-3.5%	0.0 - 25.0
NZ Private Debt	5,149	1.6%	10%	-8.4%	0.0 - 10.0
Property (ii)	9,204	2.9%	5%	-2.2%	0.0 - 10.0
Total Private Assets	**51,414**	**15.9%**	**30%**	**-14.1%**	
Total Funds (i)	**322,911**				

i) The benchmarks and actual results do not include Pioneer Energy Limited in line with Central Lakes Trust's Statement of Investment Policy and Objectives. Pioneer Energy Limited is excluded as it eliminates on Group consolidation.
ii) The Property benchmark includes a specific property related investment which is included within the Private Equities classification in the Statement of Financial Position. Accordingly, the classifications for strategic allocation and assessment differ to other disclosures within these financial statements.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Further details related to specific areas of risk are as follows:

Market Risk

Currency Risk

The Group enters into foreign exchange forward contracts in order to manage its exposure to fluctuations in foreign currency exchange rates on specific transactions. The contracts are matched with future cash outflows of foreign currencies primarily for capital commitments and maintenance contracts, and the Group has designated these as cash flow hedges. The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Group	**Foreign Currency**		**Nominal Contract Value**		**Fair Value**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	$000	$000	**$000**	$000	**$000**	**$000**
EURO						
Less than 12 months	-	-	-	-	-	-
1 – 2 years	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

At 31 March 2024, the aggregate amount of gains (losses) under forward foreign exchange contracts recognised in other comprehensive income and accumulated in the cash flow hedging reserve relating to these anticipated future purchase transactions is $Nil (2023: ($17,400)).

Sensitivity Analysis – Foreign Currency Contracts

The following table summarises the impact of the relevant forward prices on the Group's surplus/(deficit) for the year. The sensitivity analysis is based on the assumption that the relevant forward prices had increased/decreased by 10% with all other variables held constant.

	Group 2024	**Group 2024**	**Group 2023**	**Group 2023**
	10%	**-10%**	**10%**	**-10%**
	$000	$000	$000	$000
Net Surplus/(Deficit)	45,506	45,506	(44,184)	(44,184)
Sensitivity impact to net surplus	-	-	-	-
	45,506	**45,506**	**(44,184)**	**(44,184)**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Electricity Price Risk

The Group enters into electricity price hedges with counterparties. Under these agreements, the Group agrees with the counterparties a fixed price (hedge price) for a percentage of its estimated electricity output. It is the Group's policy not to enter into any speculative position in relation to electricity price hedging contracts.

On maturity of the electricity price hedge any difference between the hedge price and the spot market price is settled between the parties. Settlement occurs irrespective of the amount of electricity actually supplied. If the spot market price is less than the hedged price, electricity counter parties must settle the difference with the Group. Conversely if the spot market price is greater than the hedge price, the Group must settle the difference with electricity counter parties.

Electricity Price hedges at 31 March:

	Fair Value $000 2024	Fair Value $000 2023
Less than 12 months	(6,367)	(480)
1-2yrs	(281)	(58)
2-3yrs	(2,532)	(525)
3-4yrs	-	
4-5yrs	-	-
5+yrs	-	-
Total	**(9,180)**	**(1,063)**

Electricity Price Hedges

The following table summarises the impact of increases/decreases of the relevant forward prices on the Group's surplus/(deficit) for the year. The sensitivity analysis is based on the assumption that the relevant forward prices had increased/decreased by 10% and all other variables held constant.

	Group 2024 10% $000	Group 2024 -10% $000	Group 2023 10% $000	Group 2023 -10% $000
Net Surplus/(Deficit)	45,506	45,506	(44,184)	(44,184)
Sensitivity impact to net surplus	1,152	(1,152)	955	(955)
	46,658	**44,354**	**(43,229)**	**(45,139)**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Interest Rate Risk

The Group has exposure to interest rate risk to the extent the Group has cash on demand, at call in floating interest rate instruments as part of cash and cash equivalents and its investment portfolio. The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is also exposed to interest rate risk as borrowings are at floating interest rates.

The cash flow risk is managed through the SIPO which places restrictions on how funds may be invested and the exposure to interest rates and unit prices.

The risk in relation to floating rate borrowings is managed within the Group by the use of interest rate swap contracts.

Interest Rate Swap Contracts

The interest rate swaps settle the difference between the fixed and floating interest rate on a net basis on a quarterly basis. All interest rate swap contracts exchanging floating interest amounts for fixed interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from floating interest rate borrowings. The interest rate swaps and the interest payments on the loans occur simultaneously and the amount deferred in equity is recognised in surplus or deficit over the period that the floating rate interest payments on the debt impact surplus or deficit.

Interest rate swap contracts at 31 March:

	Average Contracted Interest Rate		Notional Principal		Fair Value	
	2024 %	**2023 %**	**2024 $000**	**2023 $000**	**2024 $000**	**2023 $000**
Less than 1 year	3.2	3.02	14,000	-	92	-
1 – 2 years	2.58	2.43	15,000	14,000	511	164
2 – 5 years	1.11	1.7	30,000	35,000	2,569	2,451
5 + years	3.24	2.77	50,000	60,000	2,350	3,648
Balance at 31 March			**109,000**	**109,000**	**5,522**	**6,263**

Sensitivity Analysis – Interest Rate Risk

The following table summarises the impact of increases/decreases of interest rates on the Group's net surplus/(deficit) for the year in relation to floating rate borrowings not covered by interest rate swaps and assumes the exposure at 31 March was outstanding for the whole year. The sensitivity analysis is based on the assumption that the interest rates at 31 March had increased/decreased by 10% and all other variables held constant.

	Group 2024 10% $000	**Group 2024 -10% $000**	**Group 2023 10% $000**	**Group 2023 -10% $000**
Net Surplus/(Deficit)	45,506	45,506	(44,184)	(44,184)
Sensitivity impact to net surplus	(1,038)	1,038	(356)	356
	44,468	**46,544**	**(44,540)**	**(43,828)**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Unit Price Risk

The Group is exposed to unit price risk in relation to its investments in Unit Trusts and private and publicly traded equities. Unit price risk is the risk that the fair value of future cash flows of an investment will fluctuate as a result of changes in market prices.

The Group's investments are allocated into sectors through managed funds and managed by a professional fund manager. The cash flow risk is managed through CLT's SIPO which places restrictions on the percentage of funds invested into each sector and the exposure to interest rates and unit prices as set out above.

Sensitivity Analysis – Unit Price Risk

The following table summarises the impact of 20% increases/decreases of unit/equity prices on the Group's net surplus/(deficit) for the 2024 year. The calculation has been done assuming a movement of 20% on the unit price or equity price at 31 March.

	Group 2024 20% $000	Group 2024 -20% $000	Group 2023 20% $000	Group 2023 -20% $000
Net Surplus(deficit)	45,506	45,506	(44,184)	(44,184)
Sensitivity impact to net surplus	31,381	(31,381)	35,292	(35,292)
	76,887	**14,125**	**(8,892)**	**(79,476)**

Credit Risk

Credit risk is the risk that a third party will default on its obligations causing a loss.

Financial instruments that potentially subject the Group to a credit risk principally consist of cash and cash equivalents, receivables, investments and other financial assets.

Financial Instruments which potentially subject the Group to concentrations of credit risk, consist principally of bank balances, receivables, other finance receivables and investments.

The maximum exposure to credit risk at the reporting date is the carrying amount of those cash and cash equivalents, receivables, other finance receivables and investment balances.

Liquidity Risk

Liquidity risk is the risk the Group may encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through adequate committed credit facilities and ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves and floating borrowing facilities, and by continuously monitoring forecast and actual cash flows, and by taking out adequate insurance to cover unanticipated events.

Note 18 includes details of additional undrawn banking facilities.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

The amounts disclosed in the tables below are the contractual undiscounted cash flows for non-derivative financial liabilities.

2024	**Weighted/ average effective interest rate%**	**Carrying Value**	**Contractual Cash flows**	**Less than 1yr**	**1-2 yrs**	**2-3yrs**	**3-4yrs**	**4-5yrs**	**5+yrs**	**Non Interest Bearing**
		$000	$000	**($m)**	**($m)**	**($m)**	**($m)**	**($m)**	**($m)**	**($m)**
Cash and Cash Equivalents	-	5,019	5,019	-	-	-	-	-	-	-
Trade and other receivables	-	14,084	14,084	14.1	-	-	-	-	-	14.1
Payables - exchange	-	(16,896)	(16,896)	(16.9)	-	-	-	-	-	(16.9)
Provision for Grants	-	(19,796)	(19,796)	(18.0)	(1.8)	-	-	-	-	(19.8)
Bank Borrowings	6.70	(123,400)	(157,799)	(12.6)	(17.6)	(127.6)	-	-	-	-
Total		**(140,989)**	**(175,388)**	**(33.4)**	**(19.4)**	**(127.6)**	**-**	**-**	**-**	**(22.6)**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

2023	Weighted/ average effective interest rate%	Carrying Value	Contractual Cash flows	Less than 1yr	1-2 yrs	2-3yrs	3-4yrs	4-5yrs	5+yrs	Non Interest Bearing
		$000	$000	($m)	($m)	($m)	($m)	($m)	($m)	($m)
Cash and Cash Equivalents	2.1	1,003	1,003	-	-	-	-	-	-	-
Trade and other receivables	-	32,505	32,505	32.5	-	-	-	-	-	32.5
Payables - exchange	-	(12,432)	(12,432)	(12.4)	-	-	-	-	-	(12.4)
Provision for Grants	-	(17,621)	(17,621)	(17.0)	(0.6)	-	-	-	-	(17.6)
Bank Borrowings	5.81	(121,400)	(129,041)	(28.5)	(100.6)					-
Total		**(117,945)**	**(125,586)**	**(25.4)**	**(101.2)**	**-**	**-**	**-**	**-**	**2.5**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Fair Value

***Policy**:*

When the fair value of a financial asset cannot be measured based on quoted prices in active markets, the Fund Manager will measure fair value by using valuation techniques such as the market multiples approach, discounted cash flow modelling and precedent transaction analysis. The inputs to these models are taken from observable inputs where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The significant unobservable inputs used in the fair value measurement of the financial assets held could include, but are not limited to: revenue, earnings and associated valuation multiples, indicative quotes, discount rates and precedent transactions.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Significant Assumptions and Judgements:

Unit Trusts and Managed Funds - The fair value of Unit Trust investments is based on the per unit price as provided by the Unit Trust manager at balance date. The fair value of Managed Funds investments is based on the underlying price of the equity instruments at balance date (translated into New Zealand dollars) as provided by the Fund Manager.

Interest Rate Swaps - The valuation of interest rate swaps utilises a mark to market pricing calculation carried out by the Bank of New Zealand and ASB and is based on the forward interest rate price curve discounted at the forward interest rate price curve at balance date.

Foreign Currency Forward Contracts - The valuation of foreign currency forward contracts utilises a mark to market pricing calculation carried out by the Bank of New Zealand and ASB and is based on the discounted forward foreign exchange rate at balance date.

Electricity Derivatives - The valuation of electricity derivatives relies on an internally developed pricing methodology. The hedge price is compared against the forecasted spot price over the hedging period in order to determine a fair value of the derivatives. Assumptions that can have a significant impact on the fair value are the publicly available forecasted spot price at each grid exit point and the forecasted volume to be delivered, where the hedges are variable volume instruments.

The valuation of electricity derivatives in level two is based on the ASX forward interest rate price curve that relates to the derivative.

The valuation of electricity price hedges in level three is based on a forecasted generation output based on two years of historical wind/generation data and the ASX forward price curve.

The fair value of Statement of Financial Position financial instruments is deemed to be equivalent to their carrying values.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Private Equities – The Group invests in several Private Equity funds. The valuation of Private Equities is based on information provided by the Private Equity Fund manager on a net asset valuation determined by the manager. The information provided to the Group includes audited financial statements, quarterly manager reports, manager valuation reports and other commentary received.

Generally, the balance date of the underlying Private Equity fund aligns with the Group's balance date. For these Private Equity funds, the Group uses its proportion of the net asset value as detailed in the underlying audited financial statements to determine the net asset value of the investment, this assessment includes assumptions on the current market environment, global economy and the portfolio companies of the underlying fund specifically.

There are three funds (2023: three) as noted below with balance dates of 30 June or 31 December and are therefore not aligned to the Group's balance date and for which no adjustment to the fair value of the underlying investments has been made by the fund manager as at 31 March. The Group reviews the most recent audited financial statements as at 30 June or 31 December and adjusts for material quantifiable movements to 31 March such as disposal of underlying portfolio entities, cash distributions or calls made by the Private Equity fund of which information is readily available through managers communications.

The below Private Equity funds have a balance date of 30 June or 31 December 2023 that have not undertaken valuation assessments of the underlying investments at 31 March 2024. For these funds, the net asset valuations are based on trading conditions to their balance date, adjusted for quantifiable movements between 30 June 2023 or 31 December 2023 and 31 March 2024 such as disposals of underlying portfolio entities, cash disbursements and capital calls.

GROUP 2024 $000	Year End	Opening FV	FV Adjustment	Calls	Distributions	Closing FV
Mercury Capital II	31-Dec	2,254	11	-	-	2,265
Mercury Capital III	31-Dec	5,099	309	-	(293)	5,115
Crown Global Opportunities VII	31-Dec	4,843	636	953	(349)	6,083
Total		**12,196**	**956**	**953**	**(642)**	**13,463**

GROUP 2023 $000	Year End	Opening FV	FV Adjustment	Calls	Distributions	Closing FV
Mercury Capital II	31-Dec	3,664	(190)	-	(1,220)	2,254
Mercury Capital III	31-Dec	4,767	(592)	1,323	(399)	5,099
Crown Global Opportunities VII	31-Dec	3,101	569	1,413	(240)	4,843
Total		**11,532**	**(213)**	**2,736**	**(1,859)**	**12,196**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

The following tables analyse the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

GROUP 2024	Total $000	Level 1 $000	Level 2 $000	Level 3 $000
Financial Instruments - Assets				
Investments :				
Unit Trusts	271,495	-	271,495	-
Private Equities	41,080	-	-	41,080
Derivative Financial Assets:				
Electricity Hedge Contracts	9,878	-	-	9,878
Interest Rate Swaps	5,522	-	5,522	-
Financial Instruments - Liabilities				
Derivative Financial Liabilities:				
Electricity Hedge Contracts	(19,058)	-	-	(19,058)
Interest Rate Swaps	-	-	-	-

GROUP 2023	Total $000	Level 1 $000	Level 2 $000	Level 3 $000
Financial Instruments - Assets				
Investments :				
Unit Trusts	199,361	-	199,361	-
Private Equities	35,671	-	-	35,671
Derivative Financial Assets:				
Electricity Hedge Contracts	18,593	-	-	18,593
Interest Rate Swaps	6,263	-	6,263	-
Financial Instruments - Liabilities				
Derivative Financial Liabilities:				
Electricity Hedge Contracts	(19,656)	-	-	(19,656)
Interest Rate Swaps	-	-	-	-

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

21. FINANCIAL INSTRUMENTS (cont'd)

Fair Value Hierarchy Disclosures

There were no transfers between the different levels of the fair value hierarchy during the year.

Valuation technique with significant non-observable inputs (level 3)

The tables below provide a reconciliation of level 3 fair value measurements of financial assets:

	Group	
	2024 $000	**2023 $000**
Private Equities		
Balance at beginning of the year	35,671	36,793
Calls on Capital	3,477	6,216
Distributions	(2,696)	(6,453)
Gain/(loss) recognised in net surplus/(deficit)	4,628	(885)
Balance at end of the year	**41,080**	**35,671**
Electricity Hedge Contracts		
Balance at beginning of the year	(1,063)	(23,769)
Settlements (net buys and sells)		(120)
Gain /(loss) recognised in the net surplus/(deficit)	(8,117)	22,826
Balance at end of the year	**(9,180)**	**(1,063)**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Capital Risk Management

The Group manages its ability to meet its obligations through the adjustment of its reserves for growth in inflation.

The capital structure of the Group consists of debt which includes the borrowings in Note 18, cash and cash equivalents, investments, and equity comprising of the capital maintenance reserve, population growth reserve (historical), hedge reserve and general funds as disclosed in Note 19.

During the year the trustees agreed to remove the use of population growth previously used as an adjustment similar to the inflation reserve. The overall strategy remains unchanged from 2023.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

22. COMMITMENTS

	Group	
	2024	**2023**
Commitments for the acquisition of property, plant and equipment	1,169	6,443
Commitments for capital contributions to joint ventures	8,273	10,000
Total	**9,442**	**16,443**

At 31 March 2024 the Group had committed to a further $5m of capital contributions to the Ecogas subsidiary as the net investment required to complete the Ecogas build in Reporoa and ongoing CAPEX at Reporoa. As at 31 March 2024 the Group had committed to a further $3.3m to the Lochindorb Windfarm Limited Partnership for the consenting work associated with the Kaihiku Wind Farm.

The Group has committed calls not yet made in Private Equity (PE) investments as follows:

	Group	
	2024 $000	**2023 $000**
Total committed PE calls not yet made	**22,065**	**23,610**

Non-Cancellable Operating Lease Commitments – as lessee

	Group	
	2024 $000	**2023 $000**
Less than one year	745	294
One to two years	1,364	504
Three to five years	2,006	409
Over five years	10,779	1,089
Total (A)	**14,894**	**2,296**

Other Non-Cancellable Contracts

The Group has entered into non-cancellable contracts for the provision of services such as the use of electricity system line functions, the supply of metering equipment and data services and operations contracts with a range of renewal options. Details of the commitments under the contracts are as follows:

	Group	
	2024 $000	**2023 $000**
Less than one year	445	265
One to two years	180	212
Two to five years	538	405
Over five years	2,416	1,089
Total (B)	**3,579**	**1,971**
Total (A+B)	**18,473**	**4,268**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

23. OPERATING LEASE AS A LESSOR

	Group	
	2024 $000	2023 $000
Less than one year	199	199
One to five years	483	682
Over five years	-	-
Total	**682**	**881**

24. CONTINGENT LIABILITIES

The Group has the following contingent liabilities under letters of credit and guarantees.

Counterparty	**On Behalf Of**	**2024 $000**	**2023 $000**
Energy Clearing House	Group	10	100
Orion New Zealand Limited	Group	20	20
Invercargill City Council	Southern Generation Limited Partnership	100	100
Tasman District Council	Southern Generation Limited Partnership	347	402
Auckland City Council	Ecogas Limited Partnership	22,550	2,050
Jubilee Crippled Children	Ecogas Limited Partnership	338	338
Department of Conservation	Southern Generation Limited Partnership	182	182
BNZ (associated with Pulse Energy Alliance Limited Partnership)	Pulse Energy Alliance Limited Partnership	9,000	9,000
Total		**32,547**	**12,192**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Parent of the Group.

The Group has a related party relationship with its trustees and Directors and other key management personnel.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Parent and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Transactions with related parties

The following transactions were carried out with related parties:

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

a. Related Party Balances

Several of the trustees of the Central Lakes Trust and key management personnel have a key relationship with organisations that had grants approved during the year. The details are as follows:

2024

Trustee/Director or Management of CLT & CLDL	Related Party	Connection	Grants/ Loans	Amount Approved	Outstanding at 31 March 2024
Kathy Dedo	Sport Otago	Trustee	Grant	180,000	125,640
	Sport Otago	Trustee	Grant	623,127	642,651*
	Path Wanaka - Ara ki Wanaka Incorporated	Former member and co-founder	Grant	16,400	-
	Queenstown Lakes Community Housing Trust (QLCHT)	Close family member is a trustee	Loan	4,650,000	4,034,892
Lindsay Breen	CODC - Parks and Recreation	Potential Contractor plus association with project	Grant	250,000	250,000
Tony Lepper	COREAP	Close family member is Manager	Grant	425,473	307,452
	Bannockburn Bowling Club	Chair of Bowls New Zealand	Grant	35,000	35,000
Jim Boult	Whakatipu Rowing Club	Ambassador and wife is an ambassador also	Grant	223,557	223,557

* Includes CPI adjustments for Yrs 2 and 3.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

b. Related Party Balances

2023

Trustee/Director or Management of CLT & CLDL	Related Party	Connection	Grants/ Loans	Amount Approved	Outstanding at 31 March 2023
Lindsay Breen	Roxburgh Pool Punwai Ora 'Safe Water'**	Contractor	Grant	200,000	-
Tony Lepper	COREAP	Close family member is Manager	Grant	176,824	58,412
Kathy Dedo	Community Networks/LINK	Contractor	Grant	157,500	78,750
	Sport Otago	Trustee	Grant	54,000	-
	Queenstown Lakes Community Housing Trust (QLCHT)	Close family member is a trustee	Loan	4,650,000	4,122,737

* *Lindsay Breen is Managing Director of Breen Construction which was contracted to carry out these projects.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

In addition to the above, the following provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Group		Sales to/transactions with related parties	Purchases from related parties	Amounts owed to related parties*	Amounts due from related parties*
		$000	$000	$000	$000
Southern Generation Limited Partnership (i)	**2024**	8,422	30,509	2,090	983
	2023	7,176	27,550	2,013	1,115
Pulse Energy Alliance Limited Partnership (ii)	**2024**	20,579	23,656	407	2,180
	2023	15,227	34,308	60	1,212
Dairy Creek Limited Partnership (iii)	**2024**	1,296	-	-	408
	2023	1,178	-	-	236
Ecogas Limited Partnership (iv)	**2024**	2,024	-	-	-
	2023	23,878	-	-	20,707
Wood Energy New Zealand Limited Partnership (v)	**2024**	3,644	7,211	-	-
	2023	10,335	1,749	375	1,255
Wood Energy New Zealand NI Limited Partnership (vi)	**2024**	112	-	-	14
	2023	-	-	-	-
Lochindorp Wind Limited Partnership (vii)	**2024**	1,109	-	-	77
	2023	-	-	-	-

*amounts are classified as trade receivables and derivative financial liabilities respectively (refer Notes 5 and 8).

Southern Generation Limited Partnership (SGLP)

Pioneer Energy Limited (PEL) has an agreement to provide asset management, business development and contracting services to SGLP. In addition, PEL has an agreement to purchase some or all of the electricity generated by SGLP for certain generating assets over a period of time which is significantly shorter than the life of the generating plant. PEL has entered into power purchase agreements with Nova Energy Limited and Mercury New Zealand Limited in relation to electricity generated by assets owned by SGLP. In order to gain access to the electricity, PEL has entered into a back to back power purchase agreement with SGLP. It has been determined that there is no resulting financial asset and liability in the consolidated financial positions of each entity. During the current year, dividends of $9,875,000 (2023: $10,825,000) were received from SGLP. During the year, no capital contributions were made by PEL to SGLP (2023: $Nil).

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

Pulse Energy Alliance Limited Partnership (PEALP)

PEALP is a limited partnership jointly owned by a wholly owned subsidiary of PEL (51%), BEL Investments NZ Limited (a subsidiary of Buller Electricity Limited (49%)).

Transactions with PEALP

Pioneer Energy received payments (GST Exclusive) from PEALP for:

- Management services and incidental costs to PEALP totalling $54,787 (2023: $11,000)
- Settlements in relation to PPA contracts to PEALP totalling $20,524,523 (2023: $15,216,478)
- At balance date trade accruals from PEALP were $2,180,830 (31 March 2023: $1,211,808)

PEL makes payments (GST Exclusive) to PEALP for:

- Provision of treasury management services totalling $76,500 (2023: $75,000). The amount outstanding at year end is $8,625 (2023: $7,187).
- EA levy credits totalling $100,384 (2023: $103,743)
- Settlements in relation to contracts for differences from PEALP totalling $5,162,218 (2023: $18,942,379)
- Electricity credits from NZX collected by PEALP on behalf of PEL totalling $18,305,751 (2023: $15,186,474)
- Management services and incidental costs to PEALP totalling $12,234 (2023: $Nil)
- At balance date receivables and accruals from PEALP was $406,999 (31 March 2023: $60,215)

Shareholder Support provided to PEALP

On 30 March 2022 a Deed of Amendment and Restatement relating to PEALP's Multi-Option Facility Agreement (expiry 30 September 2023) was signed by BNZ, PEALP, Pulse GP Limited, PEL and Buller Electricity Limited. PEL and Buller Electricity Limited each provided a guarantee to BNZ for $9,000,000 (limited to $4,000,000 each in respect to PEALP's $8,0000,000 overdraft facility and $5,000,000 each in respect of a $10,000,000 standby letter of credit for NZX prudentials).

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

Dairy Creek Limited Partnership (Dairy Creek)

Pioneer Energy provided contracting and project management services to Dairy Creek during the period. Pioneer Energy has provided a loan to Dairy Creek to the sum of $10,197,393 (2023: $9,806,393), which interest is payable at 10.3% per annum (2023: 10.3%). During the year $1,295,688 (2023: $1,178,016) was charged. The amount outstanding at year end is $408,130 (2023: $235,740).

Ecogas Limited Partnership (Until November 2023)

Pioneer Energy has an agreement to provide management services and to build a waste energy facility. During the year the Group had progress claims/sales to Ecogas of $2,024,041 (2023: $23,877,966) and capital contributions to Ecogas of $8,500,000 (2023 $2,750,000). The amount outstanding at year end is $Nil (2023: $20,706,854).

Wood Energy New Zealand Limited Partnership (WENZLP)

WENZLP was established in April 2022, being a 50/50 joint venture between Pioneer Generation Investments Limited (a 100% subsidiary of PEL) and Niagara Sawmilling Company Limited. PEL provided capital contributions to WENZLP during the year of $ Nil (2023 $6,187,405). PEL provided asset sales, contracting and project management services to WENZLP during the period totalling $3,644,176 (2023: $10,335,298). The amount outstanding at year end is $10 (2023: $1,254,719). PEL purchased goods and services totalling $7,211,451 (2023: $1,748,583) from WENZLP. The amount outstanding at year end is $ Nil (2023: $375,000).

Lochindorb Wind Limited Partnership (LWLP)

LWLP was established in September 2023, being a 50/50 joint venture between Pioneer Generation Investments Limited (a 100% subsidiary of PEL) and Manawa Energy Renewables Holdco1 Limited. PEL provided capital contributions to LWLP in the form of assets contributed and cash during the year of $7,856,287 (2023 $ Nil). PEL provided administration, contracting, and project management services to LWLP during the period totalling $1,109,171 (2023: $Nil). The amount outstanding at year end is $76,592 (2023: $Nil).

Wood Energy New Zealand North Island Limited Partnership (WENZNILP)

WENZNILP was established in July 2023, being a 33/33/33 joint venture between Pioneer Generation Investments Limited (a 100% subsidiary of PEL) and Niagara Sawmilling Company Limited and Biomass Holdings Limited. PEL provided contracting and project management services to WENZNIP during the period totalling $111,884 (2023: $ Nil). The amount outstanding at year end is $14,479 (2023: $ Nil).

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

c. Trustees and External Member Attendance and Remuneration

	Attendance			
	Board	Investment Committee	Audit and Risk Committee	Remunerations and Nominations Committee
No. of Meetings	**13**	**10**	**5**	**4**
Trustees				
Linda Robertson (Chair)	13	10	5	4
Kathy Dedo (Deputy Chair)	12	-	5	-
Jim Boult (Appointed to IC from 1 Sep 23)	10	4	-	-
Lindsay Breen	12	-	-	4
Kathy Grant	13	-	5	-
Tony Lepper	13	-	-	4
Hetty Van Hale	12	10	-	-
Trudi Webb	12	-	-	-
External Members				
Simon Flood (IC Independent Chair)	-	9	-	-
Mark Taylor (Retired from IC 14 Aug 23)	-	4	-	-

Trustees Remuneration is set following an independent review annually.

The Trust also has an Investment Committee, with a mix of internal and external members, an Audit and Risk Committee, and a Remuneration and Nomination Committee, the latter two committees comprised of internal members only. Trustees appointed to these committees are paid an additional fee for extra duties. Remuneration listed below includes committee fees.

	Remuneration	
	2024 $000	2023 $000
Linda Robertson (Chair)	55.0	54.1
Kathy Dedo (Deputy Chair)	25.8	24.6
Tony Lepper	25.8	25.3
Lindsay Breen	29.3	26.2
Kathy Grant	29.3	27.6
Hetty Van Hale	25.8	28.3
Jim Boult (elected November 2022)	22.3	7.2
Trudi Webb (elected November 2022)	22.3	7.2
Cath Gilmour (retired November 2022)	-	14.5
Rosie Hill (retired November 2022)	-	16.2
Total	**235.3**	**231.3**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

d. Investment Committee External Member Remuneration

	Remuneration	
	2024 $000	2023 $000
Simon Flood (Appointed IC Chair 14 Aug 23)	9.06	7.5
Mark Taylor (Retired as IC Chair 14 Aug 23)	3.75	10

e. Southern Cross CLT Limited Directors Fees

	Directors Fees	
	2024 $000	2023 $000
Kathy Grant (Director)	7.5	7.5
Mark Taylor (Director)	7.5	7.5

f. Pioneer Energy Limited Directors Attendance and Remuneration

	Attendance				
	Board	Finance and Risk	Health, Safety & Wellbeing	Remuneration	PGIL
No. of Meetings	**11**	**5**	**2**	**2**	**3**
Robert Hewett (Chair)	10	1	-	2	3
Don Elder	10	-	2	-	-
Bill Moran	10	5	2	-	-
Tony Balfour	9	2	-	2	-
Jacqueline Cheyne	11	5	1	-	-

Directors fees are set following an independent review annually.

Pioneer Energy Limited also has a Finance and Risk Committee, Health, Safety and Wellbeing Committee, and a Remuneration Committee. Directors appointed to these committees are paid an additional fee for extra duties. Remuneration listed overleaf includes committee fees

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS (cont'd)

Director's fees in respect of the year ended 31 March were as follows:

	PEL $000	2024 Joint Ventures $000	PEL $000	2023 Joint Ventures $000
Robert Hewett (Chair)(i)	98.5	53.8	95.3	51.7
Don Elder	55.25	-	52.6	-
Nick Lewis (retired September 2022)	-	-	23	-
Bill Moran (ii)	55.25	38	55.6	36
Tony Balfour (iii)	55.48	8.1	52.6	-
Jacqueline Cheyne (appointed October 2022)	49.25	-	24.6	-

Joint Venture Director's fees relate to:
i) Pulse Energy Alliance Limited Partnership,
ii) Southern Generation Limited Partnership,
ii) Ecogas Limited Partnership.

g. Key management personnel compensation

The Group have a related party relationship with its key management personnel including the senior management of the Trust and Pioneer Energy Limited. Key management personnel compensation includes the following expenses:

	Group 2024 $000	Group 2023 $000
Salaries and other short-term employee benefits	1,944	2,280
Termination benefits	-	59
Total Remuneration	**1,944**	**2,339**
Number of staff recognised as key management personnel	9	10

26. SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to balance date, Pioneer Energy Limited acquired Roaring Forties 50% shareholding in Southern Generation Limited Partnership (SGLP), making it a 100% owned subsidiary entity.

On 30 June 2024, Pioneer Energy Limited also re-organised its business structure resulting in a number of changes to its investment entities:

- SGLP was renamed Pioneer Energy Renewables Limited Partnership (PERLP). All hydro, wind and thermal assets previously held by Pioneer Energy Limited were transferred to PERLP.
- On the same date, PERLP acquired 100% ownership of Pulse Energy Alliance Limited Partnership (PEALP), Pioneer Energy Limited previously held 51% of PEALP. As part of the acquisition of PEALP by PERLP, the other longstanding partner in PEALP, Buller Electricity Limited acquired a 24.2% ownership share of PERLP.
- A new 100% subsidiary of Pioneer Energy Limited, Pioneer Energy Group Limited Partnership (PEGLP) was established and holds the Group's ownership stake in PERLP, and investment entities Lochindorb LP and Ecogas LP.

(2023: There were no material subsequent events).

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Independent Auditor's Report

To the Trustees of Central Lakes Trust

Opinion

We have audited the consolidated general purpose financial report ('consolidated financial report') of Central Lakes Trust (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated financial statements on pages 10 to 74, and the consolidated statement of service performance on pages 5 to 9. The complete set of consolidated financial statements comprise the statement of financial position as at 31 March 2024, and the consolidated statement of financial performance, statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial report presents fairly, in all material respects:

- the consolidated financial position of the group as at 31 March 2024, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2024 in accordance with the group's service performance criteria.

in accordance with Public Benefit Entity Standards ('PBE Standards') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the entity or any of its subsidiaries. These services have not impaired our independence as auditor of the entity or group.

Other information

The Trustees are responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial report and the audit report.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Trustees' responsibilities for the consolidated financial report

The Trustees are responsible on behalf of the group for:

- the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards; and
- such internal control as the Trustees determine is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Trustees are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial report is located on at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Trustees, as a body, in accordance with Section 10 of the Trust Deed. 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 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.

Deloitte Limited

Dunedin, New Zealand
6 September 2024