CENTRAL LAKES TRUST GROUP

CONSOLIDATED FINANCIAL REPORT

31 MARCH 2025

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 Simon Flood Kathy Grant Tony Lepper 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 2025

OUR PURPOSE

CLT is dedicated to supporting charitable organisations within our funding region, which spans much of both Central Otago and Queenstown Lakes. As a charitable trust, our focus is to fund a wide range of initiatives that help our communities thrive.

We exist to ensure that charitable organisations in our region can access the funds to make a lasting difference in people's lives. These projects support wellbeing, inclusion, culture, the environment, and many other areas that help communities thrive.

By carefully managing and distributing funding, we strive to strengthen our region not just for today, but for future generations. Our purpose is to be a reliable, long-term source of support for the organisations and initiatives that enrich our communities.

ABOUT CENTRAL LAKES TRUST

Our vision
Our community is a better place

Central Lakes TRUST

Our mission
We enhance assets and enrich lives by supporting our community

Our values

BE PRUDENT
Acting with wisdom and care to enhance the social and financial value of CLT

BE COLLABORATIVE
Working with others to identify priorities, improve performance and achieve great outcomes

BE OPEN
Being transparent, approachable and collaborative

BE PROACTIVE
Making things happen by identifying needs and opportunities and, when necessary, initiating change

HAVE INTEGRITY
Doing things well through good judgement, sound ethics, professionalism and consistency

BE FAIR
Being impartial

WHAT DID WE DO AND HOW DID WE PERFORM?

INVESTMENT

Proactively manage our investment portfolio to maintain our fund in perpetuity.

Goals	What we achieved
Receive an annual dividend from our ordinary shares in Pioneer Energy to return a minimum of 7% on the current valuation of the company over the long-term.	✓ 7% received
Ensure net assets are greater than real capital.	✓ Net assets $266.6m above real capital

HIGH-PERFORMING ORGANISATION

Ensure we have effective processes and resources in place to enable us to achieve our vision.

Goals	What we achieved
Measure, report, and reduce our carbon footprint.	✓ Emissions reported and reduced
Staff engage in biennial staff surveys and satisfaction rates of at least 75%.	✓ Staff satisfaction rate 92%
Staff turnover of less than 20%	✓ 13% (due to retirement)
Regular upskilling on relevant local, national, and global trends.	✓ Staff attended a combined total of 49 upskilling opportunities.

COMMUNITY

Proactively address the needs and opportunities of our region in collaboration with stakeholders and community.

Goals	What we achieved
Make grants across all five granting sectors: Lifelong Learning, Community Wellbeing, Community Recreation, Arts and Culture, and Environment and Heritage.	✓ Grants made across all sectors.
Fund a wide range of projects and programmes across our region.	✓ 185 grants approved to a wide range of projects and programmes across our region.
Stakeholder interaction satisfaction rate of at least 80%.	✓ 94.7%
Grants process satisfaction at least 90%.	✗ 86.3%

Disclosure of judgements

In preparing the Statement of Service Performance, management have exercised judgement in selecting the performance measures that best reflect the objectives of Central Lakes Trust (CLT), as outlined in the trust's strategic plan and trust deed. These measures have been chosen to provide meaningful insight into CLT's progress toward its strategic goals and to demonstrate accountability in delivering impact for the communities it serves.

INVESTMENT PORTFOLIO

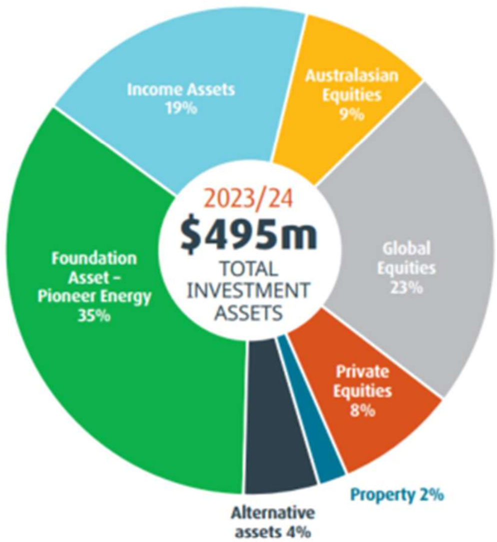
Our grants budget is set in relation to how well our investments perform and how well we manage our reserves. By balancing growth with stability, we ensure that funds will continue to be available for charitable work across our region for years to come.

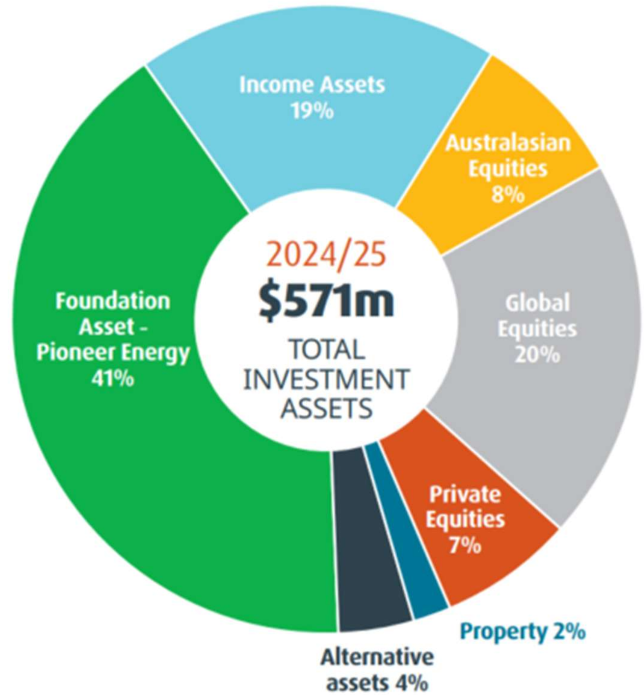
As a long-term investor, we manage our investment portfolio in accordance with our Statement of Investment Policies and Objectives (SIPO), which we review annually.

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 $571 million. As at FYE 31 March 2025, CLT has granted $158.9 million to various charitable community programmes and projects across our region.

CLT's largest investment is in Pioneer, and this is currently valued at $235.4 million. This includes both ordinary shares and Redeemable Preference Shares (RPS). We expect to receive a yearly dividend of at least 7% based on a biennial external valuation of our ordinary shares in Pioneer. CLT takes a medium to long-term approach to financial performance, focusing on returns over five or more years to help smooth out fluctuations caused by changing market conditions.

The remainder of our investments is made up of a diversified portfolio which includes a range of national and international investments.





CLT appointed Mercer New Zealand (Mercer) in 2023 as its Implemented Consultant and invests in Mercer managed funds. Mercer is a signatory to the United Nations Principles of Responsible Investment (UNPRI) and has more than 20 years' experience globally in advising clients on Environmental, Social and Governance (ESG) matters. Mercer is committed to integrating ESG principles into CLT's investment strategies and monitors portfolio activities through ongoing case studies and reporting. Mercer's annual sustainable investment report provides an overview of key ESG considerations applied in respect of portfolios managed on CLT's behalf, and can be viewed on their website: mercerfinancialservices.co.nz.

Social impact investments

CLT aims to make social impact investments of up to $20 million for the 2025 financial year. As at year-end, social impact investments amounted to $8.7 million and comprised the following:

INVESTMENT	PROJECT	2025 $m	2024 $m
Queenstown Lakes Community Housing Trust	Community housing development in Queenstown Lakes District (Shotover Country and Hikuwai)	3.9	4.0
New Ground Capital	Mixed tenure housing project in Frankton – Toru Apartments	2.3	2.9
Southern Cross CLT Limited	Southern Cross Central Lakes Hospital	2.5	3.2

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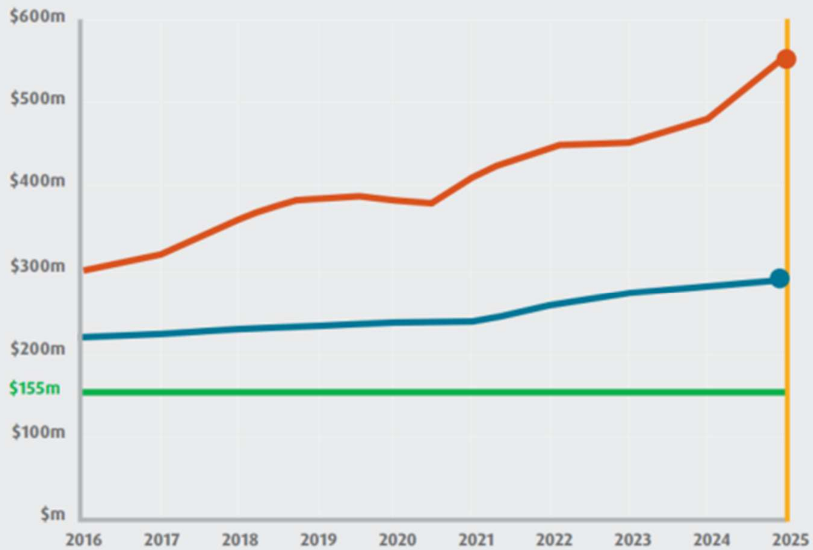
Reserving Position

To preserve our capital over the long term, we manage our investments to ensure the net asset value stays above the real capital. "Long-term" constitutes periods of five years or more.

Should the net asset value fall below the real capital, CLT will review the grants budget and/ or the portfolio's strategic asset allocation. As the Reserving Position graph shows, the net asset value is well above the real capital.



Net asset value - $559.7m*
(2024: $482.4m)

Total assets less total liabilities.

Real capital – $293.1m
(2024: $285.9m)

Real capital is the base capital adjusted quarterly for the cumulative change in the Consumer Price Index since inception of CLT.

Base capital

The base capital is the $155m originally settled by the Otago Central Electric Power Trust.

*Pioneer Energy revaluation occurred in June 2024 causing an adjustment to the net asset value.

Minimum reserve

Minimum reserve compliance

CLT annually sets a minimum reserve which equates to a rolling 3-year sum of actual annual grants approved plus operating expenses. The investment portfolio is maintained to ensure that the minimum reserve is covered by a Low Volatility Allocation (LVA) of investments.

The LVA currently includes investments in cash, New Zealand sovereign bonds and global sovereign bonds.

The purpose of the LVA is to help ensure CLT has reliable access to funds to cover short-medium term outgoings without a need to draw on more volatile assets of the core investment portfolio, particularly during times of significant market downturns. Accordingly, the LVA consists of assets where there is confidence that their value will be robust relative to other assets during such events.

The LVA does not exist as a separate physical portfolio of CLT; it is reported on as a segment of the wider portfolio.

COMMUNITY

CLT grants to charitable organisations to support and strengthen a wide range of projects and programmes across our funding region. Our grant funding principles and granting sectors guide our decision-making to ensure we give funding where it is most needed and impactful.

Grant funding principles

ENABLING PEOPLE
Strengthening communities to be responsive, engaged and resilient.

ENDURING ENVIRONMENT
Stewardship of the history and environment of the region.

ENHANCING OPPORTUNITIES
Enriching communities, enhancing community assets and facilities, creating community cohesion.

Granting sectors

COMMUNITY RECREATION
Programmes and organisations that focus on community participation and engagement in recreation.

COMMUNITY WELLBEING
Programmes and organisations that address social problems or improve health outcomes for the people in our region.

ARTS & CULTURE
Creative projects and organisations that aim to foster access to, engagement with, and experience in, the arts and celebrate the different cultures in our region.

LIFELONG LEARNING
Initiatives that facilitate improved learning outcomes for people in our region by adding value to the sector, with a focus on community development and lifelong learning.

ENVIRONMENT & HERITAGE
Projects and organisations that preserve and promote the physical and cultural heritage of our region and that protect and enhance the environment in which we live.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
for the year ended 31 March 2025

	Notes	2025 $000	2024 $000
Revenue from Exchange Transactions			
Investment Gains/(Losses)	2a	19,358	34,898
Generation, Retail & Energy	2b	245,550	67,542
Other Revenue	2c	13,286	11,277
		278,194	113,717
Less Expenses			
Cost of Sales – Electricity		182,127	18,534
(Gain)/Loss on fair value of electricity derivatives		(9,069)	18,007
Audit Fees – Deloitte Limited	2d	370	248
Other Fees paid to Auditor	2d	1	8
Investment Advice/Management Fees		24	99
Trustee Remuneration	25b, c, d	275	263
Director Remuneration	25f	497	360
Employee Remuneration	2e	15,413	6,464
Depreciation & Amortisation Expense	2f	11,354	8,319
Finance Costs		12,750	10,379
Other Expenses	2g	26,908	18,454
Total Expenses		**240,650**	81,135
Net Operating Surplus		**37,544**	32,582
Less Grants Approved	17	(14,213)	(10,858)
Add Grants Rescinded	17	644	117
		23,975	21,841
Other Gains / (Losses)			
Share of Surplus / (Deficit) from Joint Ventures	14	14,441	16,628
(Loss) on disposal of equity accounted interest in joint venture (Pulse)	12e	(28,220)	7,037
Gain on disposal of equity accounted interest in joint venture (SGLP)	12b	31,212	-
Discount on Acquisition of Subsidiary	12b, e	22,410	-
		39,843	**23,665**
Net Surplus/(Deficit) for the year		**63,818**	**45,506**
Surplus/(Deficit) for the year is Attributable to:			
Equity holders of the parent		58,162	46,170
Non-Controlling Interests		5,656	(664)
		63,818	45,506
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, e	(2,883)	(741)
Fair value gain/(loss) on Foreign Exchange Contracts	19d	-	-
Other Comprehensive Revenue or Expense		**(2,883)**	(741)
Total Comprehensive Revenue and Expense for the year		**60,935**	44,765

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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2025

	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 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**
Acquisition by Control (group restructure)	19	50,114	-	-	-	-	50,114
Reallocation of retained losses to non-controlling interest	19	36,532	-	-	(36,532)	-	-
Reallocation of hedging reserve to non-controlling interest	19	-	-	-	1,336	(1,336)	-
Net Surplus/(Deficit) for the year		58,162	-	-	5,656	-	63,818
Non Controlling Interest		-	-	-	-	-	-
Other Comprehensive Revenue or Expense for the year	19	-	-	-	(697)	(2,186)	(2,883)
Total Comprehensive Revenue & Expense for the year		**58,162**	**-**	**-**	**4,959**	**(2,186)**	**60,935**
Transfer from General Funds	19	(7,215)	7,215	-	-	-	-
Partners Contribution					452		
Distributions to non-controlling interests					(6,171)		-
Balance at 31 March 2025	19	**262,967**	**321,155**	**-**	**(31,670)**	**2,000**	**554,452**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Notes	2025 $000	2024 $000
Current Assets			
Cash and Cash Equivalents	20a	31,389	5,019
Receivables from Non-Exchange Transactions	4	10,030	482
Receivables from Exchange Transactions	5	26,208	13,602
Inventories	6	4,844	1,311
Investments	7	-	3
Other Financial Assets	8	58,635	9,878
		131,106	**30,295**
Non Current Assets			
Property, Plant & Equipment	13	306,458	97,651
Investments	7	326,269	316,611
Investment Property	10	6,650	6,300
Other Intangible Assets	15	12,607	14,526
Goodwill	9	22,353	16,268
Other Financial Assets	8	42,396	15,719
Investment in Joint Ventures	14	7,936	141,221
		724,669	**608,296**
Total Assets		**855,775**	**638,591**
Current Liabilities			
Payables under Exchange Transactions	16	35,950	16,896
Provision for Grants	17	19,897	17,999
Borrowings	18	31,000	17,400
Other Financial Liabilities	8	25,472	16,245
		112,319	**68,540**
Non Current Liabilities			
Income in Advance	16	9,561	10,319
Other Financial Liabilities	8	8,209	2,813
Provision for Grants	17	1,234	1,797
Borrowings	18	170,000	106,000
		189,004	**120,929**
Total Liabilities		**301,323**	**189,469**
Equity			
Capital and Reserves		554,452	449,122
Equity attributable to the Trust	19	**554,452**	**449,122**
Total Liabilities and Equity		**855,775**	**638,591**

For and on behalf of the Trust:

Trustee   **Trustee**

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CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2025

	Notes	Group 2025 $000	2024 $000
Cashflows from Operating Activities			
Cash was provided from:			
Receipts from customers – exchange transactions		254,633	97,877
Rent received		247	245
Interest & Dividends received		2,585	3,050
		257,465	101,172
Cash was disbursed to:			
Payment to Suppliers		(190,415)	(56,580)
Payment to Employees		(15,699)	(6,727)
Interest paid		(12,750)	(10,379)
Payment of Grants		(12,234)	(8,566)
		(231,099)	(82,252)
Net cash inflow/(outflow) from operating activities	20b	**26,366**	**18,920**
Cashflows from Investing Activities			
Cash was provided from:			
Funds received from Investments		11,887	225,992
Proceeds from sale of Property, Plant & Equipment		2,099	11,932
Proceeds from sale of share in subsidiary		30,000	-
Distributions from Joint Ventures		-	14,194
		43,986	252,118
Cash was disbursed to:			
Payment for Investments		(5,494)	(249,613)
Payment for Property, Plant & Equipment		(9,397)	(11,073)
Payment for Other Intangible Assets		(900)	(1,623)
Capital Contribution to Joint Ventures		(1,475)	(10,992)
Acquisition of share in previously equity accounted investment		(105,800)	-
Issue of Loan to Joint Venture		-	(391)
		(123,065)	(262,619)
Net cash inflow/(outflow) from investing activities		**(79,079)**	**(10,500)**
Cashflows from Financing Activities			
Cash was provided from:			
Proceeds from Borrowings		78,600	-
Proceeds from Prudential Security		-	596
		78,600	596
Cash was disbursed to			
Investments in Prudential Security and ASX margin calls		(3,917)	-
Dividends Paid		(6,171)	-
Repayment of Borrowings		(1,000)	(5,000)
		(11,088)	(5,000)
Net cash inflow from financing activities		**67,512**	**(4,404)**

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Net increase/(decrease) in Cash and Cash Equivalents	**14,799**	**4,016**
Net increase in cash through acquisition (Pulse)	10,692	**-**
Net Increase in cash through acquisition (SGLP)	879	**-**
Add Cash and Cash Equivalents at beginning of the year	5,019	1,003
Cash and Cash Equivalents at end of the year	**31,389**	**5,019**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2025

The consolidated financial statements of the Group are for the year ended 31 March 2025. The financial statements were authorised for issue by the trustees on 15 September 2025.

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

Statement of Compliance

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.

Functional and Presentation Currency

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

Measurement Basis

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.

Changes in Accounting Policies

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.

Critical Judgements, Estimates and Assumptions

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.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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:

Purchase Price Allocations

During the year the Group completed a number of business combinations which required the application of purchase price allocation accounting. In each case, the purchase price paid was allocated to the identifiable assets acquired and liabilities assumed, with any residual recognised as goodwill. The allocation process involved significant management judgement in determining the fair value of acquired assets and liabilities, particularly with respect to intangible assets and long-lived property, plant and equipment.

As a result of the following transactions, purchase price allocations were undertaken:

- Acquisition of Pulse Energy Alliance LP's retail business (Note 12)
- Acquisition of Southern Generation LP's generation business (Note 12)
- Finalisation of acquisition accounting for Ecogas LP's business (Note 12)

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 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 include the publicly available forecasted spot price at each grid exit point and unobservable forecast volumes to be delivered. The valuation also incorporates accounting for the 3-way CREMA arrangement.

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.

Trade debtors and other receivables

The Group recognises unbilled electricity gross margin relating to electricity supplied to customers where meters have not yet been read at balance date. The amount recognised requires management to apply judgement in estimating consumption between the last meter read and the reporting date.

Investments in joint ventures

Refer to note 14.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Investments in private equities

Refer to note 7 and note 21.

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 surplus or deficit in the period of acquisition.

Non-controlling interests are stated at their proportionate share of the recognised fair values of the acquiree's assets and liabilities.

Business Combinations

Business combinations are accounted for in accordance with PBE IPSAS 40 *PBE Combinations*. The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets transferred, liabilities assumed, and any other consideration exchanged to obtain control of the acquiree.

The acquiree's identifiable assets and liabilities that meet the recognition criteria of PBE IPSAS 40 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) classified as held for sale in accordance with PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are measured at fair value less costs to sell.

Any goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the cost of the combination over the Group's share of the net fair value of the identifiable assets and liabilities. Where the Group's share of the net fair value of the identifiable assets and liabilities exceeds the cost of the combination, the difference is recognised immediately in surplus or deficit.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Non-controlling interests that represent ownership interests entitling their holders to a proportionate share of the entity's net assets in the event of liquidation may be measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The Group adopted the 'proportionate share method' and measure non-controlling interest as the present ownership interests' proportionate share of the acquiree's net identifiable assets. The non-controlling interest comprises the non-controlling interest in EcoGas and Buller Electricity Limited's (Buller) share in PERLP.

Business Combinations Achieved in Stages

Where the Group gains control of an entity in which it previously held an equity interest accounted for under PBE IPSAS 36 *Investments in Associates and Joint Ventures*, the transaction is accounted for as a business combination achieved in stages in accordance with PBE IPSAS 40.

On the date control is obtained:

- The previously held interest is remeasured at fair value.
- Any resulting gain or loss is recognised in surplus or deficit (or in other comprehensive revenue and expense if appropriate).
- The fair value of the previously held interest, together with the consideration transferred and any non-controlling interest, is used to determine goodwill (or the gain on a bargain purchase, if applicable).

Goodwill is calculated once, at the date control is obtained.

Business Combinations Under Common Control

A business combination involving entities or operations under common control arises when all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

In accordance with PBE IPSAS 40, the Group applies the predecessor accounting method to such transactions. Under this method, the assets and liabilities of the acquired entity are recognised at their existing carrying amounts at the date of the combination and are not remeasured to fair value.

The Group adopts the prospective presentation method for such combinations. The results and financial position of the acquired entity are included in the consolidated financial statements from the date of the combination. Comparative information is not restated.

Step Acquisitions

Where the Group obtains control of an entity through a step acquisition (i.e., control is obtained in stages where the Group previously held an equity interest), the transaction is accounted for in accordance with PBE IPSAS 40 as follows:

- The previously held equity interest is remeasured at its acquisition-date fair value.
- Any resulting gain or loss from remeasurement is recognised in surplus or deficit or in other comprehensive revenue and expense, as appropriate.
- The fair value of the previously held interest, together with any additional consideration transferred and any non-controlling interests, is used to calculate goodwill (or a bargain purchase gain if applicable).
- Where the acquisition accounting is provisional at balance date, adjustments to the fair values of assets, liabilities, or goodwill are made retrospectively within the 12-month measurement period, as permitted under PBE IPSAS 40.

Goodwill is calculated once, at the date control is obtained.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Presentation of Step Acquisition and Bargain Purchase Gains
Gains or losses arising from step acquisitions and bargain purchase gains are recognised in Other gains/(losses) within the Consolidated Statement of Comprehensive Revenue and Expense, consistent with PBE IPSAS 40 PBE Combinations. These gains and losses do not meet the definition of revenue under PBE IPSAS 9 Exchange Revenue or PBE IPSAS 23 Non-Exchange Revenue and are therefore not presented as revenue or as part of the Group's operating surplus.

Under PBE Standards, balances recognised under NZ IFRS 15 (e.g., deferred customer acquisition costs/credits) have not been recognised in the Group consolidation.

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.

Standards issued and effective in the current year
The following amendment to PBE Standards became effective for the first time in the year ended 31 March 2025:

- Amendments to PBE IPSAS 1 – Disclosure of Fees for Audit Firms' Services
  Applicable from 1 January 2024, these amendments update the disclosure requirements for fees paid to the Group's audit or review firm, requiring separate disclosure by category of service.

No other new or amended PBE Standards became effective during the current period that had a material impact on the Group's financial position or performance.

Standards issued but not yet effective
At the date these financial statements were authorised for issue, no new or amended PBE Standards had been issued but were not yet effective that are expected to have a material impact on the Group's financial statements.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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	
	2025	**2024**
	$000	$000
Interest	2,481	3,053
Net gains/(losses) arising on Investments at Fair Value through Surplus or Deficit	16,630	31,599
Rent	247	246
Total	**19,358**	**34,898**

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.

Exchange		
Electricity Generation and Retail Sales	219,891	48,798
Waste to Energy	6,688	2,923
Energy Sales	18,971	15,821
Total Exchange	**245,550**	**67,542**

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	13,286	7,734
Gain/(Loss) on Sale - Property, Plant and Equipment	-	3,543
Total Other Revenue	**13,286**	**11,277**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

2. REVENUE & EXPENSES (cont'd)

d. Audit Fees

	Group	
	2025	**2024**
	$000	$000
Statutory audit – Deloitte Limited	370	222
Other non-assurance fees – Deloitte Limited (i)	1	8
Other fees paid to Deloitte Limited by entities related to the Group (ii)	-	26
Total	**371**	**256**

i) Other non-assurance fees paid to Deloitte Limited in the current year relate to tax compliance services (2024: 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	**759**	**388**

f. Depreciation and Amortisation Expense

Policy:

Refer to Note 13 and 15

Depreciation expense	14,807	7,932
Depreciation recovered and or gain on sale disposal	(4,447)	(181)
	10,360	7,751
Amortisation expense	994	568
Total	**11,354**	**8,319**

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	**2,441**	**4,522**

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Notes to the Consolidated Financial Statements (cont'd) **for the year ended 31 March 2025**

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.

Prudential Security Bond - Represents money the Trust is required to hold with the electricity market operator to guarantee it can meet its obligations. The amount changes as market prices move, with additional payments (margin calls) made when required. The bond is measured at amortised cost.

	Group	
	2025	**2024**
	$000	$000
Prudential Security Bond	8,124	216
GST refund due	1,906	266
Total	**10,030**	**482**

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	15,070	4,846
Allowance for expected credit losses	(1,566)	0
	13,504	4,846
Prepayments & Accruals	12,702	6,969
Sundry Receivables	2	1,787
Total	**26,208**	**13,602**

As at 31 March 2025 Group trade receivables of $2,993,000 (2024: $2,302,000) were past due and a provision for expected credit losses of $75,000 (2024: $Nil) was recognised in other expenses in the consolidated statement of comprehensive revenue and expense.

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 2025

6. INVENTORIES

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

	Group	
	2025	**2024**
	$000	$000
Consumable	4,797	1,275
Carbon Credit Units	47	36
Total	**4,844**	**1,311**

7. INVESTMENTS

Policy:

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

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

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 FVSD. The Group has not designated any financial assets at FVSD.

Financial assets at FVSD are stated at fair value with any resultant gain or loss recognised in surplus or deficit. Refer to Note 2 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 2025

7. INVESTMENTS (cont'd)

	Group 2025	Group 2024
	$000	$000
AT AMORTISED COST		
Current		
NZ Cash	-	3
Total	**-**	**3**
Non-Current		
Queenstown Lakes Community Housing Loan	3,942	4,035
Total	**3,942**	**4,035**
TOTAL AT AMORTISED COST INVESTMENTS	**3,942**	**4,038**
AT FAIR VALUE THROUGH SURPLUS OR DEFICIT		
Non-Current		
Unit Trusts	283,857	271,495
Private Equities	38,470	41,081
Total	**322,327**	**312,576**
TOTAL INVESTMENTS	**326,269**	**316,614**
Disclosed as:		
Current	-	3
Non Current	326,269	316,611
Total	**326,269**	**316,614**

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 2025

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.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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	
	2025	**2024**
	$000	$000
OTHER FINANCIAL ASSETS		
Current – At Fair Value		
Electricity Hedge Contracts (i)	58,635	9,878
Total	**58,635**	**9,878**
Non Current		
Non Current – At Amortised Cost		
Other Finance Receivable – Dairy Creek	10,197	10,197
Non Current – At Fair Value		
Electricity Hedge Contracts (i)	32,199	-
Interest Rate Swap Contracts (ii)	-	5,522
Total	**42,396**	**15,719**
TOTAL OTHER FINANCIAL ASSETS	**101,031**	**25,597**
OTHER FINANCIAL LIABILITIES		
Current – At Fair Value		
Electricity Hedge Contracts (i)	(24,964)	(16,245)
Interest Rate Swap Contracts (ii)	(508)	-
Total	**(25,472)**	**(16,245)**
Non Current – At Fair Value		
Electricity Hedge Contracts (i)	(8,209)	(2,813)
Total	**(8,209)**	**(2,813)**
TOTAL OTHER FINANCIAL LIABILITIES	**(33,681)**	**(19,058)**

i) Electricity hedge contracts are classified at fair value through surplus or deficit (FVSD), with gains and losses recognised in surplus or deficit in the period in which they arise.
ii) Interest rate swaps are classified as financial instruments held at fair value through Other Comprehensive Revenue and Expense as they are designated as effective cash flow hedges. The effective portion of changes in their fair value are recognised in Other Comprehensive Revenue and Expense 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 Surplus or Deficit Refer to Note 19 for a reconciliation of the gain/(loss) recognised in Other Comprehensive Revenue and Expense and accumulated in the Hedge Reserve. .

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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% (2024: 10.3%). The Group classified this as financial asset measured at amortised cost. The Group 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	
	2025	**2024**
	$000	$000
Cost	22,353	16,268
Accumulated impairment losses	-	-
Carrying Amount	**22,353**	**16,268**
Cost		
Balance at 1 April	16,268	16,268
Acquisition of subsidiaries	6,085	-
Balance at 31 March	**22,353**	**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 acquisitions of Ecosystems Limited and Ecogas Limited Partnership by Pioneer Energy Limited.

$16,268,000 of goodwill has been allocated for impairment testing purposes to the Pioneer Energy Limited cash generating unit with the remainder being allocated to the Ecogas cash generating unit.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 2025 (and 31 March 2024) 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 5.2% (2024: 5.5%).

There were no significant contractual obligations of a capital and/or maintenance nature relating to the current investment property at balance date (2024: Nil).

	Group	
	2025	**2024**
	$000	$000
Balance at beginning of the year	6,300	5,850
Renovations during year	491	-
Gain/(loss) on property revaluation at fair value	(141)	450
Balance at end of the year	**6,650**	**6,300**

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 2025 %	Ownership interests and voting rights 2024 %
Central Lakes District 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% (60%)
Pioneer Generation Investment Limited	NZ	Holding Company	100%	100%

(i) During the year ended 31 March 2024, Pioneer Energy Limited gained control of Ecogas Limited Partnership (60% of voting rights on 1 November 2023) and consequently accounted for this investment as a consolidated entity from this date forming part of the Group results.

(ii) During the year, Pioneer Energy Limited obtained control of SGLP (renamed to PERLP) by acquiring the remaining 50% on 27 June 2024 (Note 12) As a result, this investment has been consolidated into the Group's results from that date.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

11. SUBSIDIARIES & CONTROLLED ENTITIES (cont'd)

(iii) During the year, Pioneer Energy Renewables LP gained control of Pulse by acquiring the remaining 49% on 27 June 2024 (Note 12). Consequently, this investment has been consolidated into the Group's results from that date.

(iv) On 27 June 2024, Pioneer Energy Limited established a new entity, Pioneer Energy Group Limited Partnership (PEGLP), with PEL being the sole limited partner. PEL also established PEGLP's general partner, Pioneer Energy Group GP Limited, maintaining 100% shareholding.

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

12. ACQUISITION OF SUBSIDIARIES/PARTNERSHIP

a. Group reorganisation summary

In May and June 2024, Pioneer Energy Limited undertook a number of transactions between group entities in order to simplify the group structure and position it for future growth. These transactions are further explained in the table below:

Date of transaction	Transaction Description	Affected PEL Group Entities
17-May-24	PEL established a new entity, Pioneer Energy Group Limited Partnership (PEGLP), with PEL being the sole limited partner. PEL also established PEGLP's general partner, Pioneer Energy Group GP Limited (PEGGP), maintaining 100% shareholding.	-
27-Jun-24	Pioneer Generation Investment Limited (PGIL) was amalgamated into PEL.	
	PEL purchased the remaining 50% interest in SGLP and SGGP for $105.8m.	PEL, PERLP (see 12(b) below)
	In consideration for 100% partnership interest in PEGLP, PEL sold its partnership interest in the following entities to PEGLP: Ecogas Limited Partnership (Ecogas LP); PERLP, previously named SGLP; and Lochindorb Wind Limited Partnership (Lochindorb LP).	PEL, PEGLP, PERLP (See 12(c) below)
	PEL also sold and PEGLP purchased all of PEL's shares in:- Ecogas GP Limited; Lochindorb GP Limited; and Southern Generation GP Limited (renamed to Pioneer Energy Renewables GP Limited).	PEL, PEGLP, PERLP
	PEL sold its hydro, wind and thermal assets ('renewable assets') and share in Pulse to PERLP and transferred its partnership interest in Pulse in consideration for: Agreeing to accede to PEL's banking facilities as primary obligor; and Advancing PEGLP $30m;	PEL, PERLP, PEGLP (see 12(d) below)
	Under the subscription agreement, Buller agreed to sell a 49% stake in Pulse General Partnership Limited and its interest in Pulse, along with contributing $30m in cash to PERLP, in exchange for a 24.2% ownership in PERLP.	PERLP (see 12(e) below), PEGLP
1-Jul-24	SGLP was renamed to PERLP.	PERLP

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

12. ACQUISITION OF SUBSIDIARIES/PARTNERSHIP (cont'd)

b. Acquisition of remaining shares in SGLP

Name	Principal Activity	Date of Acquisition	Proportion of shares acquired
Southern Generation Limited Partnership	Electricity generation	27-Jun-24	50%

On June 27, 2024, PEL entered into an agreement with the other limited partner of SGLP, Roaring Forties Energy Limited Partnership (a non-related entity), to acquire the remaining 50% interest for a purchase price of $105.8m, paid in cash. To fund the purchase, PEL secured $50m in additional term debt (Note 18), a $30m bridging loan (Note 18)(to be repaid by July 31, 2025), and received $30m from Buller. As PEL previously held a 50% interest, this was treated as a Business Combination Achieved. The previously held equity interest was remeasured to fair value at acquisition date, resulting in a remeasurement gain of $31.2m. This gain is presented in the Consolidated Statement of Comprehensive Revenue and Expense within Other gains/(losses). The carrying value of the equity-accounted investment in SGLP in PEL was $81m and at the acquisition-date fair value of the previously held equity interest was assessed by an independent valuation at $112.2m. The acquisition of the remaining 50% share in SGLP led to the recognition of a bargain purchase gain of $6.4m, (where the fair value of net assets acquired exceeded the consideration transferred), which is recognised in Other gains/(losses) in surplus. The acquisition considerations, along with the fair value allocated to the asset and liability classes at the time of acquisition are outlined below.

Acquisition Consideration	$000s
Cash	105,800
Acquisition-date fair value of the previously held equity interest	112,200
Total acquisition consideration	**218,000**
Net identifiable assets acquired	224,400
Bargain purchase gain recognised in Other gains / (losses)	**6,400**

c. Sale of PEL's partnership interest in Ecogas LP, PERLP and Lochindorb LP to PEGLP

On 27 June 2024, In consideration for 100% partnership interest in PEGLP, PEL sold and PEGLP purchased all of PEL's partnership interest in Ecogas Limited Partnership (Ecogas LP), PERLP (previously known as SGLP); and Lochindorb Wind Limited Partnership (Lochindorb LP). These transactions were accounted for as Business Combination Under Common Control using the Predecessor Method.

d. Sale of PEL's Renewable Assets and investment in Pulse to PERLP

In exchange for PERLP agreeing to assume PEL's banking facilities and providing PEGLP with $30m in cash, PEL transferred its hydro, wind, and thermal assets (renewable assets), along with its 51% interest in Pulse, to PERLP. These transactions were accounted for as Business Combination Under Common Control using the Predecessor Method as all combining entities are ultimately controlled by the Group before and after the combination, and that control is not transitory.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

12. ACQUISITION OF SUBSIDIARIES/PARTNERSHIP (cont'd)

e. Acquisition of Remaining Shares in Pulse Energy Alliance LP

Name	Principal Activity	Date of Acquisition	Proportion of shares acquired
Pulse Energy Alliance LP	Energy and broadband retailing	27-Jun-24	49%

PEL's 51% equity investment in Pulse was transferred to PERLP at its carrying amount of $62m. The consideration for the 51% interest was assessed at $33.3m, resulting in a deemed disposal loss of $28.2m recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

On 27 June 2024, Buller agreed to sell its remaining shares in Pulse and contribute $30m in cash to PERLP in exchange for a 24.2% ownership interest in PERLP. As PERLP already held a 51% interest in Pulse, this transaction constitutes an Acquisition Achieved in Stages. The entire investment was valued at $65.3m. The Limited Partnership has completed the provisional purchase price allocation in accordance with the requirements of PBE IPSAS 40 *PBE Combinations*. The provisional fair value attributed to the acquired assets and assumed liabilities is disclosed in the following table.

Acquisition Consideration	$000s
Acquisition-date consideration of 49% of Pulse	31,994
Acquisition-date fair value of the previously held equity interest	33,300
Total acquisition consideration	**65,294**
Net identifiable assets acquired	81,304
Bargain purchase gain recognised in Other gains / (losses)	**16,010**

Upon acquiring the remaining 49% stake in Pulse, the Group recognised a provisional bargain purchase gain of $15.7m from the transaction. This gain has been recognised within Other gains/(losses) in the Consolidated Statement of Comprehensive Revenue and Expense in accordance with PBE IPSAS 40 *PBE Combinations*.

The Group has 12 months from the acquisition date to finalise the business combination accounting. The bargain purchase gain arose from a significant uplift in the valuation of Pulse's derivative assets to $70.5m, driven by the increase in the electricity forward market at the time of the transaction.

f. Finalisation of Acquisition Accounting for Ecogas Limited Partnership

Name	Principal Activity	Date of Acquisition	Proportion of shares acquired
Ecogas Limited Partnership	Waste to Energy	1-Nov-23	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 carrying value of equity accounted 85% share in EcoGas as at 1 November 2023 was $21m. After considering the acquisition date fair value of the existing 85% interest, this resulted in the entire investment being valued at $33m and a gain of $7m being recognised in Other gains/(losses) in the Consolidated Statement of Comprehensive Revenue and Expense. As disclosed in the 2024 financial statements, the initial accounting for the acquisition was recorded on the provisional basis. The assessment of the fair value on acquisition has been completed, resulting in a change in the identifiable intangible assets and goodwill.

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

12. ACQUISITION OF SUBSIDIARIES/PARTNERSHIP (cont'd)

The valuation of the assets and liabilities acquired has now been completed and goodwill of $6.1m was recognised. The fair value allocated to the asset and liability classes upon acquisition are disclosed below.

Acquisition Consideration	$000s
Acquisition-date fair value of the previously held equity interest	105,800
Total acquisition consideration	**105,800**

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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 and dams. 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	-
Dams	2-7%	SL
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.

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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

Group 2025	Cost 1 April 2024	Acquisition by Control	Additions	Disposals	Transfers from Capital Work in Progress	Cost 31 March 2025	Accumulated Depreciation & Impairment Charges 1 April 2024	Impairment Losses charged in Surplus / (Deficit)	Depreciation Expense	Accumulated Depreciation reversed on Disposal	Transfers Between Assets Classes	Accumulated Depreciation & Impairment Charges 31 March 2025	Carrying Value 31 March 2025
	$000	$001	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Land	6,864	4,354	-	-	-	11,218	231	-	8	-	-	239	10,979
Dams	-	81,079	1	-	(58,148)	22,932	-	-	1,937	-	(1,937)	-	22,932
Land Improvements	6,315	-	62	-	-	6,377	235	-	273	-	-	508	5,869
Buildings	46,121	18,609	869	-	58,148	123,747	16,450	-	2,179	-	1,937	20,566	103,181
Motor vehicles	3,843	140	554	-	-	4,537	1,176	-	421	-	-	1,597	2,940
Generation Plant	61,582	92,687	968	-	-	155,237	29,756	-	6,421	-	-	36,177	119,060
Heat Plant	35,585	-	2,370	1,882	-	36,073	24,494	-	1,630	1,228	-	24,896	11,177
Other Equipment and Tools	964	15,798	206	66	-	16,902	139	-	1,507	171	-	1,475	15,427
Furniture & fittings	372	46	80	47	-	451	289	-	24	45	-	268	183
Office equipment	137	285	74	91	-	405	94	-	178	88	-	184	222
Computer equipment	966	40	93	11	-	1,088	738	-	110	11	-	837	252
Total	**162,749**	**213,038**	**5,277**	**2,097**	**-**	**378,967**	**73,602**	**-**	**14,688**	**1,543**	**-**	**86,747**	**292,222**
Capital Work in Progress	8,504	3,313	4,138	1,654	(47)	14,254	-	-	18	-	-	18	14,236
Total Property, Plant & Equipment	**171,253**	**216,351**	**9,415**	**3,751**	**(47)**	**393,221**	**73,602**	**-**	**14,706**	**1,543**	**-**	**86,765**	**306,458**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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	
Land	1,980	3,500	-	1,384	6,864	-	-	8	-	223	231	6,633
Land Improvements	758	-	-	5,557	6,315	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	0	(2,063)	139	825
Furniture & fittings	361	-	3	14	372	275	-	15	1	-	289	83
Office equipment	104	34	1	-	137	52	-	7	-	-	94	43
Computer equipment	791	74	8	109	966	653	-	93	8	-	738	228
Total	**128,278**	**7,910**	**12,399**	**38,960**	**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**	**51,369**	**38,960**	**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 2025

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 expense. The cumulative movements are adjusted against the carrying amount of the investment.

When a group entity transacts with a joint venture of the Group, surpluses or deficits 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, 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 2025

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	
			2025	2024
Southern Generation Limited Partnership (SGLP) (Renamed to PERLP)	Electricity Generation	New Zealand	75.8% (83.3%)	50% (50%)
Pulse Energy Alliance Limited Partnership (PEALP) (ii)	Energy Retail	New Zealand	75.8% (83.3%)	51% (50%)
Wood Energy NZ Limited Partnership	Biomass	New Zealand	-	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%)
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 Energy Limited obtained control of SGLP (renamed to PERLP) by acquiring the remaining 50% on 27 June 2024 (Note 12)
As a result, this investment has been consolidated into the Group's results from that date. .

ii) During the year, Pioneer Energy Renewables LP gained control of Pulse by acquiring the remaining 49% on 27 June 2024 (Note 12). Consequently,this investment has been consolidated into the Group's results from that date.

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 2025

14. JOINT VENTURES (cont'd)

Summarised Statement of Financial Position	SGLP	PEALP	WENZ	WENZ NI	LOCHINDORB	SCCL	2025
							$000
Current assets	-	-	-	-	2,012	3,159	
Non-current assets	-	-	-	-	13,814	3,713	
Current liabilities	-	-	-	-	(296)	(1,854)	
Non-current liabilities	-	-	-	-	-	-	
Equity	-	-	-	-	15,530	5,018	
Portion of the Group's ownership	76%	76%	50%	50%	50%	50%	
Carrying amount of investment in Group's financial statements	**-**	**-**	**-**	**-**	**5,427**	**2,509**	**7,936**

Summarised Statement of Comprehensive Revenue and Expense	SGLP*	PEALP*	WENZ	WENZ NI	LOCHINDORB	SCCL	2025
							$000
Revenue	6,552	60,651	-	-	-	14,215	
Expenses	(8,482)	(25,701)	-	-	(459)	(17,125)	
Surplus (deficit) for the year	(1,930)	34,950	-	-	(459)	(2,910)	
Other comprehensive revenue or expense for the year	-	-	-	-	-	-	
Total comprehensive revenue and expense for the year	(1,930)	34,950	-	-	(459)	(2,910)	
Portion of the Group's ownership	50%	48.90%	50%	50%	50%	50%	
Group's share of surplus /(deficit)	**(965)**	**17,091**	**-**	**-**	**(230)**	**(1,455)**	**14,441**

*Represents transactions prior to 27 June 2024

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

14. JOINT VENTURES (cont'd)

Summarised Statement of Financial Position	SGLP	PEALP	WENZ	WENZ NI	LOCHIN DORB	SCCL	Group 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**	**3,214**	**141,221**

Summarised Statement of Comprehensive Revenue and Expense	SGLP	PEALP	WENZ	WENZ NI	ECOGAS	LOCHIN DORB	SCCL	Group 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%	48.90%	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**

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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	
Customer Contracts	up to 30 years	
Consents	5 – 30 years	
Asset management	up to 7 years	
Lochindorb rights	30 Years	(transferred to Lochindorb Wind Limited Partnership in 2024)
Trademarks	9 – 10 years	

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.

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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-23	**1,359**	**516**	**6,650**	**374**	**-**	**-**	**8,899**
Additions through Acquisition of Control	-	11,796	-	-	-	-	11,796
Additions	1,623	-	-	-	1,415	-	3,038
Disposals	-	-	(6,650)	-	-	-	(6,650)
Balance at 31-Mar-24	**2,982**	**12,312**	**-**	**374**	**1,415**	**-**	**17,083**
Additions through Acquisition of Control	448	250	-	-	5,986	29	6,713
Completion of acquisition accounting - EcoGas	-	(5,896)	-	-	(1,415)	-	(7,311)
Additions	9	42	-	-	-	-	51
Disposals	(2,602)	(515)	-	-	-	-	(3,117)
Balance at 31-Mar-25	**837**	**6,193**	**-**	**374**	**5,986**	**29**	**13,419**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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-23	**(1,190)**	**(423)**	**(133)**	**(91)**	**-**	**-**	**(1,837)**
Additions through Acquisition of Control	-	-	-	-	(153)	-	(153)
Amortisation	(609)	(47)	(100)	(26)	(18)	-	(800)
Accumulated Amortisation Reversed on Disposal	-	-	233	-	-	-	233
Balance at 31-Mar-24	**(1,799)**	**(470)**	**0**	**(117)**	**(171)**	**-**	**(2,557)**
Amortisation	(581)	(340)	-	(26)	(44)	(3)	(994)
Accumulated Amortisation Reversed on Disposal	2,027	496	-	-	215	-	2,738
Balance at 31-Mar-25	**(353)**	**(314)**	**-**	**(143)**	**-**	**(3)**	**(814)**
Carrying Amount							
At 31 March 2024	**1,183**	**11,842**	**-**	**257**	**-**	**-**	**14,526**
At 31 March 2025	**484**	**5,879**	**-**	**231**	**5,986**	**26**	**12,607**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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	
Current	**2025**	**2024**
	$000	$000
Trade Payables	21,285	1,918
Employee Benefits	4,984	1,495
Income in Advance	1,263	3,291
Accrued Expenses	7,202	10,192
Customer Prepayments	266	-
Other Payables	950	-
Total	**35,950**	**16,896**
Non-Current		
Income in Advance	**9,561**	**10,319**

Income in advance relates to the Auckland City Council contract and the advance payment made to EcoGas. The balance is amortised at $35/tonne of raw material collected against the "Waste to energy" revenue line (Note 2b)

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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	
	2025	**2024**
	$000	$000
Balance at beginning of the year	19,796	17,621
Grants approved covering:		
2023/2024 year	-	7,259
2024/2025 year	10,134	1,839
2025/2026 year	2,864	1,760
2026/2027 year	1,215	-
Total Grants Approved	**14,213**	**10,858**
Grants Paid	(12,234)	(8,566)
Grants Rescinded	(644)	(117)
Balance at the end of the year	**21,131**	**19,796**
Disclosed as:		
Current	19,897	17,999
Non Current	1,234	1,797
Balance at the end of the year	**21,131**	**19,796**

Since inception, grants of $158,967,032 have been approved as at 31 March 2025 (2024: $146,427,812).

The grants approved amount includes multi-year grants where CLT recognise 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 2025

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 2025 the Group's borrowings were as follows:

	Maturity Date/Facility Term	Weighted Average Interest Rates		Group 2025	Group 2024
		2025	2024	$000	$000
Syndicated Facilities Agreement with ASB and BNZ	1/11/2026	-	6.70%	165,000	116,400
Bridge Facility	31/07/2025	6.60%	-	30,000	-
Market Connect Overdraft Background BNZ	30/09/2025	10.14%	-	-	-
PGF Loan	16/08/2030	6.62%	6.62%	6,000	7,000
Total				**201,000**	**123,400**

Secured Bank Loan Facility	Group 2025 $000	Group 2024 $000
Current		
Amount Drawn Current Bridge Facility	30,000	-
Amount Drawn Current revolving	-	16,400
PGF Lending Facility Ecogas	1,000	1,000
Total	**31,000**	**17,400**
Non-Current		
Amount Drawn Syndicated	165,000	-
Amount Drawn Revolving	-	100,000
PGF Lending Facility Ecogas	5,000	6,000
Total	**170,000**	**106,000**
Amount Available	13,000	3,600
Total	**214,000**	**127,000**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

18. BORROWINGS (cont'd)

On June 26, 2024 ('Amendment date'), the Group entered into an amended and restated Syndicated Facilities Agreement with ASB and BNZ (Facilities Agreement). Under this agreement, Pioneer Energy Limited and Pioneer Generation Investment Limited were released from their roles as obligor and guarantor, respectively, while PERLP and Pulse Energy Alliance LP became the new borrowers, while Pioneer Energy Renewables GP Limited and Pulse General Partnership Limited became the new guarantors. For the duration of the bridging facility Pioneer Energy Limited remains as guarantor for that facility and this is further backed by a guarantee from the Central Lakes Trust extended and minuted accordingly on 3 April 2024. The primary purpose of this restructuring was to fund the acquisition of SGLP and facilitate the transfer of debts to PERL. As of the balance date, the Facilities Agreement provided for a total facility of $200m (31 March 2024: $Nil), structured with various sub-limits.

- Bridge Facility (repayment is 31 July 2025) $30,000,000 (2024: $Nil)
- Acquisition Facility (repayment date 1 November 2026) $50,000,000 (2024: $Nil)
- Term Facility (repayment date 1 November 2026) $100,000,000 (2024: $Nil)
- Revolving Facility (repayment date 1 November 2026) $20,000,000 (2024: $Nil)

In addition to this, there is a Letter of Credit and Bond Facility - $25m (2024: $Nil). At 31 March 2025, the Group allocated $22.9m (2024: $Nil) of the amount available to letters of credit and guarantees. Effective from the Amendment Date, each letter of credit and guarantee was reclassified and accounted for under the Amended and Restated Syndicated Facilities Agreement with ASB and BNZ, as Revolving Facility B, maintaining the same amount and currency.

BNZ provided the Group with a Bank Guarantee Facility of $25m. As of 31 March 2025, the total value of BNZ bank guarantees issued amounted to $24.6m (31 March 2024: $Nil), which includes $21m related to the Guarantees and Standby Letter of Credit (LC) facility issued by BNZ in favour of the Energy Clearing House (NZX) as of 31 March 2025 (31 March 2024: $Nil).

From 27 June 2024, the Facilities Agreement and cash advance facility are secured by way of a debenture over the PERLP's assets and undertakings, including shares in its investments. 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 during the year
Interest rate derivative swap facilities have been entered into to manage the LP's interest rate exposure risk

Ecogas has a loan with the Provincial Growth Fund with an original term of 10 years from 2020 with 5 years remaining with the last 5 years requiring capital repayments of $1m per year. The outstanding balance at balance date amounted to $6m. 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 2025

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 2.5% (2024: 4%).

Population Growth Reserve

The purpose of this Reserve was 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. This Reserve was discontinued in the year ending 31 March 2024 and transferred to the Capital Maintenance Reserve.

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.

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	
	2025 $000	**2024 $000**
Balance at beginning of the year	125,374	90,916
Net surplus/(deficit) for the year	58,162	46,170
Transfer from Non-Controlling Interest	-	(664)
Transfer to Capital Maintenance Reserve	(7,215)	(11,049)
Acquisition by Control (Group restructure)	50,114	-
Reallocation of retained losses to non-controlling interest	36,532	-
Balance at end of the year	**262,967**	**125,374**

b. Capital Maintenance Reserve

Balance at beginning of the year	313,940	119,636
Transfer from Population Growth Reserve	-	183,255
Transfer from General Funds	7,215	11,049
Balance at end of the year	**321,155**	**313,940**

c. Population Growth Reserve

Balance at beginning of the year	-	183,255
Transfer to Capital Maintenance Reserve	-	(183,255)
Transfer from General Funds	-	-
Balance at end of the year	**-**	**-**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

19. EQUITY (cont'd)

d. Hedging Reserve

	Group		
	Interest Rate Swaps $000	Foreign Exchange Contracts $000	Total $000
2025			
Balance at beginning of the year	5,522	-	5,522
Other comprehensive revenue or expense	(2,186)	-	(2,186)
Reallocation of Hedging reserve to non-controlling interest	(1,336)	-	(1,336)
Balance at end of the year	**2,000**	**-**	**2,000**
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**

e. Non-Controlling Interest

	2025 $000	2024 $000
Balance at beginning of the year	4,286	-
Net Surplus/Deficit for year	5,656	-
Reallocation of retained losses	(36,532)	4,950
Reallocation of hedging reserve	1,336	-
Other comprehensive revenue or expense	(697)	(664)
Partners Contribution	452	-
Dividends Declared	(6,171)	-
Balance at end of the year	**(31,670)**	**4,286**

	2025 $000	2024 $000
TOTAL EQUITY	**554,452**	**449,119**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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	**2024**
	$000	$000
Cash and Cash Equivalents	31,389	5,019
	31,389	**5,019**

Although cash and cash equivalents at 31 March 2025 (2024: 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.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

20. NOTES TO CASHFLOW STATEMENT (cont'd)

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

Net Surplus/(Deficit) for the year	63,818	45,506
Add/(Deduct)		
Depreciation and Amortisation expense	10,493	8,319
(Gain)/loss on Sale of Property, Plant and Equipment	-	(3,546)
Cost of Sales	-	(3,232)
Net (Gains) /losses arising on investments at fair value through surplus or deficit	(16,224)	(31,153)
(Gain)/loss on Revaluation of Investment Property	(350)	(450)
(Gain)/loss on Derivative Financial Instruments	6,433	11,473
Grants Rescinded	(644)	(117)
Share of Joint Venture Net (Surplus)/Loss	(14,441)	(16,628)
Discount on acquisition of subsidiary	(22,410)	-
Gain on disposal of equity accounted interest in Joint Venture	(2,992)	(7,037)
	23,683	(42,371)
Adjustments for changes in working capital:		
(Increase)/decrease Receivables from exchange transactions	(38,880)	18,421
(Increase)/decrease Inventories	(3,534)	(983)
(Increase)/decrease Other Financial Assets	(3,116)	-
Increase/(decrease) Payables for exchange transactions	33,505	(3,349)
Increase/(decrease) Provision for Grants	1,334	2,292
Add/(deduct) items reclassified as Investing/Financing	13,373	(596)
Net Cash inflow/(outflow) from operating activities	**26,365**	**18,920**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

21. FINANCIAL INSTRUMENTS

Group 2025	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	31,389	31,389	-	-	-	-
Receivables - non-exchange	26,490	26,490	-	-	-	-
Receivables – exchange	26,208	26,208	-	-	-	-
Investments	326,269	3,942	322,327	-	-	-
Other Financial Assets	101,031	10,197	90,834	-	-	-
	511,387	**98,226**	**413,161**	**-**	**-**	**-**
Financial Liabilities:						
Cash and Cash Equivalents	-	-	-	-	-	-
Payables - exchange	45,510	-	-	-	-	45,510
Provision for Grants	21,130	-	-	-	-	21,130
Other Financial Liabilities	33,681	-	-	-	33,681	-
Borrowings	201,000	-	-	-	-	201,000
	301,321	**-**	**-**	**-**	**33,681**	**267,640**

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

21 FINANCIAL INSTRUMENTS (cont'd)

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 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	5,019	5,019	-	-	-	-
Receivables - non-exchange	482	482	-	-	-	-
Receivables – exchange	13,602	13,602	-	-	-	-
Investments	316,613	4,037	312,576	-	-	-
Other Financial Assets	25,597	10,197	9,878	5,522	-	-
	361,313	**33,337**	**322,454**	**5,522**	**-**	**-**
Financial Liabilities:						
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 2025

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 (FVSD), 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 (FVSD).

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

- 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 FVSD. 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 FVSD 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 FVSD.

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.

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 FVSD. A financial liability is classified as at FVSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVSD 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 2025

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'

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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.

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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.

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.

2025 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:

	2025 Actual $000	2025 Actual %	2025 Benchmark %	2025 Variance %	Allowable Range % - %
Australian Shares	46,990	14.1%	12%	2.1%	4.0 - 20.0
Global Shares	111,782	33.6%	28%	5.6%	18.0 - 45.0
Total Equities	**158,772**	**47.7%**	**40%**	**7.7%**	
Cash	24,786	7.5%	5%	2.5%	0.0 - 15.0
NZ Bonds	34,284	10.3%	10%	0.3%	0.0 - 15.0
Global Bonds	23,219	7.0%	6%	1.0%	0.0 - 12.0
Global Credit	26,886	8.1%	4%	4.1%	0.0 - 12.0
Absolute Return Bonds	15,906	4.8%	5%	-0.2%	0.0 - 12.0
Private Debt		0.0%	5%	-5.0%	0.0 - 15.0
Total Fixed Income and Cash	**125,083**	**37.6%**	**35%**	**2.6%**	
Total Managed Funds	**283,856**	**85.3%**	**75%**	**10.3%**	
Private Equity	34,807	10.5%	15%	-4.5%	0.0 - 25.0
NZ Private Debt	5,315	1.6%	5%	-3.4%	0.0 - 10.0
Property (ii)	8,938	2.7%	5%	-2.3%	0.0 - 10.0
Total Private Assets	**49,060**	**14.7%**	**25%**	**-10.3%**	
Total Funds (i)	**332,916**				

i) The benchmarks and actual results do not include Pioneer Energy Limited in line with Central Lakes Trust's Statement of Investment Policies 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 2025

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**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	$000	$000	**$000**	$000	$000	**$000**
EURO						
Less than 12 months	-	-	-	-	-	-
1 – 2 years	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

At 31 March 2025, the aggregate amount of gains (losses) under forward foreign exchange contracts recognised in Other Comprehensive Revenue and Expense and accumulated in the cash flow hedging reserve relating to these anticipated future purchase transactions is $Nil (2024: $Nil).

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 2025	**Group 2025**	**Group 2024**	**Group 2024**
	10%	**-10%**	**10%**	**-10%**
	$000	$000	$000	$000
Net Surplus/(Deficit)	63,818	63,818	45,506	45,506
Sensitivity impact to net surplus	-	-	**-**	**-**
	63,818	**63,818**	**45,506**	**45,506**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 2025	Fair Value $000 2024
Less than 12 months	30,522	(6,367)
1-2yrs	21,895	(281)
2-3yrs	2,095	(2,532)
3-4yrs	-	-
4-5yrs	-	-
5+yrs	-	-
Total	**54,512**	**(9,180)**

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 2025 10% $000	Group 2025 -10% $000	Group 2024 10% $000	Group 2024 -10% $000
Net Surplus/(Deficit)	63,818	63,818	45,506	45,506
Sensitivity impact to net surplus	2,560	(2,560)	1,152	(1,152)
	66,378	**61,258**	**46,658**	**44,354**

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 Statement of Investment Policies and Objectives 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	
	2025 %	2024 %	2025 $000	2024 $000	2025 $000	2024 $000
Less than 1 year	2.53	3.2	105,000	14,000	52	92
1 – 2 years	2.29	2.58	95,000	15,000	491	511
2 – 5 years	2.38	1.11	68,300	30,000	210	2,569
5 + years	4.46	3.24	40,000	50,000	(1,261)	2,350
Balance at 31 March			**308,300**	**109,000**	**(508)**	**5,522**

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 2025 10% $000	Group 2025 -10% $000	Group 2024 10% $000	Group 2024 -10% $000
Net Surplus/(Deficit)	63,818	63,818	45,506	45,506
Sensitivity impact to net surplus	(1,307)	1,307	(1,038)	1,038
	62,511	**65,125**	**44,468**	**46,544**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 Statement of Investment Policies and Objectives 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 2025 year. The calculation has been done assuming a movement of 20% on the unit price or equity price at 31 March.

	Group 2025 20% $000	Group 2025 -20% $000	Group 2024 20% $000	Group 2024 -20% $000
Net Surplus(deficit)	63,818	63,818	45,506	45,506
Sensitivity impact to net surplus	31,755	(31,755)	31,381	(31,381)
	95,573	**32,063**	**76,887**	**14,125**

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 2025

21. FINANCIAL INSTRUMENTS (cont'd)

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

2025	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	-	31,389	31,389	-	-	-	-	-	-	-
Trade and other receivables	-	36,237	36,237	36.2	-	-	-	-	-	36.2
Payables - exchange	-	(35,949)	(35,949)	(35.9)	-	-	-	-	-	(35.9)
Provision for Grants	-	(21,131)	(21,131)	(19.9)	(1.2)	-	-	-	-	(21.1)
Bank Borrowings	6.8	(201,000)	(219,673)	(41.1)	(175.3)	(1)	(1)	(1)	-	-
Total		**(190,454)**	**(209,127)**	**(60.7)**	**(176.5)**	**(1)**	**(1)**	**(1)**	**-**	**(20.8)**

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

21. FINANCIAL INSTRUMENTS (cont'd)

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	6.7	(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 2025

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 2025

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 (2024: 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 2024 that have not undertaken valuation assessments of the underlying investments at 31 March 2025. For these funds, the net asset valuations are based on trading conditions to their balance date, adjusted for quantifiable movements between 30 June 2024 or 31 December 2024 and 31 March 2025 such as disposals of underlying portfolio entities, cash disbursements and capital calls.

GROUP 2025 $000	Year End	Opening FV	FV Adjustment	Calls	Distributions	Closing FV
Mercury Capital II	31-Dec	2,265	345	-	-	2,610
Mercury Capital III	31-Dec	5,115	453	163	(950)	4,781
Crown Global Opportunities VII	31-Dec	6,083	677	363	(520)	6,603
Total		13,463	1,475	526	(1,470)	13,994

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

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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 2025	Total $000	Level 1 $000	Level 2 $000	Level 3 $000
Financial Instruments - Assets				
Investments :				
Unit Trusts	283,857	-	283,857	-
Private Equities	38,968	-	-	38,968
Derivative Financial Assets:				
Electricity Hedge Contracts	87,685	-	-	87,685
Foreign Currency Forward Contract	-	-	-	-
Interest Rate Swaps	-	-	-	-
Financial Instruments - Liabilities				
Derivative Financial Liabilities:				
Electricity Hedge Contracts	(33,173)	-	-	(33,173)
Electricity hedge contracts-subject to net settlement	-	-	-	-
Interest Rate Swaps	(508)	-	-	(508)

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
Foreign Currency Forward Contract	-	-	0	-
Interest Rate Swaps	5,522	-	5,522	-
Financial Instruments - Liabilities				
Derivative Financial Liabilities:				
Electricity Hedge Contracts	(19,058)	-	-	(19,058)
Electricity hedge contracts-subject to net settlement	-	-	-	-
Interest Rate Swaps	-	-	-	-

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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	
	2025 $000	**2024 $000**
Private Equities		
Balance at beginning of the year	41,080	35,671
Calls on Capital	4,675	3,477
Distributions	(7,945)	(2,696)
Gain/(loss) recognised in net surplus/(deficit)	1,158	4,628
Balance at end of the year	**38,968**	**41,080**
Electricity Hedge Contracts		
Balance at beginning of the year	(9,180)	(1,063)
Hedges acquired from Acquisition of JV	69,993	-
Gain /(loss) recognised in the net surplus/(deficit)	(6,301)	(8,117)
Balance at end of the year	**54,512**	**(9,180)**

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.

The overall strategy remains unchanged from 2024.

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

22. COMMITMENTS

	Group	
	2025	2024
Commitments for the acquisition of property, plant and equipment	68,000	1,169
Commitments for capital contributions to joint ventures	1,750	8,273
Total	**69,750**	**9,442**

At 31 March 2025 the Group had committed to a further $68m of capital contributions to the Ecogas subsidiary as the net investment required to complete the Ecogas build and ongoing CAPEX. As at 31 March 2025 the Group had committed to a further $1.75m 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	
	2025 $000	2024 $000
Total	**21,152**	**19,894**

Non-Cancellable Operating Lease Commitments – as lessee

	Group	
	2025 $000	2024 $000
Less than one year	1,109	745
One to two years	2,260	1,364
Three to five years	1,962	2,006
Over five years	9,250	10,779
Total (A)	**14,581**	**14,894**

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	
	2025 $000	2024 $000
Less than one year	180	445
One to two years	359	180
Two to five years	539	538
Over five years	2,237	2,416
Total (B)	**3,315**	**3,579**
Total (A+B)	**17,896**	**18,473**

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

23. OPERATING LEASE AS A LESSOR

	Group	
	2025 $000	2024 $000
Less than one year	199	199
One to five years	283	483
Over five years	-	-
Total	**482**	**682**

24. CONTINGENT LIABILITIES

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

Counterparty	On Behalf Of	2025 $000	2024 $000
Energy Clearing House	Pulse	21,000	10
Orion New Zealand Limited	Group	-	20
Invercargill City Council	PERLP (2024: SGLP)	100	100
Tasman District Council	PERLP (2024: SGLP)	347	347
Auckland City Council	PERLP on behalf of Ecogas LP	21,918	22,550
Jubilee Crippled Children	PERLP on behalf of Ecogas LP	338	338
Department of Conservation	PERLP (2024: SGLP)	182	182
BNZ (associated with Pulse Energy Alliance Limited Partnership)	Pulse	-	9,000
Network, metering and gas suppliers	Pulse	3,418	-
Fernandez NZ Limited	Pulse	176	-
Total		**47,479**	**32,547**

(i) In 2024, Pioneer Energy Limited and Buller provided Pulse with a corporate guarantee to the Bank of New Zealand: $4m in respect of Pulse's overdraft and $5m for NZX prudential letter of credit. This guarantee was terminated on 27 June 2024.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

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:

Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

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:

2025

Trustee/Director or Management of CLT & CLDL	Related Party	Connection	Purchases/ Services	Amount Approved 2025	Outstanding at 31 March 2025
M Begg	Dunstan Community Whare Trust	Uncle is Chair	Grant	174,317	174,317
J Boult	Whakatipu Wildlife Trust	Patron	Operational Grant Jun 2024 - Mar 2025	17,550	-
	Whakatipu Wildlife Trust	Patron	Operational Grant Jun 2025 - Mar 2026	24,761	24,761
L Breen	Dunstan Arm Rowing Club	Breen Construction quoted for the project	Grant	68,911	68,911
	Dunstan Equestrian Centre	Breen Construction quoted for the project	Grant	70,000	70,000
K Dedo	Sport Otago	Chair	Operational Grant Jul 2023 – Mar 2026	-	62,820
	Sport Otago	Chair	Swim safe programme Jan 2024 - Dec 2026	-	494,874
	Community Link	Contractor	Operational Grant Jan 2024 - Dec 2026	-	188,460
M Rewi (Intern Trustee)	Mana Tahuna Charitable Trust	Tumu Whakarae / CEO	Operational Grant Jul 2024 - Mar 2025	225,000	-
	Mana Tahuna Charitable Trust	Tumu Whakarae / CEO	Operational Grant Jun 2025 - Mar 2026	240,000	240,000
T Webb	Cromwell Youth Trust	Child attends activities	Operational Grant Jan 2025 - Dec 2027	473,285	308,664
G White	Volunteer South	Former Employee	Operational Grant Apr 2025 - Mar 2028	257,835	257,835

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

a. Related Party Balances (cont'd)

2024

Trustee/Director or Management of CLT & CLDL	Related Party	Connection	Purchases/ Services	Amount Approved 2024	Outstanding at 31 March 2024
K 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	-
L Breen	CODC - Parks and Recreation	Potential Contractor plus association with project	Grant	250,000	250,000
T 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
J 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 2025

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	**2025**	2,708	8,533	-	-
	2024	8,422	30,509	2,090	983
Pulse Energy Alliance Limited	**2025**	-	4,519	-	-
	2024	20,579	23,656	407	2,180
Dairy Creek Limited Partnership	**2025**	1,263	-	-	90
	2024	1,296	-	-	408
Ecogas Limited Partnership	**2025**	-	-	-	4
	2024	2,024	-	-	-
Lochindorb Wind Limited Partnership	**2025**	1,412	-	-	-
	2024	1,109	-	-	77
Wood Energy New Zealand Limited Partnership	**2025**	-	-	-	-
	2024	3,644	7,211	-	-
Wood Energy New Zealand NI Limited Partnership	**2025**	-	-	-	-
	2024	112	-	-	14

*amounts are classified as trade receivables (Note 5) and derivative financial liabilities (Note 16) respectively.

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

25. RELATED PARTY TRANSACTIONS (cont'd)

Transactions between PEL and PERLP (previously known as SGLP)

Up until 27 June 2024, Pioneer Energy Limited (PEL) provided asset management, business development and contracting services to SGLP (renamed to PERLP on 27 June 2024). In addition, PEL had 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 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 entered into a back to back power purchase agreement with SGLP. It had been determined that the arrangement represented a lease between SGLP and PEL and that there was no resulting financial asset or liability (electricity derivative) to be recognised in either entity.

The acquisition of the remaining shares in SGLP by PEL and the related transactions are detailed in Note 12.

Dairy Creek Limited Partnership (Dairy Creek)

PEL provided contracting and project management services to Dairy Creek during the period totalling $213k (2024: $256k)

PEL provided a loan to Dairy Creek to the sum of $10.2m (2024: $10.2m). Interest is payable on the loan at 10.3% per annum (2024: 10.3%).

During the year, interest of $1.05m (2024: $1.04m) was charged. The amount outstanding at year end is $0.09m (2024: $0.4m).

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 $1.375m (2024 $ 7.9m). PEL provided administration, contracting, and project management services to LWLP during the period totalling $1.4m (2024: $1.1m). The amount outstanding at year end is $Nil (2024: $76,592).

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Notes to the Consolidated Financial Statements (cont'd)
for the year ended 31 March 2025

25. RELATED PARTY TRANSACTIONS (cont'd)

b. Trustees and External Member Attendance and Remuneration

	Attendance			
	Board	Investment Committee	Audit and Risk Committee	Remunerations and Nominations Committee
No. of Meetings	**13**	**7**	**6**	**5**
L Robertson (Chair)	13	7	6	5
K Dedo (Deputy Chair)	13	-	5	-
J Boult (Appointed to IC from 1 Sep 23)	9	5	-	-
L Breen	11	-	-	5
S Flood (IC Independent Chair, Appointed to Board 2nd Dec 24)	1	7	-	-
K Grant (Appointed to IC from 28 Jan 25)	11	1	6	-
T Lepper	11	-	-	4
H Van Hale (Retired from Board 30 Nov 24)	10	4	-	-
T Webb (Appointed to ARC from 10 Jun 24)	13	-	4	-
M Rewi - Intern	12	-	2	1

Trustees Remuneration is set following an independent review annually.

Remuneration listed below includes committee fees.

	Remuneration	
	2025 $000	2024 $000
L Robertson (Chair)	58	55
K Dedo (Deputy Chair)	28	26
T Lepper	27	26
L Breen	31	29
K Grant	31	29
H Van Hale (Retired from Board 30 Nov 24)	18	26
J Boult	30	22
T Webb	27	22
S Flood (Appointed to Board 1 Dec 24)	8	-
Total	**258**	**235**

Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

25. RELATED PARTY TRANSACTIONS (cont'd)

c. Investment Committee External Member Remuneration

	Remuneration	
	2025 $000	2024 $000
S Flood (Appointed IC Chair 14 Aug 23. Appointed Board 1 Dec 24)	9	9

d. Southern Cross CLT Limited Directors Fees

	Directors Fees	
	2025 $000	2024 $000
K Grant (Director)	8	8

e. Pioneer Energy Limited Directors Attendance and Remuneration

	Attendance					
	PEL/PEG Board	PER Board	Finance and Risk	Health, Safety & Wellbeing	Remuneration	PGIL
No. of Meetings	**11**	**9**	**5**	**4**	**2**	**1**
R Hewett (Chair)	10	9	-	-	2	1
A Balfour	9	8	4	-	2	-
J Cheyne	11	8	4	-	-	-
F Dooley	-	6	2	-	-	-
D Elder	10	9	1	3	-	-
B Gemmel	-	2	-	-	-	-
W Moran	10	8	3	3	-	-
M Morss (Intern)	2	7	1	-	-	-

Directors fees are set following an independent review annually.

Remuneration listed overleaf includes committee fees

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Notes to the Consolidated Financial Statements (cont'd) for the year ended 31 March 2025

25. RELATED PARTY TRANSACTIONS (cont'd)

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

	PEL $000	2025 Joint Venture / Subsidiary $000	PEL $000	2024 Joint Venture $000
R Hewett (Chair)	109	54	99	54
D Elder	63	-	55	-
W Moran	57	10	55	38
A Balfour	62	35	55	8
J Cheyne	59	-	49	-
F Dooley (PER only to 30 Nov 2024)	-	27	-	-
B Gemmel (PER only from 1 Dec 2024)	-	22	-	-
	350	**147**	**314**	**100**

Joint Venture / Subsidiary Director's fees relate to:

i) Pulse Energy Alliance Limited Partnership,
ii) Southern Generation Limited Partnership,
ii) Ecogas Limited Partnership.

From time to time, Directors may also hold directorships in other entities that have transactions with the Group. All such transactions are conducted on normal commercial terms and at arm's length, consistent with the Group's policies for related party transactions.

f. 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 2025 $000	Group 2024 $000
Salaries and other short-term employee benefits	2,987	1,944
Termination benefits	-	-
Total Remuneration	**2,987**	**1,944**
Number of staff recognised as key management personnel	12	9

26. SIGNIFICANT EVENTS AFTER BALANCE DATE

The Group has entered into a new investment partnership with Totara Energy LP, with Totara acquiring a 30% stake in the PEG from 1 July 2025.

Except for the matters disclosed above, there were no other material events subsequent to 31 March 2025 that would require adjustment to, or disclosure in these financial statements.

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Independent Auditor's Report

To the Trustees of Central Lakes Trust

Opinion

We have audited the consolidated financial report of Central Lakes Trust (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated financial statements on pages 11 to 80, and the statement of service performance/service performance information on pages 5 to 10. The complete set of consolidated financial statements comprise the statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive revenue and expense, 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 and other explanatory information.

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 2025, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2025 in that the service performance information is appropriate and meaningful and in accordance with the group's measurement bases or evaluation methods

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 (Revised) *The Audit of Service Performance Information* ('NZ AS 1 (Revised)'). 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.

Deloitte.

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 report in accordance with PBE Standards;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards;
- the preparation and fair presentation of service of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards;
- the overall presentation, structure and content of the 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 report as a whole is 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 (Revised) 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-13-1/

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
15 September 2025