Trust Tairāwhiti
Regional Wellbeing
He Tohu Ora

Trust Tairāwhiti
Consolidated Financial Statements

For the year ended 31 March 2024

The trustees are pleased to present the summary consolidated financial statements of Trust Tairāwhiti for the year ended 31 March 2024.

For and on behalf of the Board of Trustees.

David Battin
Trustee,
Chair

Ron Aitken
Trustee,
Chair of Audit and Risk Committee

25 July 2024

Deloitte.

Independent Auditor's Report

To the Trustees of Trust Tairāwhiti

Opinion

We have audited the consolidated financial statements of Trust Tairāwhiti (the 'Entity') and its subsidiaries ('the Group'), which comprise the consolidated financial statements on pages F-6 to F-66, and the Consolidated Statement of Service Performance on pages F-4 to F-5. The complete set of consolidated financial statements comprise the Consolidated Statement of Financial Position as at 31 March 2024, and the Consolidated Financial Statement of Comprehensive Revenue and Expense, Consolidated Statement of Changes in Net Assets/Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

- the consolidated financial position of the group as at 31 March 2024, and its Consolidated Financial Statement of Comprehensive Revenue and Expense, Consolidated Statement of Changes in Net Assets/Equity and Consolidated Statement of Cash Flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2024 in accordance with the group's service performance criteria

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

Basis for opinion

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

Our opinion on the consolidated performance 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 performance 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 performance report

The Trustees responsible on behalf of the group for:

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

In preparing the consolidated performance 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 performance report

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

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

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

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Trustees, as a body, in accordance with Section 16 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

Auckland, New Zealand
25 July 2024

Consolidated Statement of Service Performance

FOR THE YEAR ENDED 31 MARCH 2024

Trust Tairāwhiti

Trust Tairawhiti is the regional community Trust, with a strategic focus on community initiatives, economic development and providing for future generations.

The Trust Deed identifies the purposes of the Trust which are to preserve the capital of the Trust Fund and provide for beneficiaries.

Beneficiaries of the Trust are generally:

- on the residential electoral or the ratepayer electoral roll of the Council; or
- listed on a roll of voters entitled to vote at an election of councilors; or
- are connected to the Tairāwhiti electricity distribution system.

Strategic framework

The Trustees developed a strategic framework to guide them in delivering the purposes of the Trust Deed. Central to this is the Tairāwhiti wellbeing framework, He Rangitapu He Tohu Ora, which provides the principles and aspirational outcomes that guide the way we work and priorities.

The Trustees have set the strategic plan, Te aka rautaki ki te tau, which identifies the priorities through to 2029 to maximise impact when applying He Rangitapu He Tohu Ora. Te aka rautaki ki te tau 2029 is focused on:

a) Investing

The Trust Deed requires theTrustees to preserve the value of the capital of the Trust Fund. In doing this, The Trustees ensure that future generations will benefit from the Trust's assets.

The Trustees review the capital of the Trust Fund as set out in c.5.1.1 of the Trust Deed and assess whether in their view the capital has been preserved (note 30).

Activity information	*2024 Actual*	*2023 Actual*
The capital of the Trust Fund has been preserved	Achieved	Achieved

b) Economic development

The Trust delivers and supports a wide range of economic development initiatives to ensure the Tairāwhiti economy is diverse, innovative, resilient and regenerative and provides access to well-paid, quality jobs.

This output covers:

- Supporting businesses through direct investments to create quality jobs and diversity within the regional economy. An example is the Prime wood processing cluster which has complementary wood processing operators on the Prime SPV Limited Dunstan Road site. These investments provide economic benefits and job opportunities for the benefit of beneficiaries, as well as providing diversification options for the wood industry.
- Delivery of the Economic Development Agency and Regional Tourism Organisation.
- Delivery of the Governments Regional Business Partner Network to strengthen and grow businesses.
- Delivery of workshops and events to support businesses to increase knowledge and improve business outcomes.

- Continue delivery of the Government's business recovery grant programme in the aftermath of Cyclone Gabrielle.

The Trustees track the outputs through the following metrics:

Activity information	*2024 Actual*	*2023 Actual*
Businesses supported through regional business partners	141	174
Number of jobs at Prime Wood Centre of Excellence	96	80
Logs processed in region (tonnes)	64,000	58,000

c) Community developments

Funding has been provided to a range of organisations to support initiatives that deliver impacts and outcomes aligned to He Rangitapu, He Tohu Ora wellbeing framework.

The funding provided to organisations contributes to helping them work towards their own vision which allows our people, whānau and communities to live the lives they value in the ways that matter most to them.

Trust Tairāwhiti is responsible for the following outputs:

- providing information and assistance to prospective grant applicants
- processing, assessing and monitoring grant applications
- administration of grant payments

The Trustees measure non-financial performance on:

Activity information	*2024 Actual*	*2023 Actual*
Applications received	143	115
Organisations supported	118	68

The Trust Group is a consolidation of Trust Tairāwhiti, Eastland Network Charitable Trust, and subsidiary companies; Eastland Group Ltd, Prime SPV Ltd, Eastland Development Fund Ltd and Trust Tairāwhiti Limited along with associate and joint ventures.

The Trust Group's primary operations include electricity generation, the operation of Gisborne's port and airport, the ownership of strategically located investment properties and investment portfolios.

The financial statements of the Trust Group follow this report.

Consolidated Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 $'000	2023 $'000
Revenue from exchange transactions	1	53,628	44,078
Revenue from non-exchange transactions	1	1,229	2,657
Total revenue	1	**54,857**	**46,735**
Operating expenditure	2	(8,502)	(6,932)
Depreciation and amortisation	2	(12,400)	(12,241)
Asset impairments and restructuring costs	2	(182)	(2,627)
Personnel expenses	29	(16,622)	(15,527)
Administrative expenses	2	(11,951)	(11,835)
Net finance income /(expenses)	17	2,660	(15,129)
Total expenses		**(46,997)**	**(64,291)**
Operating surplus		**7,860**	**(17,556)**
Non-operating income/(expenses)	5	547	467
Share of surplus of joint ventures	15	571	394
Surplus/(deficit) from continuing operations		**8,978**	**(16,695)**
Income tax benefit/(expense)	6	1,767	(3,291)
Profit from discontinued operations - Generation	3	13,965	7,128
Profit from discontinued operations - Network	4	(576)	99,177
Net surplus after tax		**24,134**	**86,319**
Distributions for the benefit of beneficiaries			
Distributions and grants	31	(12,273)	(4,390)
Tax effect of distributions		5,096	1,447
Net surplus after tax and distributions		**16,957**	**83,376**
Surplus attributable as:			
Equity holders of the parent		16,993	83,616
Non-controlling interest		(36)	(240)
		16,957	**83,376**
Other comprehensive revenue and expense:			
Items that will not reclassify subsequently to profit or loss:			
Revaluation of property, plant and equipment		5,919	20,684
Tax on revaluation of property, plant and equipment		(371)	(5,734)
Fair value through other comprehensive income - sale of investment		-	(349)
Reserve transfer on sale of subsidiary		-	662
Items that will reclassify subsequently to profit or loss:			
Revaluation of other investments		3,182	(1,478)
Revaluation of cash flow hedges		(18,926)	(8,804)
Tax on revaluation of cashflow hedges		5,299	2,465
Total other comprehensive revenue and expense		**(4,897)**	**7,446**
Total comprehensive revenue for the period		**12,060**	**90,822**
Total comprehensive revenue:			
Equity holders of the parent		12,096	91,062
Non-controlling interest		(36)	(240)
		12,060	**90,822**

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Statement of Financial Position

AS AT 31 MARCH 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents		76,907	95,170
Exchange trade and other receivables	10	9,161	20,270
Non exchange other receivables	10	1,617	1,637
Other investments and receivables	11	1,756	2,884
Intangible assets	9	-	1,562
Inventory		31	253
Income tax receivable		14,228	-
Derivative financial instruments	18, 19	112	114
Generation assets classified as held for sale	3	407,200	-
Total current assets		**511,012**	**121,890**
Non-current assets			
Property, plant and equipment	7	381,376	682,413
Other investments and receivables	11	37,103	36,111
Derivative financial instruments	18, 19	5,703	20,168
Investment properties	8	35,762	35,824
Intangible assets	9	4,763	21,330
Investment in joint venture	15	1,434	963
Investment in associate	14	550	-
Total non-current assets		**466,691**	**796,809**
TOTAL ASSETS		**977,703**	**918,699**
LIABILITIES			
Current liabilities			
Loans	16	241,300	-
Payables and accruals	12	24,948	24,535
Income tax payable		-	691
Employee entitlements	29	4,443	2,064
Derivatives financial instruments	18, 19	-	6,505
Generation liabilities classified as held for sale	3	94,657	-
Total current liabilities		**365,348**	**33,795**
Non-current liabilities			
Loans	16	22,340	249,376
Deferred tax	6	34,289	56,892
Derivative financial instruments	18, 19	-	32,018
Employee entitlements	29	-	1,317
Provision for restoration costs		-	1,899
Income in advance		-	137
Total non-current liabilities		**56,629**	**341,639**
TOTAL LIABILITIES		**421,977**	**375,434**
NET ASSETS		**555,726**	**543,265**
EQUITY			
Trust capital		20,000	20,000
Retained earnings		351,369	335,905
Reserves		179,706	183,073
Non-controlling interest		4,651	4,287
TOTAL EQUITY		**555,726**	**543,265**

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 31 MARCH 2024

2024

	Trust capital $'000	Hedge reserve $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at beginning of period - 1 April 2023	**20,000**	**(13,031)**	**184,416**	**11,688**	**335,905**	**4,287**	**543,265**
Surplus for the year	-	-	-	-	16,993	(36)	16,957
Net change in fair value of cash flow hedges	-	(18,926)	-	-	-	-	(18,926)
Revaluation of property, plant and equipment	-	-	7,449	-	(1,530)	-	5,919
Revaluation of Investments	-	-	-	3,182	-	-	3,182
Income tax relating to components of other comprehensive income	-	5,299	(371)	-	-	-	4,928
Total comprehensive income	**-**	**(13,627)**	**7,078**	**3,182**	**15,463**	**(36)**	**12,060**
Transactions with owners							
Movement in non-controlling interest	-	-	-	-	-	400	400
Joint venture distributions	-	-	-	-	1	-	1
Total transactions with owners	**-**	**-**	**-**	**-**	**1**	**400**	**401**
Balance at end of period - 31 March 2024	**20,000**	**(26,658)**	**191,494**	**14,870**	**351,369**	**4,651**	**555,726**

2023

	Trust capital $'000	Hedge reserve $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at beginning of period - 1 April 2022	**20,000**	**(6,692)**	**218,174**	**13,166**	**203,268**	**4,179**	**452,095**
Surplus for the year	-	-	-	-	83,616	(240)	83,376
Other comprehensive income:							
Net change in fair value of cash flow hedges	-	(8,804)	-	-	-	-	(8,804)
Disposals of property, plant and equipment	-	-	(1,564)	-	1,564	-	-
Revaluation of property, plant and equipment	-	-	20,684	-	-	-	20,684
Reserve transfer on sale of subsidiary	-	-	(47,144)	-	47,806	-	662
Revaluation of Investments	-	-		(1,478)	-	-	(1,478)
Disposals of investments	-	-	-	-	(349)	-	(349)
Income tax relating to components of other comprehensive income	-	2,465	(5,734)	-	-	-	(3,269)
Total comprehensive income	**-**	**(6,339)**	**(33,758)**	**(1,478)**	**132,637**	**(240)**	**90,822**
Transactions with owners							
Movement in non-controlling interest	-	-	-	-	-	348	348
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**348**	**348**
Balance at end of period - 31 March 2023	**20,000**	**(13,031)**	**184,416**	**11,688**	**335,905**	**4,287**	**543,265**

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

	2024 $'000	2023 $'000
Cash flows from operating activities:		
Cash provided from:		
Receipts from customers	96,388	123,407
Dividends received	649	764
Other income	907	1,351
Interest received	4,175	939
	102,119	126,461
Cash applied to:		
Payments to suppliers and employees	(47,780)	(78,669)
Interest paid	(16,404)	(21,825)
Carbon credits	-	(2,810)
Income tax paid	(14,812)	(5,061)
	(78,996)	(108,365)
Net cash flows from operating activities	**23,123**	**18,096**
Cash flows from investing activities:		
Cash provided from:		
Proceeds from cancellation of interest rate swaps	15,052	-
Distribution from associate	10	295
Proceeds from sale of investments	3,815	2,486
Proceeds from grants	-	500
Sale of shares in Flick Energy	-	4,671
Proceeds from sale of Eastland Network	-	176,307
Proceeds from related party advances	-	76,171
Proceeds from sale of investment property	225	1,580
Proceeds from sale of property, plant and equipment	1,366	9,271
	20,468	271,281
Cash applied to:		
Payments from sale of Eastland Network	(576)	-
Cost to sell Eastland Generation	(2,572)	-
Purchase of property, plant and equipment	(77,036)	(77,027)
Purchase of investments	(1,051)	(1,235)
Purchase of intangibles	(112)	(236)
Purchase of investment property	(110)	(1,477)
	(81,457)	(79,975)
Net cash flows used in investing activities	**(60,989)**	**191,306**
Cash flows from financing activities:		
Cash provided from:		
Proceeds from bank borrowings	31,352	40,220
	31,352	40,220
Cash applied to:		
Distributions for beneficiaries (net of tax)	(6,679)	(2,906)
Borrowings	(4,800)	(168,000)
	(11,479)	(170,906)
Net cash flows from financing activities	**19,873**	**(130,686)**
Net cash flows from continuing operations	**(17,993)**	**78,716**

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

Net (decrease)/increase in cash and cash equivalents	**(17,993)**	**78,716**
Cash and cash equivalents at beginning of period	95,170	16,454
Net cash and cash equivalents - Discontinued operations	(270)	-
Cash and cash equivalents at end of period	**76,907**	**95,170**

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of the profit for the Period with Net Cash from Operating Activities

	2024 $'000	2023 $'000
Net surplus after tax	**24,134**	**86,319**
Adjustments for:		
Depreciation and amortisation	12,400	25,155
Vested assets	-	(1,627)
Impairment losses	15	74
Gain in cancellation of interest rate swaps	(15,052)	-
Loss on sale or disposal of property, plant and equipment	72	2,377
Work in progress in prepayments	-	(7,924)
Income from joint venture	(481)	(320)
Change in fair value of investment property	(53)	219
Restoration provision interest	129	121
Interest capitalised to fixed assets	(3,996)	(2,547)
Carbon credits	-	(2,810)
Carbon credits surrender	1,685	2,713
Asset impairments	182	4,244
Interest received from discontinued subsidiary	-	(4,102)
Government grant	-	(500)
Sale of investment	-	(919)
Deferred tax expense	6,364	(878)
Discontinued operations	6,377	(87,541)
	7,642	(74,265)
Movement in working capital:		
Decrease/(increase) in trade and other receivables	(4,320)	8,133
(Increase)/decrease in inventory	(109)	(34)
(Decrease)/increase in employee entitlements	1,304	(828)
Increase/(decrease) in income tax payable	(17,980)	2,335
(Decrease) in income in advance	(50)	(47)
(Decrease)/increase in payables and accruals	12,502	(3,517)
	(8,653)	6,042
Net cash from operating activities	**23,123**	**18,096**

Ⓟ **Statement of Cash Flows**

The following terms are used in the Statement of Cash Flows:

- Cash and cash equivalents include cash on hand, in banks and investments in money market instruments, net of outstanding bank overdrafts.
- Operating activities are the principal revenue producing activities of the Trust Group and other activities that are not investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets and other investments not including cash equivalents.
- Financing activities are those that result in change in the size and composition of the contributed equity and borrowings of the entity.

These financial statements should be read in conjunction with notes and accounting policies on pages F-13 to F-66

Consolidated Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

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Our financial statements

a) General information

Trust Tairawhiti ("the Trust") was established on 7 May 1993, pursuant to the Energy Companies (Eastland Energy Limited) Vesting Order 1993 upon the vesting in the Trust of the equity and debt securities issued by Eastland Energy Limited. The Trust changed its name to Eastland Community Trust on 6 December 2004 then to Trust Tairawhiti in September 2019. The Trust is governed by the Trust Deed including variations made by Deed Polls. The Trust has a termination date of 80 years from the date of execution of the Trust Deed, unless an earlier date is appointed by Deed by trustees.

The consolidated financial statements are for the economic entity comprising Trust Tairawhiti and its subsidiaries, associate and joint ventures ("the Trust Group").

The Trust Group's primary operations include electricity generation, the operation of Gisborne's port and airport, the ownership of strategically located investment properties, and investment portfolios.

The Trust Group's financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). For the purposes of financial reporting, the Trust is a Public Benefit Entity (PBE), therefore it complies with Tier 1 PBE Standards, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements of the Trust Group are for the year ended 31 March 2024 and were authorised for issue by the trustees on 25 July 2024.

b) Basis of preparation

The financial statements are prepared on a going concern basis using the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- land and buildings, electrical generation assets and logistics assets are measured at revalued amounts;
- investment properties are measured at fair value; and
- listed investments are measured at fair value.

These financial statements are presented in New Zealand dollars ($), which is the Trust Group's functional currency, and have been rounded to the nearest thousand unless otherwise stated.

Transactions in foreign currencies are translated to the respective functional currencies of the Trust Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in foreign currency at the beginning of the period, adjusted for effective interest and payments during the period.

The amortised cost in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Revenue and Expense.

The Statement of Comprehensive Revenue and Expense has been prepared so that all components are stated exclusive of GST where appropriate. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST.

c) Use of estimates and judgments

The preparation of financial statements requires management to make judgments that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Estimates and underlying assumptions are reviewed on an on-going basis. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Outcomes in the next financial period may be different to the assumptions made. It is impracticable to quantify the impact should assumptions be materially different to actual outcomes, which may result in material adjustments to the carrying amounts of property, plant and equipment and financial instruments reported in these financial statements.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies are designated by an Ⓔ symbol within the following notes:

- Note 7 Property plant and equipment (estimates and judgement),
- Note 8 Investment Property (estimates and judgement),
- Note 18 Financial assets and liabilities (estimates) and
- Note 19 Electricity Price risk (estimates).

d) Material accounting policies

Accounting policies are disclosed within each of the applicable notes to these financial statements and are designated by a Ⓟ symbol. The principal accounting policies have been applied consistently to all periods.

e) Significant transactions and events in the financial year

The following significant transactions and events affected the financial performance and position of the Trust Group during the year.

1. Economic development and tourism activities

The Trust Group made a net investment of $2 million (2023: $1.7 million) for personnel and operating activities to deliver economic and tourism development activities. These activities attract external funding by way of local and central government funding.

2. Wood processing cluster direct investments

Sawmill upgrades continued during the year with further investments of $4.5 million (2023: $6.4 million) being made. These have been co-funded by Kanoa and Kiwi Lumber Limited.

3. Enabling others through distributions

The Trust supports initiatives that will deliver outcomes and impacts aligned to He Rangitapu, He Tohu Ora. Trustees approved distributions of $12.3 million during the year to a range of organisations as listed in note 31.

4. Wharf 7

Wharf 7 was completed, and operational from 1 September 2023. The wharf has a useful life of 75 years.

5. Eastland Generation (classified as held for sale and discontinued operations)

On 1 July 2023 the board decided to raise capital by selling 50% of Eastland Generation Limited ("Eastland Generation or Generation"). From that time Eastland Generation was recognised as held for sale as a discontinued operation (note 3).

On 10 November 2023 the Group agreed to sell 50% interest in Eastland Generation to Obayashi Clean Energy NZ Limited, a wholly owned subsidiary of Obayashi Corporation. The sale was completed on 30 April 2024.

6. TOPP2 Geothermal plant (part of Eastland Generation – discontinued operations)

In May-June 2023, Eastland Generation entered into development and option agreements with Ormat NZ Limited for the right to purchase a 49Mwe geothermal power station within two years of the Project Commercial Operation Date ("PCOD") at an agreed price and subject to certain conditions. The option fee agreed was USD $12 million. The initial payments made on account of option fees are recognised as prepayments under Generation assets classified as held for sale in the Statement of Financial Position.
In November 2023, Eastland issued the Notice to Proceed ("NTP") to Ormat which requires Ormat to have achieved PCOD within 24 months of the issuance of NTP.

Under the terms of the development agreement and before the exercise date, Ormat NZ Limited will develop, construct and own the power station, while Eastland Generation will operate and maintain it on Ormat's behalf.

7. Taheke Partnership (part of Eastland Generation – discontinued operations)

Subsequent to 31 March 2024, Eastland Generation and the Proprietors of Taheke 8C & Adjoining Blocks Incorporation ("Taheke 8C") entered into negotiations to maximise the commercial returns of the geothermal resource, which as described in note 7, are more than sufficient to fuel the proposed plant.

The partners have agreed that a new project development agreement needs to be negotiated to reflect the commercial returns of using more geothermal resources to supply a larger than anticipated power plant. In the event the parties are unable to establish suitable commercial terms, a mechanism to settle the current joint venture arrangement may need to be agreed, noting that as described in note 7, it is expected the recoverable amounts to be at least the carrying value at 31 March 2024.

8. Bank facilities

As a result of the sale of equity in Eastland Generation, bank facilities were repaid on 30 April 2024. They were recognised as current liabilities at 31 March 2024.

9. Cancellation of interest rate swaps

In anticipation of the repayment of banking facilities Eastland Group cancelled interest rate swaps relating to bank debt it expected to repay. The gain of $15m from the settlement was recognised in finance income (note 17).

10. Network tax dispute

In 2021 Eastland Group obtained a private binding ruling relating to depreciation of assets owned by Eastland Network Limited (discontinued), held as part of the Eastland Group consolidated tax group.

In March 2024, the Inland Revenue (IRD) provided clarification on the application of the binding ruling. Eastland Group recognised a $5 million benefit relating to the application of the binding ruling.

f) Standards not yet effective

The following amendments which will impact the Trust Group, come into effect for periods commencing on or after 1 January 2024. These standards are not expected to have a material impact on the Trust Group financial statements.

- PBE IPSAS1 Disclosure of Fees for Audit Firms' Services. The amendment requires entities to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using specified categories
- Insurance Contracts in the Public Sector. The amending standard adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026.

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

1 Revenue

	2024 $'000	2023 $'000
Revenue from exchange transactions		
Revenue from rendering services		
Logistics revenue	41,205	37,105
Economic development and tourism services	2,817	2,011
Management fees	50	284
Total revenue from rendering services	**44,072**	**39,400**
Other exchange transaction revenue		
Other income	525	-
Rental income	4,327	3,111
Interest income	4,055	803
Dividends received	649	764
Total other exchange transaction revenue	**9,556**	**4,678**
Total revenue from exchange transactions	**53,628**	**44,078**
Revenue from non-exchange transactions		
Other income	1,229	2,657
Total revenue from non-exchange transactions	**1,229**	**2,657**
Total revenue	**54,857**	**46,735**
Revenue from discontinued operations - Generation		
Electricity generation revenue	50,223	38,795
Other revenue	380	626
Other income	896	7,184
Total revenue from discontinued operations - Generation	**51,499**	**46,605**
Revenue from discontinued operations - Network		
Electricity distribution revenue	-	29,921
Other revenue	-	3,168
Total revenue from discontinued operations - Network	**-**	**33,089**

Ⓟ **Revenue**

Revenue is measured based on the consideration to which the Trust Group expects to be entitled in a contact with a customer and exclude amounts collected on behalf of third parties. Revenue is recognised when all performance obligations have been satisfied by transfer of goods or services to the customer and for the consideration that is probable to be collected.

i. Port Services

Revenue from the sales of logistics services is recognised in the Statement of Comprehensive Revenue and Expense in the accounting period in which the services are rendered, by reference to completion of the specific transfer of goods or service.

ii. Rental income

Rental income is recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

iii. Regulated electricity distribution (discontinued – prior year) and electricity generation (discontinued – current year) sales

Revenue from electricity distributed and generated is recognised in the Statement of Comprehensive Revenue and Expense when the electricity has been distributed or sold to the customers.

iv. Customer contributions (discontinued – prior year)

Revenue from customer contributions is recognised in the Statement of Comprehensive Revenue and Expense as revenue when all obligations to the customer are satisfied.

v. Dividends received

Dividends received are recognised when the right to receive payments is established. Dividends received from pre-acquisition net surpluses are deducted from the cost of the investment.

vi. Interest income

Interest income comprises income on funds invested, changes in the fair value of financial assets at fair value through the Statement of Comprehensive Revenue and Expense and gains on hedging instruments that are recognised in the Statement of Comprehensive Revenue and Expense. Interest income is recognised as it accrues, using the effective interest method.

vii. Other income exchange transactions

Other forms of revenue outside of those detailed in this policy that are not material as an individual transaction and approximate value has been given in return for that revenue.

viii. Non-exchange income

Non exchange income comprises of income received from another party without directly giving approximate value in return.

2 Expenditure

	2024 $'000	2023 $'000
Operating expenses		
Logistics expenses	6,052	4,660
Economic development and tourism services	2,450	2,272
Total operating expenses	**8,502**	**6,932**
Depreciation and amortisation		
Amortisation	420	794
Depreciation of property, plant and equipment	11,980	11,447
Total depreciation and amortisation	**12,400**	**12,241**
Administrative expenses		
Administration	10,695	10,734
Bad debt write-offs on trade receivables	15	5
Direct operating expenditure arising on investment properties that generated rental income	942	761
Auditor's remuneration to Deloitte comprises:		
audit of financial statements	299	335
Total administrative expenses	**11,951**	**11,835**

Restructuring costs	-	720
Asset impairments	182	1,907
Total asset impairments and restructuring costs	**182**	**2,627**
Generation - Discontinued operations		
Auditor's remuneration to Deloitte comprises:		
audit of financial statements	85	61
reasonableness assurance relating to unique emissions factors	37	37
Loss on sale of disposal of property, plant and equipment	15	1,373

3 Generation - Non-current assets held for sale and discontinued operations

	2024 $'000	2023 $'000
Revenue		
Electricity generation revenue	50,223	38,795
Other revenue	380	626
Other income	896	7,184
Expenses		
Operating expenditure	(18,827)	(19,718)
Administrative expenses	(6,926)	(7,220)
Depreciation	(3,866)	(12,914)
Earnings before interest and tax (EBIT)	**21,880**	**6,753**
Finance income	50	-
Finance expenses	(430)	(401)
Income tax expense/benefit	(4,963)	776
Profit from discontinued operations	**16,537**	**7,128**
Costs to sell	(2,572)	-
Total profit from discontinued operations	**13,965**	**7,128**
Attributable to:		
Equity holders of the parent	14,001	7,368
Non-controlling interest (discontinued)	(36)	(240)
	13,965	**7,128**
Generation assets classified as held for sale		
Property, plant and equipment	348,561	-
Intangible assets	16,219	-
Right of use assets	4,335	-
Lease receivables	5,458	-
Other current assets	32,627	-
	407,200	**-**
Generation liabilities classified as held for sale		
Lease liabilities	4,923	-
Deferred taxation	24,089	-
Derivative financial instruments	42,984	-
Loans	12,607	-
Other current liabilities	10,054	-
	94,657	**-**
Cashflow from discontinued operations		
Net cash flows from operating activities	18,333	-
Net cash flows used in investing activities	(47,620)	-
Net cash flows from financing activities	29,557	-
Net increase in cash and cash equivalents	**270**	**-**
Cash and cash equivalents at beginning of period	1	
Cash and cash equivalents at end of period	**271**	**-**

The assets and liabilities related to Eastland Generation Group (Generation) have been presented as held for sale as at 31 March 2024. These assets were initially classified as held for sale on 1 July 2023 following shareholders' approval to sell Generation.

The sale transaction was completed on 30 April 2024, subsequent to the year end (note 33).

4 Network - Discontinued operations

	2024 $'000	2023 $'000
Revenue		
Electricity distribution revenue	-	29,921
Rental income	-	213
Energy sales	-	60
Customer contributions	-	359
Other revenue	-	2,365
Change in fair value of investment property	-	71
Other income	-	100
Expenses	-	
Operating expenditure	-	(16,855)
Administrative expenses	-	(638)
Depreciation	-	(1,808)
Earnings before interest and tax (EBIT)	**-**	**13,788**
Finance expenses		(4,136)
Profit before tax	**-**	**9,652**
Income tax expense	-	(405)
Profit from discontinued operations	**-**	**9,247**
Gain on sale of network business	**-**	**95,754**
Costs to sell	(576)	(5,824)
Total profit from discontinued operations/gain on sale and book value of assets sold	**(576)**	**99,177**
Current assets		
Cash	-	1
Receivables	-	3,274
Non-current assets		
Property, plant and equipment	-	189,940
Investment property	-	612
Intangible assets	-	1,365
Right of use assets	-	241
Current liabilities		
Payables and accruals	-	6,852
Employee entitlements	-	752
Income tax payable	-	-
Non-current liabilities		
Deferred taxation	-	25,662
Related party borrowings	-	76,171
Lease liabilities	-	254
Net assets disposed	**-**	**85,742**
Consideration received	-	181,496
Net gain on disposal	**-**	**95,754**
Cashflow from discontinued operations		
Net cash flows from operating activities	-	7,455
Net cash flows used in investing activities	-	(10,824)
Net cash flows from financing activities	-	3,369
Net cash flows	**-**	**-**

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

5 Non-operating income/(expenses)

	2024 $'000	2023 $'000
Impairment losses recovered	8	5
Gain/(loss) on sale of property, plant and equipment	604	(454)
(Decrease)/increase in fair value of investments	(65)	916
Total non-operating income/(expenses)	**547**	**467**

6 Taxation

	2024 $'000	2023 $'000
Income tax		
Current tax (benefit)/expense		
Current period	1,512	6,187
Adjustment for prior periods	(5,329)	79
Total current tax expense	**(3,817)**	**6,266**
Deferred tax expense		
Temporary differences for the year	2,515	(2,445)
Adjustment for prior periods	(465)	(530)
Total deferred tax	**2,050**	**(2,975)**
Total income tax (benefit)/expense	**(1,767)**	**3,291**

A reconciliation of income tax expense to the statutory income tax rate, is as follows:

	2024		2023	
	$'000	%	$'000	%
Accounting profit before income tax	**8,978**		**(16,695)**	
At the statutory income tax rate of 33%	(2,963)	(33.0%)	5,509	(33.0%)
Group eliminations	(975)	(10.9%)	(5,908)	35.4%
Adjustments in respect of changes in building tax depreciation	(1,290)	(14.4%)	-	0.0%
Adjustments in respect of current income tax of previous years	5,792	64.5%	439	(2.6%)
Discontinued operations		0.0%	(2,610)	15.6%
Allocated to beneficiaries	2,326	25.9%	203	(1.2%)
Non-deductible expenses	(926)	(10.3%)	(1,480)	8.9%
Share of loss of associate	-	0.0%	494	(3.0%)
Non-assessable gains and PIE income	(197)	(2.2%)	62	(0.4%)
	1,767	**19.7%**	**(3,291)**	**19.7%**

Note: The Trust tax rate is 33% and subsidiary companies tax rates are 28%. The Trust Group statutory tax rate is calculated at 33% with differences in subsidiary tax calculations eliminated. There is no legal right to offset the Trust tax refund with the tax payable within subsidiary companies.

DEFERRED TAX ASSETS AND LIABILITIES

2024	Property, plant and equipment $'000	Provisions and accruals $'000	Investment property $'000	Hedge reserve $'000	Other $'000	Total $'000
Balance at beginning of the period	**(67,524)**	**1,374**	**(317)**	**4,993**	**4,582**	**(56,892)**
Amounts recognised in the statement of comprehensive revenue and expenses:	-	-	-	-	-	-
Relating to the current period	(5,159)	(704)	7	-	597	**(5,259)**
Prior period adjustments recognised in the current period	490	(296)	-	-	(59)	**135**
Adjustments in respect of changes in building tax depreciation	(1,290)	-	-	-	-	**(1,290)**
Discontinued operations	36,292	(166)	-	(12,037)	-	**24,089**
Amounts recognised directly in other comprehensive income	(371)	-	-	5,299	-	**4,928**
Net deferred tax liabilities	**(37,562)**	**208**	**(310)**	**(1,745)**	**5,120**	**(34,289)**

2023	Property, plant and equipment $'000	Provisions and accruals $'000	Investment property $'000	Hedge reserve $'000	Other $'000	Total $'000
	(85,307)	**1,572**	**(634)**	**2,528**	**1,677**	**(80,164)**
Balance at beginning of the period						
Amounts recognised in the statement of financial performance:	(267)	(194)	317	-	1,734	**1,590**
Relating to the current period	(774)	80	-	-	1,171	**477**
Prior period adjustments recognised in the current period	24,558	(84)	-	-	-	**24,474**
Amounts recognised directly in other comprehensive income	(5,734)	-	-	2,465	-	**(3,269)**
Net deferred tax liabilities	**(67,524)**	**1,374**	**(317)**	**4,993**	**4,582**	**(56,892)**

Group deferred tax net liability

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Certain subsidiary entities have tax losses carrying forward. These total $18.3 million and will be used in the ordinary course of business or through subvention payments with other subsidiaries. The deferred tax asset of $5.1 million is recorded within the other category of deferred tax.

Ⓟ **Tax Policy**

Income tax expense is made up of current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Revenue and Expense except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Trust has certain investments made through Portfolio Investment Entities and are excluded income for income tax purposes.

Deferred tax is recognised using the balance sheet method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.
- Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

7 Property, plant and equipment

2024

	Land and buildings	Electricity generation equipment	Other assets at cost	Wharves walls and surfaces	Floating plant	Other plant and equipment	Work in progress	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 1 April 2023, Cost or fair value	70,360	260,326	83,559	171,367	17,073	51,934	97,916	752,535
Additions	2,748	3,522	980	60,705	22	20,420	(3,514)	84,883
Disposals	(3)	(5)	(1)	(103)	(156)	(3,460)	(2,806)	(6,534)
Impairment	-	-	-	-	-	(231)	-	(231)
Revaluation	3,488	-	-	-	-	-	-	3,488
Generation - held for sale	(1,089)	(263,347)	(52,173)	-	-	(10,015)	(78,239)	(404,863)
Transfers	3,544	-	(8,671)	-	-	2,239	-	(2,888)
As at 31 March 2024, Cost or fair value	**79,048**	**496**	**23,694**	**231,969**	**16,939**	**60,887**	**13,357**	**426,390**
As at 1 April 2023 accumulated depreciation	1,688	13,381	26,818	11,188	1,485	15,562	-	70,122
Depreciation charge for the year	1,074	2,486	5,050	5,347	744	614	-	15,315
Disposals	-	(1)	(1)	(10)	(6)	(719)	-	(737)
Revaluation	(2,386)	-	-	-	-	-	-	(2,386)
Impairment	-	-	-	-	-	(100)	-	(100)
Generation - held for sale	(20)	(16,217)	(16,251)	-	-	(1,594)	-	(34,082)
Transfers	173	-	(3,118)	-	-	(173)	-	(3,118)
As at 31 March 2024, accumulated depreciation	**529**	**(351)**	**12,498**	**16,525**	**2,223**	**13,590**	**-**	**45,014**
As at 31 March 2024, net of accumulated depreciation	**78,519**	**847**	**11,196**	**215,444**	**14,716**	**47,297**	**13,357**	**381,376**

2023

	Land and buildings	Electricity generation equipment	Other assets at cost	Wharves walls and surfaces	Floating plant	Other plant and equipment	Work in progress	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 1 April 2022, Cost or fair value	82,086	247,105	84,520	166,581	17,106	45,176	57,461	700,035
Additions	9,833	2,653	1,708	4,860	15,147	14,292	40,810	89,303
Disposals	(1,556)	(1,410)	(47)	(74)	(15,180)	(992)	-	(19,259)
Impairment	(63)	-	(2,638)	-	-	(1,031)	-	(3,732)
Sale of subsidiary	(15,283)	-	(3)	-	-	(6,490)	(355)	(22,131)
Transfers	-	11,326	-	-	-	-	-	11,326
Revaluation	(4,657)	652	19	-	-	979	-	(3,007)
As at 31 March 2023, Cost or fair value	**70,360**	**260,326**	**83,559**	**171,367**	**17,073**	**51,934**	**97,916**	**752,535**
As at 1 April 2022, accumulated depreciation	2,139	13,865	21,825	6,022	6,720	17,548	-	68,119
Depreciation charge for the year	1,404	8,942	5,140	5,240	1,051	2,584	-	24,361
Disposals	-	(76)	(45)	(74)	(6,286)	(873)	-	(7,354)
Revaluation	(34)	(9,357)	-	-	-	-	-	(9,391)
Impairment	-	-	(102)	-	-	(493)	-	(595)
Sale of subsidiary	(1,253)	-	(3)	-	-	(2,763)	-	(4,019)
Transfers	(568)	7	3	-	-	(441)	-	(999)
As at 31 March 2023, accumulated depreciation	**1,688**	**13,381**	**26,818**	**11,188**	**1,485**	**15,562**	**-**	**70,122**
As at 31 March 2023, net of accumulated depreciation	**68,672**	**246,945**	**56,741**	**160,179**	**15,588**	**36,372**	**97,916**	**682,413**

There are no restrictions on title, and property, plant and equipment pledged as security for liabilities.

Other assets at cost include airport assets, and other land and leasehold improvements. These assets are not revalued. For presentation purposes these separate asset classes have been combined.

In the year to 31 March 2024 $3.99 million (2023: $2.71 million) of interest has been capitalised. The weighted average capitalisation rate on funds borrowed was 6.07% (2023: 5.87%).

Work in progress

In December 2019, Eastland Generation and the Proprietors of Taheke 8C & Adjoining Blocks Incorporation ("Taheke 8C") executed a Project Development Agreement ("PDA") to develop, consent, construct and operate a geothermal power station on lands owned by Taheke 8C.

In November 2022 drilling of a new geothermal well was successfully completed. Well testing was completed in June 2023 and this supported that there was more than sufficient resource to fuel the proposed plant. Resource consents have now been applied for and processing is ongoing.

The following assets and liabilities have been recognised in relation to the Taheke project:

Assets	
Capital work in progress	25,427
Intangible assets	2,445
Others	82
Total assets	**27,954**
Liabilities	
MBIE loan	12,607
Others	154
Total liabilities	**12,761**

The carrying value for the Taheke Project reflects investment costs to date. Initial well testing has been completed, but no final investment decision has been made under the PDA. Directors are of the view that these carrying values are supportable by either their sale or value in use as Work in Progress.

Ⓟ Land and buildings, electricity generation equipment (excluding wells) and wharves, walls and surfaces are recognised at cost and are subsequently stated at revalued amounts, less any subsequent accumulated depreciation and impairment losses. Land and buildings, electricity generation equipment (excluding wells) and walls wharves and surfaces are revalued with sufficient regularity to ensure that the carrying amount of these items does not materially differ from that which would be determined using fair value at the date of the financial statements. Assumptions are reviewed annually to ensure that fair value is fairly stated for these assets.

Property, plant and equipment is revalued on a cyclical basis. Valuations are performed by registered valuers. For electricity generation equipment assets and wharves, walls and surfaces, revaluations are carried out on a cyclical basis not exceeding five years, by independent valuers. Land and buildings revaluations are carried out on a cyclical basis not exceeding three years.

Any movement on revaluation is reflected through equity reserves for that class of asset unless there is insufficient reserve in which case that would flow through to the Statement of Comprehensive Revenue and Expense

All other plant and equipment including geothermal wells is valued at historical cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items or components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in non – operating income and expenses. When revalued assets are sold, the amounts included in the equity reserve are transferred to retained earnings and recognised through other comprehensive income.

Government Grants received for the construction or purchase of an asset are deducted from the asset value recognised.

Exploration and evaluation expenditure (Generation – discontinued operations)

Exploration and evaluation expenditure in relation to geothermal sites is accounted for in accordance with the area of interest method. The cost of drilling wells on an established geothermal field are capitalised on the basis that it is expected the expenditure will be recovered through future energy sales, or alternatively, by sale of the assets. Depreciation commences once the wells are put into productive use.

All exploration and evaluation costs, including directly attributable overheads, general permit activity, resource consents, geological testing, geophysical testing and drilling are initially capitalised as work in progress, pending the determination of the success of the area. Costs are expensed where the area of interest does not result in a successful discovery.

Exploration and evaluation expenditure is partially or fully capitalised where either:

- the expenditure is expected to be recovered through the successful development and exploration of the area of interest (or alternatively by its sale); or
- the exploration and evaluation activities in the area of interest have not, at the end of each reporting period, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs are reviewed at the end of each reporting period to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of the capitalised costs. Exploration and evaluation expenditure is impaired in the Statement of Comprehensive Revenue and Expense under the successful efforts method of accounting in the period that exploration work demonstrates that an area of interest is no longer prospective for economically recoverable reserves or when the decision to abandon an area of interest is made.

Land access rights for exploration activities are amortised over the life of the right.

Ⓔ ***i. Classification of expenditure in relation to property, plant and equipment***

On initial recognition of items of property, plant and equipment, judgments must be made about whether costs incurred relate to bringing the items to working condition for their intended use, and therefore are appropriate for capitalisation as part of the cost of the item, or whether they should be expensed as incurred. As required by PBE IPSAS 17, Property, Plant and Equipment, judgment must be exercised to assess the amount of overhead costs which can be reasonably directly attributed to the construction or acquisition of items of property, plant and equipment. For example, employee costs arising directly from such activities are capitalised within the initial cost of property, plant and equipment. Thereafter, judgment is also required to assess whether subsequent expenditure increases the future economic benefits to be obtained from that asset and is therefore also appropriate for capitalisation or whether such expenditure should be treated as maintenance and expensed.

ii. Valuation and impairment of property, plant and equipment

Management must also consider whether any indicators of impairment have occurred which might require impairment testing of the current carrying values of property, plant and equipment. Assessing whether individual assets or a grouping of related assets (which generate cash flows co-dependently) are impaired may involve estimating the future cash flows that those assets are expected to generate. This will in turn involve assumptions, including rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate (Weighted average cost of capital – WACC) for discounting future cash flows. The standard assumptions across all valuations are inflation of 2% and a tax rate of 28%.

Revaluations

ix. Land and buildings

Port land and buildings were revalued on 31 March 2022 (total fair value of $56.5 million) by an independent valuer; Telfer Young. The method of valuation was market-based for non-specialised land assets. The values ranged from $40m2 - $465m2 in the port location and 30m2 - $116m2 for rural storage sites. For other buildings a comparison was made of contract income to capitalised market yield rates. The range was from $215m2 - $3978m2. The per square metre rates were affected by building size and locational factors. The net book value at 31 March 2024 was $54.1. million. The net book value of port land and buildings, which includes the current book value of $1.3 million of port related land and buildings revalued as part of the infrastructure valuation in **iii** below, is $55.4 million. (2023: $50.1 million).

Generation operational land and buildings located at Waihi Dam, were valued on 31 March 2022 (total fair value of $0.3 million) by an independent valuer; Telfer Young. The method of valuation was the market approach. The methods used were direct comparison, income based, capitalisation and the capitalisation rate or yield. At 31 March 2024, Generation operational land and buildings assets are classified under assets held for sale.

Eastland Development Fund Limited's Commerce Place property, held for economic development, was valued in March 2024 (total fair value of $5.3 million) by an independent valuer; Lewis Wright Valuation and Consultancy Limited. The approaches used were the Income Approach, consisting of the Discounted Cash Flow and the capitalisation of the market rental methods, based on the properties' highest and best use and the Market Approach, which comprises a direct comparison with comparable sales based on the properties' highest and best use.

Prime SPV Limited's Dunstan Road property, excluding the operating sawmill land and buildings, held for economic development, was valued on 31 March 2024 (total fair value of $13.9 million) by an independent valuer; CBRE Property Valuations. The approaches used were the Income Approach, consisting of the Discounted Cash Flow and the capitalisation of the market rental methods, based on the properties' highest and best use and the Market Approach, which comprises a direct comparison with comparable sales based on the properties' highest and best use.

These asset classes are combined for presentation purposes.

ii. ***Electricity generation equipment (discontinued operations)***

These assets have been reclassified to Generation - assets held for sale and do not form part of the Group property, plant and equipment due to sale of 50% interest in Eastland Generation. Please refer to the discontinued operations note 3 and material transactions for further details.

iii. Wharves, walls and surfaces

Wharves, walls and surfaces were reviewed during the year to assess whether fair value differs materially from the carrying value and an out of cycle revaluation is necessary, at 31 March 2024. The indicative values were within the acceptable range and a revaluation was not carried out.

The port wharves, walls and surfaces, land and buildings and other plant and equipment were last revalued on 31 March 2021 (total fair value $168.4 million) by independent valuers, WSP New Zealand Limited. The net book value at 31 March 2024 was $215.4 million (2023: $160.2 million). The method of valuation was optimised depreciated replacement cost ("ORDC") which was supported by a discounted cash flow valuation. The key assumptions for these valuations were:

ODRC:

- Unit rates for specific asset types using best available data.
- Capitalisation allowances for on-costs aligned with discounted cashflow valuation.
- Asset lives and residual values reassessed.

Discounted cash flow:

- Revenues were based on management's best estimate of cargo volumes (predominantly logs) over the years to 2036 with these estimates supported in the case of log exports by external reports and customer forecasts of likely log volumes.
- Port charges for all log cargos increase from 1 April 2027 to support the capital expenditure programme.
- Capital expenditures include both maintenance and growth capital expenditure to support the estimated volumes.
- The post-tax discount rate (WACC) of 7.1% was used.
- The terminal value was estimated using the ODRC asset values as at 31 March 2036 as a capitalised earnings approach was not used.

The following table identifies the key assumptions that have the most impact on the valuation and the effect a change in the assumption would have on fair value.

Valuation technique	Fair value measurement sensitivity to significant unobservable input	Valuations affected by input change
Discounted cash flow model		
Price path	An estimated 1% change in price path would result in a material increase in the fair value.	Generation equipment
Weighted Average Cost of Capital ("WACC")	An estimated 1% multiplicative change in WACC would result in a material change in the fair value.	Generation equipment,

Plant outputs/Revenue	An estimated 1% change in output or revenue would result in a material increase in the fair value.	Generation equipment,
Optimised Depreciated replacement cost		
Cost of construction	An estimated 1% change in construction costs would result in a material change in the fair value.	Wharves, Walls and surfaces
Market capitalisation		
Gross market rent	An estimated 10% change in rent received would result in a material change in the fair value.	Land & Buildings
Market capitalisation rate	An estimated 1% change in market capitalisation rate would result in a material change in the fair value.	Land & Buildings
Direct sales comparison		
Rate per square metre	An estimated 10% change in rate per square metre would result in a material change in the fair value.	Land & Buildings

	2024 $'000	**2023 $'000**
Depreciation		
Depreciation of property, plant and equipment	11,980	9,653
Generation (Discontinued operations)	3,335	12,410
Total	**15,315**	**22,063**

Ⓟ Depreciation is recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis considering the estimated useful life of each part of an item of property, plant and equipment and its residual value. Land is not depreciated.

The estimated useful lives for significant classes of assets for the current and comparative periods are as follows:

Buildings	40-50 years
Electricity distribution equipment (discontinued)	10-70 years
Electricity generation equipment (discontinued)	10-50 years
Other assets at cost:	
Wells	15 years
Airport assets and other improvements	5-50 years
Other plant and equipment:	
Plant and equipment	3-20 years

Motor vehicles	5-10 years
Sawmill assets	3-50 years
Wharves, walls and surfaces	3-100 years
Floating plant	2-25 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Commitments

As at 31 March 2024, the Trust Group (excluding Generation – discontinued) had total capital commitments payable within the next 12 months of $0.9 million (2023: $24.8 million).

The commitments comprise:

- A capital commitment of $1.7 million was made to construct a new dry shed at the Prime wood cluster site. To date $0.9 million has been spent on the project and the balance of $0.8 million is expected to be incurred over the next twelve months.
- Eastland Group had total capital commitments payable within the next 12 months of $0.1 million (2023: $18.8 million).

8 Investment properties

	2024 $'000	**2023 $'000**
Opening balance at 1 April	35,824	34,750
Additions	60	681
Disposals	(175)	(786)
Transfers from operational property	-	2,009
Fair value adjustment	53	(290)
Sale of subsidiary investment property	-	(540)
Closing balance at 31 March	**35,762**	**35,824**

Investment properties include parcels of land and buildings strategically located at Eastland Port, Inner Harbour, Gisborne Airport and various other locations in Gisborne.

They are measured at fair value, based on an annual valuation by an independent valuer; Telfer Young. These valuations were completed at 31 March 2024. The valuations comply with approved/accepted valuation standards.

The fair value is based on a discounted cashflow model using expected market rentals for the highest and best use of the property. An analysis of current property sales is also assessed in determining the value. The investment property that has been revalued is categorised as level 3 in the fair value hierarchy. There have been no transfers between levels and no change to valuation techniques in the current year.

Ⓟ Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change recognised in the Statement of Comprehensive Revenue and Expense within non-operating income and expenses and disclosed separately in the financial statements.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

When the use of a property changes from owner-occupied to investment property, the property is revalued to fair value and reclassified as investment property. Any gain arising on revaluation is recognised directly in equity. Any loss is recognised immediately in the Statement of Comprehensive Revenue and Expense.

9 *Intangible assets*

	2024 $'000	2023 $'000
Geothermal development rights	-	8,776
Vended assets	-	3,671
Resource consents	-	2,182
Goodwill	710	710
Software	3,799	4,206
Carbon credits	-	3,013
Other	254	334
Total	**4,763**	**22,892**
Current	-	1,562
Non-current	4,763	21,330
	4,763	**22,892**

The intangible asset groups shown above are amortised over their assessed lives. The goodwill relating to the weighbridge and Inner Harbour Marina however is not amortised but is reviewed for impairment on an annual basis. Generation intangible assets are presented as assets held for sale in note 3.

The amortisation charge relating to resource consents, access rights and other intangible assets for the year was $420,000 (2023: $793,892).

10 Trade and other receivables

	2024 $'000	2023 $'000
Exchange trade and other receivables		
Trade receivables	6,683	9,968
GST receivable	42	1,717
Other receivables	2,436	8,585
Total trade and other receivables	**9,161**	**20,270**

Trade receivables are stated net of expected credit loss of $14,421 (2023: $2,544). The Group has recognised a loss allowance of 100% against all receivables over three months past due because historical experience has indicated that these receivables are generally not recoverable. As detailed in note 21, the group assesses credit risk and recognises credit losses on recognition of a receivable and when a loss is probable. No expected credit losses have been recognised on related party receivables. There has been no change in the estimation techniques or significant assumptions during the current reporting period.

	2024 $'000	2023 $'000
Non-exchange other receivables		
Other receivables	1,617	1,637
Total non-exchange other receivables	**1,617**	**1,637**

11 Other Investments and receivables

Determination of fair value

The fair value of available-for-sale financial assets held by the Trust Group entities is based on broker quotes provided by the entities' investment advisors.

	2024 $'000	2023 $'000
Fixed interest financial instruments	7,241	10,033
Listed equities	31,618	28,962
Total other investments and receivables	**38,859**	**38,995**
Split between:		
Current asset	1,756	2,884
Non-current asset	37,103	36,111
Total other investments and receivables	**38,859**	**38,995**

Investments into fixed interest financial instruments and listed equities are made through an investment manager.

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12 Payables and accruals

	2024 $'000	2023 $'000
Exchange payables and accruals		
Trade payables	4,203	8,755
Sawmill operator payable	5,380	3,937
Non-trade payables and accrued expenses	2,595	5,214
Interest payable	1,499	1,142
GST payable	391	-
Total exchange payables and accruals	**14,068**	**19,048**
Non-exchange payables and accruals		
Distribution and grants payables	10,880	5,487
Total non-exchange payables and accruals	**10,880**	**5,487**
Total payables and accruals	**24,948**	**24,535**

Trade and other payables generally have terms of 30 days and are interest free. The carrying amount of trade and other payables approximates fair value because the amounts due will be settled within 12 months and are interest free.

Sawmill operator payable relates to income received for an operator management fee which is to be used for sawmill upgrades and the net payable for sawmill operations.

13 Investment in subsidiaries

Trust Tairawhiti is the 100% owner of Eastland Group Limited, which is governed by an independent Board of Directors. Eastland Group activities primarily comprise strategic asset intensive businesses crucial to the Gisborne district's economy focused on power generation, and logistics (port and airport management). Eastland Group Limited along with its subsidiaries, noted below, are all incorporated in New Zealand.

Subsidiary	**Parent**	**Business**	**Country of Incorporation**	**Ownership Interest (%)**	
				2024	**2023**
Continuing operations:					
Eastland Port Limited	Eastland Group Limited	Port services	New Zealand	100%	100%
Eastland Investment Properties Limited	Eastland Group Limited	Investment property	New Zealand	100%	100%
Gisborne Airport Limited	Eastland Group Limited	Airport services	New Zealand	100%	100%
Eastland Energy Solutions Limited	Eastland Group Limited	Energy solutions	New Zealand	-	100%
Eastland Port Debarking Limited	Eastland Port Limited	Debarker services	New Zealand	100%	100%
Northland Debarking Limited	Eastland Port Debarking Limited	Debarker services	New Zealand	100%	100%
Inner Harbour Marina Limited	Eastland Investment Properties Limited	Harbour services	New Zealand	100%	100%
Discontinuing operations:					
Eastland Generation Limited	Eastland Group Limited	Electrical generation	New Zealand	100%	100%
Geothermal Developments Limited	Eastland Generation Limited	Geothermal generation	New Zealand	100%	100%
Eastland Tarawera One Limited	Eastland Generation Limited	Geothermal Generation	New Zealand	100%	100%
Eastland Tarawera Two Limited	Eastland Generation Limited	Geothermal Generation	New Zealand	100%	100%
Te Ahi O Maui Limited Partnership	Eastland Generation Limited	Geothermal generation	New Zealand	94%	94%
Te Ahi O Maui General Partnership Limited	Eastland Generation Limited	Non-trading	New Zealand	94%	94%
ROOPU Whakarite Mahi Limited Partnership	Eastland Generation Limited	Geothermal Generation	New Zealand	85%	85%
Te Turapa Wai Ariki Limited	Eastland Generation Limited	Non-trading	New Zealand	85%	85%

On 10 November 2023 Eastland Group entered into a share sale and purchase agreement (SPA) with Obayashi Clean Energy New Zealand Limited (a related party of Obayashi Corporation) to sell 50% interest in Eastland Generation and its related subsidiaries (Generation Group or Generation). The sale transactions achieved completion subsequent to the year-end (note 33).

At 31 March 2024, the results of Generation Group have been presented as non-current assets held for sale and discontinued operation (note 3).

Trust Tairawhiti is committed to supporting new investment initiatives outside Eastland Group Limited where the projects are aligned to delivering employment outcomes within the He Tohu Ora Wellbeing Framework. These investments are held in the following 100% owned subsidiaries, which are incorporated in New Zealand.

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Subsidiary	Parent	Business	Country of Incorporation	Ownership Interest (%)	
				2024	**2023**
Eastland Development Fund Limited	Trust Tairawhiti	Economic development investment company	New Zealand	100%	100%
Prime SPV Limited	Trust Tairawhiti	Economic development investment company	New Zealand	100%	100%
Trust Tairawhiti Limited	Trust Tairawhiti	Economic development operations	New Zealand	100%	100%

There are no restrictions in place on the ability of subsidiaries to transfer funds to their parent in the form of cash dividends or to repay loans or advances. See Note 26 for transactions from the Trust to subsidiary entities.

Ⓟ ***Subsidiaries***

Subsidiaries are entities controlled, directly or indirectly by the Trust Group. The financial statements of subsidiaries are included in the consolidated financial statements using the acquisition method of consolidation.

Acquisition or disposal during the period

Where a business becomes or ceases to be a part of the Trust Group during the period, the results of the business are included in the consolidated results from the date that control or significant influence commenced until the date that control or significant influence ceased. Where a business is acquired all identifiable assets, liabilities and contingent liabilities are recognised at their fair value at acquisition date. The fair value does not take into consideration any future intentions by the Trust Group.

Goodwill arising on obtaining control of a subsidiary

Where an acquisition results in obtaining control of a subsidiary for the first time, the carrying amount of any previous non-controlling interest held by the Trust Group is first re-measured to fair value and the difference between the carrying amount and the re-measured fair value is recognised in the Statement of Comprehensive Revenue and Expense. Goodwill is then calculated as the sum of the fair value of the consideration paid, the re-measured fair value of the non-controlling interest previously held by the acquirer and the recognised amount of any remaining non-controlling interest in the acquiree held by third parties less the fair value of the total identifiable assets and liabilities of the acquiree at the date of the acquisition.

If the fair value of the total identifiable assets and liabilities acquired exceeds the sum of the fair value of the consideration paid, the re-measured fair value of the non-controlling interest previously held by the acquirer and the recognised amount of any remaining non-controlling interest in the acquiree held by third parties, then a gain representing a bargain purchase is recognised in the Statement of Comprehensive Revenue and Expense.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded as equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intra-group advances are repayable on demand and eliminated on consolidation. Any interest income and interest expense incurred on these advances is eliminated in the Statement of Comprehensive Revenue and Expense on consolidation.

14 *Investment in associate*

The Trust Group has one associate, Porou Miere Ltd Limited, which is incorporated in New Zealand.

Details of the investment at the end of the reporting period is as follows:

Name of investment	**Principal activity**	**Incorporation**	**Proportion of ownership interest**	
			2024	**2023**
Porou Miere Ltd	Honey extraction facility	New Zealand	20%	0%

In February 2024 the Trust Group invested $550,000 in 20% shareholding (550,000 shares) in Porou Miere Ltd, a honey extraction facility in Te Araroa. The transaction was settled in cash for $550,000.

The summarised financial information in respect of the investment is set out below:

Reconciliation of the interest in the associate recognised in the consolidated financial statements:

	2024 $'000	**2023 $'000**
Investment made	550	-
Closing interest in associate	550	-
Carrying amount of the Group's investment in associate in Porou Miere Ltd	**550**	**-**

Ⓟ ***Associates***

An associate is where the Trust Group has significant influence over an investment that is neither a controlled entity nor an interest in a joint venture.

Associates are accounted for using the equity method of consolidation. Under the equity method of accounting, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Trust Group share of the surplus or deficit of the investment.

15 Investment in joint venture

Details of investment in joint ventures at the end of the reporting period are as follows:

Name of Joint Venture	Principal activity	Place of Incorporation	Proportion of ownership interest and voting rights held by the Group	
			2024	2023
Eastland Debarking	Debarking and anti-sap treatment of export logs stored at the port in Gisborne	New Zealand	50%	50%
WET Gisborne Limited (WGL)	Wood engineering processing - 50,000 cubic meter plant	New Zealand	24.42%	24.42%

Eastland Debarking is a joint venture accounted for using the equity method with the other 50% share of the joint venture being held by East Coast Forests Limited.

WET Gisborne is a wood processing business accounted for using the equity method with the other joint venture partner being Wood Engineering Technology Limited. The investment is part of the wood cluster investments to create employment opportunities for beneficiaries. The investment has not been equity accounted as the carrying value is nil and no further investment into share capital is expected to be made.

The summarised financial information in respect of the Trust Group's interest in joint ventures is set out below:

	2024 $'000	2023 $'000
Trust Group's share through comprehensive revenue and expense:		
Surplus from continuing operations	481	320
Group eliminations	90	74
Share of profit of joint ventures	**571**	**394**
Net assets of the joint venture	2,867	1,925
Proportion of the Group's ownership interest in the joint venture	50%	50%
Carrying amount of the interest in the joint venture	**1,434**	**963**

Significant restrictions

There are no significant restrictions on the ability of the joint venture to transfer funds to the Group in the form of profit sharing.

Commitments

As at 31 March, total capital expenditure committed but not yet incurred was $Nil (2023: $Nil).

Contingent liabilities

As at 31 March, total contingent liabilities were $Nil (2023: $Nil).

Impairment

No assets employed in the jointly controlled operations were impaired during the year.

Ⓟ ***Joint Ventures***

Joint ventures are contractual arrangements with other parties which establish joint control for each of the parties over the related operations, assets or entity. The Trust Group is jointly and severally liable in respect of costs and liabilities, and shares in any resulting profit/(loss) or output.

Joint ventures are accounted for through inclusion of the Trust Group 's share of the joint venture's operations in the financial statements, using the equity method of consolidation. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the share of the post-acquisition profits or losses and movements in the Statement of Comprehensive Revenue and Expense. Where the share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the net investment in the joint venture), the Trust Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the Trust Group and its joint ventures are eliminated to the extent of the interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Trust Group.

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

16 Loans

Borrowings are held by Eastland Group Limited, Prime SPV Limited and Roopu Whakarite Mahi Limited partnership.

Eastland Group's loans and borrowings were repayable within the next four years as per the contractual terms. The Group has decided to repay its facilities on completion of the Generation sale. Accordingly, the loan balances have been classified as current liabilities since they are being repaid within the next 12 months of the balance sheet date.

	2024 $'000	2023 $'000
Total borrowings through:		
Eastland Group Limited	241,300	217,000
Prime SPV Limited	22,340	20,088
Roopu Whakarite Mahi Limited Partnership	-	12,288
Total borrowings	**263,640**	**249,376**

	2024 $'000	2023 $'000
Bank borrowings through Eastland Group:		
Current liabilities	237,000	-
Non-current liabilities	-	217,000
Total bank borrowings	**237,000**	**217,000**

Original Maturity Profile	**Drawn $'000**	**Undrawn $'000**
As at 31 March 2024		
Facility A - Tranche A - maturing 1 April 2026	35,000	16,133
Facility A - Tranche C - maturing 1 April 2025	59,880	3,053
Facility A - Tranche E2 - maturing 1 April 2026	50,000	-
Facility A - Tranche F - maturing 1 April 2025	33,120	20,213
Facility A - Tranche G - maturing 1 April 2027	59,000	23,600
	237,000	**62,999**
As at 31 March 2023		
Facility A - Tranche A - maturing 1 April 2023	36,440	14,694
Facility A - Tranche C - maturing 1 April 2023	44,720	18,213
Facility A - Tranche E1 - maturing 1 April 2024	43,080	6,920
Facility A - Tranche E2 - maturing 1 April 2026	33,120	20,213
Facility A - Tranche F - maturing 1 April 2026	59,640	22,960
	217,000	**83,000**

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Eastland Group Limited has arranged bank funding from the ANZ, ASB, BNZ and ICBC Banks ("Syndicate") on behalf of Eastland Group and its subsidiaries. As at 31 March 2023 there were total bank facilities of NZD $237 million (2023: $300 million) which are unsecured and subject to a Deed of Negative Pledge. The borrowings are in the name of Eastland Group Limited. The guaranteeing subsidiaries of the Eastland Group debt held by the Parent entity are as follows:

Eastland Port Limited	Eastland Port Debarking Limited
Northland Debarking Limited	Inner Harbour Marina Limited
Eastland Generation Limited	Gisborne Airport Limited
Eastland Investment Properties Limited	Geothermal Developments Limited
Eastland Tarawera One Limited	Te Ahi o Maui Limited Partnership
Roopu Whakarite Mahi Limited Partnership	Eastland Tarawera Two Limited

These borrowings are rolled over at 90 day intervals spread throughout the year. The interest rate on these borrowings is the BKBM rate at the rollover date plus a margin of 1.20% to 1.66% (2023: 1.14% to 1.66%). As at 31 March 2024, the BKBM rates on borrowings range from 5.275% to 5.79% (2023: 4.84% to 5.275%). Facilities with the Syndicate have expiry dates of:

1 April 2026 Tranche A ($51.2 million)

1 April 2025 Tranche C ($62.9 million)

1 April 2026 Tranche E2 ($50 million)

1 April 2025 Tranche F ($53.3 million)

1 April 2027 Tranche G ($82.6 million)

	2024 $'000	2023 $'000
Borrowings from New Zealand Green Investment Finance (NZGIG)		
NZGIF loan classified as:		
Current liabilites	4,300	-
Total NZGIF loan	**4,300**	**-**

Original Maturity Profile	**Drawn $'000**	**Undrawn $'000**
As at 31 March 2024		
NZGIF loan - repayable within 8 years	4,300	20,700
	4,300	**20,700**

Eastland Group arranged funding from NZGIF for the construction of connection assets between the national grid, a new geothermal power plant (TOPP2) and the Te Ahi O Maui geothermal plant. The connection assets mainly include construction of a 33kV transmission line connection with existing line owned by Eastland Generation with connection at the Kawerau substation grid exit point – KAW2201.

As at 31 March 2024 the total loan had been drawn down of $4.3 million (2023: $Nil). which is secured over Eastland Generation's assets and undertakings.

The interest rate on these borrowings is the variable base rate plus a margin of 2.75% to 4.75% (2023: $Nil). The first drawdown date was 30 June 2023. The maturity date of the loan is 8 years from the first drawdown date which is 30 June 2031.

The Group has decided to repay the NZGIF facility on completion of the Generation sale transaction. Accordingly, the loan balances have been classified as current liabilities since they are being repaid within the next 12 months of the balance sheet date.

On 30 April 2024, the Group repaid the facility and settled the loan balance.

	2024	2023
Borrowings through Prime SPV Limited:	**$'000**	**$'000**
Provincial Growth Fund Loans		
(through Crown Regional Holdings Limited)		
Sawmill update project stage 1 - CRHL	12,243	12,250
Sawmill update project stage 2 - CRHL	4,666	2,250
Woodcluster Heat Plant Project - CRHL	5,431	5,588
	22,340	**20,088**

	Drawn	Undrawn
As at 31 March 2024	**$'000**	**$'000**
Crown Regional Holdings Limited (CRHL) - Kanoa	22,340	-
	22,340	**-**

	Drawn	Undrawn
As at 31 March 2023	**$'000**	**$'000**
Crown Regional Holdings Limited (CRHL) - Kanoa	20,088	2,250
	20,088	**2,250**

Prime SPV Limited has arranged provincial growth funding from Crown Regional Holdings Limited (CRHL) for the sawmill upgrades and wood cluster heat plant. These loans are secured over Prime SPV Limited's assets and undertakings.

Interest for the sawmill upgrade stage 1 and stage 2 loans are charged at 1.23% and 4.9%, and interest on the heat plant is charged at 1.5%. All interest is capitalised to the loan.

The repayments of the sawmill loan will be made in accordance with the Mill Operator Agreement, which is based on the operating performance of the sawmill. No repayments were made during the year.

The wood cluster heat plant loan is fully drawn, and repayments will be funded by the lease income received from the plant. During the year repayments were made for $246,452 (2023: $Nil).

17 Finance expenses

	2024	2023
	$'000	**$'000**
Net Interest expense/(income)	12,392	15,129
Gain from cancellation of interest rate swaps	(15,052)	-
Total net finance (income)/expense	**(2,660)**	**15,129**

Ⓟ Finance expenses comprises of interest expense on borrowings, changes in the fair value of financial assets at fair value through the Statement of Comprehensive Revenue and Expense, impairment losses recognised on financial assets (except for trade receivables), and losses on hedging investments that are recognised in the Statement of Comprehensive Revenue and Expense.

All 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, are added to the cost of those assets, until such time as the assets are substantially ready for use. All other borrowing costs are recognised in the profit or loss section of the Statement of Comprehensive Revenue and Expense in the period which they are incurred.

18 Financial assets and liabilities

This note discloses the Trust Group's financial assets and liabilities, how they are valued and managed.

The financial assets and liabilities are presented below:

				2024			
	Notes	**Cash and cash equivalents**	**Fair value through other comprehensive income**	**Fair value through profit loss**	**Assets measured at amortised cost**	**Liabilities at amortised cost**	**Fair value**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents		76,907	-	-	-	-	76,907
Trade and other receivables	10	-	-	-	9,161	-	9,161
Derivative financial instruments		-	5,815	-	-	-	5,815
Other investments and receivables	11	-	38,859	-	1,617	-	40,476
Total financial assets		**76,907**	**44,674**	**-**	**10,778**	**-**	**132,359**
Financial liabilities							
Payables and accruals	12	-	-	-	-	(24,948)	(24,948)
Employee entitlements	29	-	-	-	-	(4,443)	(4,443)
NZGIF Loan	16	-	-	-	-	(4,300)	(4,300)
Loans	16	-	-	-	-	(259,340)	(259,340)
Total financial liabilities		**-**	**-**	**-**	**-**	**(293,031)**	**(293,031)**
Total net financial assets/(liabilities)		**76,907**	**44,674**	**-**	**10,778**	**(293,031)**	**(160,672)**

				2023			
	Notes	**Cash and cash equivalents**	**Fair value through other comprehensive income**	**Fair value through profit loss**	**Assets measured at amortised cost**	**Liabilities at amortised cost**	**Fair value**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents		95,170	-	-	-	-	95,170
Trade and other receivables	10	-	-	-	30,530	-	30,530
Derivative financial instruments		-	20,282	-	-	-	20,282
Other investments and receivables	11	-	38,995	-	-	-	38,995
Total financial assets		**95,170**	**59,277**	**-**	**30,530**	**-**	**184,977**
Financial liabilities							
Payables and accruals	12	-	-	-	-	(33,158)	(33,158)
Employee entitlements	29	-	-	-	-	(3,381)	(3,381)
Electricity derivatives		-	(38,476)	-	-	-	(38,476)
Derivative financial instruments		-	(47)	-	-	-	(47)
Loans	16	-	-	-	-	(249,376)	(249,376)
Total financial liabilities		**-**	**(38,523)**	**-**	**-**	**(285,915)**	**(324,438)**
Total net financial assets/(liabilities)		**95,170**	**20,754**	**-**	**30,530**	**(285,915)**	**(139,461)**

Ⓔ *Valuation of financial assets and liabilities*

The following methods and assumptions were used to estimate the carrying amount and fair value of each asset class of financial instrument carried at fair value. Where financial instruments are measured at fair value they have been classified at the following levels.

Level 1: Quoted prices (unadjusted) in active markets for assets or liabilities; or

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); or

Level 3: Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments used by Eastland Group include interest rate swaps and foreign currency forward contracts. These are based on Level 2 fair value methodologies and were calculated using valuation models applying observable market data such as forward rates and contract rates, discounted at a rate that reflects the credit risk of various counterparties.

Electricity derivatives used by Eastland Group are electricity price contracts for differences. These are based on level 3 fair value methodologies and were calculated using valuation models applying forward price rates and discount at a rate that reflects the credit risk of various counterparties.

19 Price risk

Interest rate risk

The Trust Group's loans predominantly have floating interest rates. The Trust Group actively manages interest rate exposures in accordance with the treasury management policy and they are regularly reviewed by the Board. In this respect, at least forty percent of interest costs in the current year, must be fixed using interest rate swaps, forward rate agreements, options and other derivative instruments. The main objectives are to minimise the cost of total debt, control variations in the interest expense of the loans and to match the interest rate risk profile of debt with the expected return on The Trust Group's assets. The treasury management policy sets parameters for managing the interest rate risk profile.

The Trust Group has elected to apply cash-flow hedging to all of its interest rate swaps, a notional value totalling $60 million (2023: $330 million) with terms or maturity dates between 29 and 88 months, interest on a floating rate swapped to fixed interest is between 0.525% to 2.9495% (2023: 0.53% to 5.53%). The last cash-flow hedge swap matures on 31 July 2031.

The interest rate swaps that have been designated as cash-flow hedges affect profit and loss at the same time as the underlying interest expense is recognised on the retrospective borrowings. The hedge relationships are expected to be highly effective over the life of the swaps. All current hedges are effective.

	2024		2023	
	Average contract rate %	**Notional amount $'000**	**Average contract rate %**	**Notional amount $'000**
Interest rate swaps (floating to fixed)				
Maturing in less than 1 year	-	-	5.02	20,000
Maturing between 1 and 2 years	-	-	5.38	20,000
Maturing between 2 and 5 years	0.7	30,000	2.18	135,000
Maturing after 5 years	2.67	30,000	2.60	155,000
	Weighted average contract rate		**Weighted average contract rate**	
Total notional interest rate swaps	1.69	**60,000**	2.74	**330,000**

Electricity price risk

Eastland Group is exposed to electricity price risk through the sale of electricity on the wholesale electricity market, where prices are determined every half-hour. Derivatives, mainly contracts for differences, may be used to fix the price at which Eastland Group sells any exposure to electricity price risks. The electricity price risk management policy sets parameters for managing the electricity price risk profile.

Electricity price derivatives are designated as cashflow hedges and are recognised in profit and loss at the same time as the underlying spot price revenue is recognised on the retrospective electricity sales. The hedge relationships are expected to be highly effective over the life of the hedging instrument. All current hedges are effective.

	2024		2023	
	Average contract rate	**Notional amount**	**Average contract rate**	**Notional amount**
	$	**MWh**	**$**	**MWh**
Electricity revenue swaps*				
Maturing in less than 1 year	112.22	10,896	115.73	61,224
Maturing between 1 and 2 years	-	-	112.22	37,248
Maturing between 2 and 5 years	94.15	262,800	0	-
Maturing after 5 years	101.37	735,984	99.57	1,104,192
		1,009,680		**1,202,664**

*Electricity revenue swaps are held by Generation classified as held for sale and a discontinue operation at 31 March 2024

Maturity dates of the hedging instruments is between 3 and 96 months. Prices for contracts for differences (floating spot price swapped for fixed price) are between $93.39 to $123.70 (2023: $88.00 to $150.50) with the last cash-flow hedge maturing on 31 March 2032.

Foreign currency risk

Eastland Group is exposed to foreign exchange risk through the contracts for construction of assets denominated in US dollars. Foreign exchange risk is primarily managed through derivative forward contracts. The treasury management policy requires that all foreign currency commitments exceeding $100k equivalent are hedged from NZD at the time of making the commitment.

Eastland Group has elected to apply cash-flow hedging to all of its derivate forward contracts, a notional value totalling USD$22.2 million and EUR0.3 million (2023: USD$0.7 million) with terms or maturity dates between 1 and 21 months, exchange rates between 0.613 to 0.6258 USD and 0.5548 to 0.5635 EUR (2023: 0.6435 to 0.7131 USD). The last cash-flow hedge swap matures on 19 December 2025.

The derivate forward contracts that have been designated as cash-flow hedges affect the project cost at the same time as the underlying expense is recognised on the retrospective contracts. The hedge relationships are expected to be highly effective over the lives of the swaps. All current hedges are effective.

	2024		2023	
	Average contract rate	**Notional amount**	**Average contract rate**	**Notional amount**
		USD $000		**USD $000**
Forward exchange contracts				
Maturing in less than 1 year	0.6147	2,213	0.6782	725
Maturing between 1 and 2 years	0.6234	20,000	-	-
		22,213		**725**

	Average contract rate	**Notional amount**	**Average contract rate**	**Notional amount**
		EURO $000		**EURO $000**
Forward exchange contracts				
Maturing in less than 1 year	0.5592	316	-	-
		316		**-**

Ⓔ ***Hedge accounting and sensitivity analysis***

The sensitivity analysis has been determined based on the exposure to interest rates and foreign exchange rates for both derivatives and non-derivative instruments at balance date. It is assumed that the amount of the liability at balance date was outstanding for the whole year. A one percent increase or decrease is used for interest rates and these changes represent management's current assessment of the reasonably possible change over a year.

Interest rate swaps hedging the floating rate debt are hedge accounted and treated as cash flow hedges and hence any changes in interest rates would have no material impact on profits as changes in the fair value of these swaps are taken through other comprehensive income where the hedge is an effective hedge. The fair value of these interest rate swaps is a $1.8 million gain (2023: $12.5 million gain). A fall of 1% in interest rates would result in a loss in other comprehensive income of $0.4 million (2023: $5.8 million) whereas an increase of 1% in interest rates would result in a gain in other comprehensive income of $0.4 million (2023: $5.6 million).

Forward starting interest rate swaps hedging the forecasted floating rate debt are also hedge accounted and are recognised as cash flow hedges and hence any changes in interest rates would have no material impact on profit as changes in the fair value of these swaps are recognised through other comprehensive income where the hedge is effective. The fair value of these interest rate swaps is $2.6 million (2023: $7.6 million). A reduction of 1% in interest rates would result in a loss in other comprehensive income of $1.5 million (2023: $5.8 million) whereas an increase of 1% in interest rates would result in a gain in other comprehensive income of $1.4 million (2023: $5.2 million).

Electricity derivatives hedge the forecasted revenues from electricity generation and are recognised as cash flow hedges, and hence any changes in electricity prices would have no material impact on profit as changes in fair value are recognised through other comprehensive income where the hedge is effective. The fair value of the electricity derivatives is $43 million loss (2023: $38.5 million loss). A reduction of 10% in electricity prices would result in a gain in other comprehensive income of $13.11 million, (2023: $14.14 million) whereas an increase in electricity prices would result in a loss in other comprehensive income of $13.11 million (2023: $14.14 million).

Electricity contracts for differences that have been designated as cash-flow hedges affect profit and loss at the same time as the underlying electricity revenue is recognised. The hedge relationships are expected to be highly effective over the lives of the contracts for differences and no ineffectiveness has been recognised in the statement of financial performance.

The following is a reconciliation of derivative balances and their movements.

Hedging derivatives

	2024				2023			
	Interest rate swaps	Foreign currency forwards	*Electricity CFD's	Total	Interest rate swaps	Foreign currency forwards	Electricity CFD's	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance	**20,139**	**96**	**(38,476)**	**(18,241)**	**8,977**	**87**	**(18,503)**	**(9,439)**
Recognised in the Financial Statement of Revenue and Expense								
Interest (income) / expense of contract settlements	(3,769)	-	-	(3,769)	26	-	-	**26**
Electricity sales of contract settlements	-	-	(3,435)	(3,435)	-	-	(2,252)	**(2,252)**
Gain from cancellation of interest rate swaps	(15,052)	-	-	(15,052)	-	-	-	**-**
Foreign currency contracts	-	2,983	-	2,983	-	-	-	**-**
Change in fair value recognised in other comprehensive income	3,138	(1,720)	(1,073)	345	11,136	9	(17,721)	**(6,576)**
Closing balance	**4,456**	**1,359**	**(42,984)**	**(37,169)**	**20,139**	**96**	**(38,476)**	**(18,241)**
Hedge reserve balances - Statement of Changes in Equity	**3,311**	**979**	**(30,948)**	**(26,658)**	**14,603**	**70**	**(27,704)**	**(13,031)**

* Electricity CFDs are classified under Generation liabilities held for sale at 31 March 2024

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	$'000	$'000	$'000	$'000
Derivatives summary				
Interest rate swaps	4,456	-	20,185	(47)
Foreign currency swaps	1,359	-	97	-
Electricity revenue swaps*	-	-	-	(38,476)
	5,815	**-**	**20,282**	**(38,523)**
Current	112	-	114	(6,505)
Non-current	5,703	-	20,168	(32,018)
	5,815	**-**	**20,282**	**(38,523)**

*Electricity revenue swaps are classified under Generation liabilities held for sale at 31 March 2024

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

20 Liquidity risk

The risk that the Trust Group will not be able to meet its financial obligations as they fall due is described as liquidity risk. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to reputation.

There are sufficient funding and banking facilities available to meet the liquidity requirements of the Trust Group.

		2024					
	Notes	**<6 months $'000**	**6 -12 months $'000**	**1-3 years $'000**	**3-5 years $'000**	**>5 years $'000**	**Total $'000**
Financial assets							
Cash and cash equivalents		76,907	-	-	-	-	76,907
Trade and other receivables	10	9,161	-	-	-	-	9,161
Derivative financial instruments		112	-	3,090	986	1,627	5,815
Other investments and receivables	11	-	1,756	4,940	638	33,142	40,476
Total financial assets		**86,180**	**1,756**	**8,030**	**1,624**	**34,769**	**132,359**
Financial liabilities							
Payables and accruals	12	(24,948)	-	-	-	-	(24,948)
Employee entitlements	29	(4,443)	-	-	-	-	(4,443)
Derivative financial instruments		-	-	-	-	-	-
Loans and borrowings	16	(241,300)	-	-	-	(22,340)	(263,640)
Total financial liabilities		**(270,691)**	**-**	**-**	**-**	**(22,340)**	**(293,031)**
Liquidity gap		**(184,511)**	**1,756**	**8,030**	**1,624**	**12,429**	**(160,672)**

		2023					
	Notes	**<6 months $'000**	**6 -12 months $'000**	**1-3 years $'000**	**3-5 years $'000**	**>5 years $'000**	**Total $'000**
Financial assets							
Cash and cash equivalents		95,170	-	-	-	-	95,170
Trade and other receivables	10	30,530	-	-	-	-	30,530
Derivative financial instruments		114	-	1,374	8,607	10,187	20,282
Other investments and receivables	11	1,005	1,826	3,684	2,005	30,474	38,995
Total financial assets		**126,819**	**1,826**	**5,058**	**10,612**	**40,661**	**184,977**
Financial liabilities							
Payables and accruals	12	(33,158)	-	-	-	-	(33,158)
Employee entitlements	29	(3,381)	-	-	-	-	(3,381)
Electricity derivatives		(4,808)	(1,695)	(19,717)	(9,427)	(2,829)	(38,476)
Derivative financial instruments		(2)	-	(45)	-	-	(47)
Other loans		-	-	-	(20,088)	(12,288)	(32,376)
Loans and borrowings	16	-	-	(44,720)	(172,280)	-	(217,000)
Total financial liabilities		**(41,349)**	**(1,695)**	**(64,482)**	**(201,795)**	**(15,117)**	**(324,438)**
Liquidity gap		**85,470**	**131**	**(59,424)**	**(191,183)**	**25,544**	**(139,461)**

21 Credit risk

Business transactions are largely with large wholesale intermediaries or agents representing a number of exporting clients. Sales transactions are typically settled intra-month resulting in relative low receivable balances. Our businesses incur credit risk in the following ways:

- Ports – Export agents and logistics companies represent customers who ship product through Eastland Port using a variety of port services. These agents generally settle transactions intra-month while settling sale proceeds with their customers. Historically there have been no defaults by these agents.

  Airport landing charges paid by Air New Zealand represent 80% of Gisborne Airports' revenue. These landing charges are typically settled on the 20^{th} of the month.

- Generation – The majority of power generated is sold through the NZX and settled on the 20^{th} of the month. The NZX acts as clearing agent ensuring the cash settlement of electricity sold. Where electricity revenue is hedged, through the use of contracts for differences, counterparty credit risk may exist. Contracts for differences are with multiple counterparties and are settled monthly, reducing this credit risk. Historically there have been no defaults on electricity sales.

Credit risk and expected credit losses are assessed on recognition of revenue. The credit risk of a debtor is assumed to have increased significantly since initial recognition if the contractual obligations are over 90 days past due. Assessments are made on increases in credit risk through consideration of changes in a debtors' industry or adverse changes in the debtor's environment that result in significant decreases in the debtor's ability to meet its obligations. Where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. placed in liquidation or has entered into bankruptcy proceedings, the debt will be impaired and recognised as a bad debt in the Statement of Comprehensive Revenue and Expense.

Credit risk exposure in relation to the subsidiaries is not considered to be significant, and no specific risk management policies have been put in place in relation to inter-group balances.

There are no financial assets that have been pledged as collateral for liabilities or contingent liabilities.

Expected credit losses are recognised on trade and other receivables that are believed to be irrecoverable. The expected credit loss at 31 March 2024 was $14,421 (2023: $2,544). Actual bad debts written off in the Statement of Comprehensive Revenue and Expense were $724 (2023: $3,752) and there was no adjustment to the specific expected credit loss.

22 Climate risk

Operations may be impacted by future climate change. These impacts may be physical (e.g. severe or unusual weather patterns or events) or transitional (e.g. changes to government regulations, insurance requirements or premiums, or customer and supplier needs or demands).

The Trust Group regularly assesses its operating environment regarding the impact of climate change. Consideration has been given to the impact of future climate change on the useful lives of property, plant and equipment and other assets and no significant change was noted in relation to useful lives. Useful lives are reviewed regularly taking potential climate change impacts in the form of increased wear and tear into account in these reviews. Property, plant and equipment assets including investment property and port infrastructure assets valuation and assessment, has taken climate risk into account.

23 Capital management

A strong capital base is maintained so as to continue investor, creditor and market confidence and to sustain future development of the business. The return on capital is monitored on a regular basis. This involves the management of reserves and issued capital.

The Trust Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Ⓟ *i. Non-derivative financial instruments*

Financial Assets

Financial assets consist of cash and cash equivalents, loans and receivables.

Cash and cash equivalents, loans and receivables

Trade receivables, loans, cash and cash equivalents and other receivables are initially recorded at fair value and subsequently measured at amortised cost less impairment. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the inception of the loan or receivable. Discounting is not undertaken when the receivable is expected to be collected within twelve months. A provision for doubtful debts is recognised to allow for the reduction in fair value attributable to expected doubtful or delayed collection of receivables.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when there is a legal right to offset the amounts and intend to either settle on a net basis or realise the asset and settle the liability simultaneously. Cash and cash equivalents comprise cash on hand, cash in banks and short term deposits maturing within three months. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Other assets

Certain perpetual shares and listed equities held by the Trust Group are classed as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the investment revaluation reserve is included in profit or loss for the period.

Certain fixed interest securities, capital notes and convertible notes held by the Trust Group are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial liabilities

Loans are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in finance costs in the Statement of Comprehensive Revenue and Expense over the period of the borrowing using the effective interest rate method.

Other financial liabilities comprise trade and other payables. Discounting is not undertaken when the payable is expected to be paid within twelve months. Financial liabilities are when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, there is a legal right to offset the amounts and intend to either settle on a net basis or realise the asset and settle the liability simultaneously.

ii. Derivative financial instruments

Derivative financial instruments are entered into to manage its exposure to interest rate and foreign exchange rate risk, including interest rate and foreign exchange forwards, swaps and options. 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 the Statement of Comprehensive Revenue and Expense immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Comprehensive Revenue and Expense depends on the nature of the designated hedge relationship. Certain derivatives designated as either hedges of the fair value of recognised assets, liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions (cash flow hedges). Documentation of the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions is maintained at the inception of the transaction. The assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items is also documented.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Revenue and Expense immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to both the effective and the ineffective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Statement of Comprehensive Revenue and Expense within finance costs. Changes in the fair value of the underlying hedged fixed rate borrowings attributable to interest rate risk are also recognised in the Statement of Comprehensive Revenue and Expense within finance costs.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised through the Statement of Comprehensive Revenue and Expense from that date.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion, if any, is recognised immediately in the Statement of Comprehensive Revenue and Expense within finance costs.

Amounts accumulated in equity are recognised as finance costs in the Statement of Comprehensive Revenue and Expense in the periods when the hedged item is recognised in the Statement of Comprehensive Revenue and Expense. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Statement of Comprehensive Revenue and Expense within finance costs, when the underlying transaction affects earnings.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Thereafter, any cumulative gain or loss previously recognised in equity is only recognised in the Statement of Comprehensive Revenue and Expense when the forecast transaction is ultimately recognised in the Statement of Comprehensive Revenue and Expense. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was previously recognised in equity is recognised immediately in the Statement of Comprehensive Revenue and Expense.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense within finance costs.

Non-derivative financial instruments comprise of trade and other receivables, cash and cash equivalents, related party borrowings, capital notes, and payables and accruals.

i. Debt and equity instruments

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Revenue and Expense within finance costs.

Non-derivative financial instruments comprise of trade and other receivables, cash and cash equivalents, related party borrowings, capital notes, and payables and accruals.

Interest and dividends

Interest paid and dividends paid are classified as expenses or as distributions of profit consistent with the Statement of Financial Position classification of the related debt or equity instruments.

ii. Impairment of financial assets

The carrying amount of assets is reviewed at balance date to determine whether there is any evidence of impairment. Where assets are deemed to be impaired, the impairment loss is the amount that the carrying amount exceeds its recoverable amount. Impairment losses reduce the carrying amount of assets and are recognised as an expense in the Statement of Comprehensive Revenue and Expense within non-operating expenses.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted using the effective interest method.

Individually material financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. For trade receivables which are not material on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the Statement of Comprehensive Revenue and Expense within administrative expenses.

Ⓔ **Valuation of financial instruments**

Fair value of financial instruments has been estimated based on valuation models that use observable market inputs. Note 18 of these financial statements provides a list of the key observable inputs that management have applied in reaching their estimates of the fair values of financial instruments and also provides a sensitivity analysis detailing the potential future impacts of reasonably possible changes in those observable inputs over the next financial period.

24 Operating leases

Operating leases receivable

The Trust Group has leased certain investment properties (refer to Note 8) and some other land and buildings, under operating leases. These are recognised under rental income in the Statement of Comprehensive Revenue and Expense. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2024 $'000	2023 $'000
Less than one year	4,559	4,839
Between one and five years	5,530	7,170
More than five years	558	526
Total operating leases receivable	**10,647**	**12,535**

Operating leases payable

The Trust Group leases land and/or buildings in Gisborne, Kawerau, Whakatane and Northland, as well as some other office equipment and vehicles.

	2024 $'000	2023 $'000
Less than one year	789	1,090
Between one and five years	2,462	2,913
More than five years	11,332	12,502
Total operating leases payable	**14,583**	**16,506**

Operating lease payments of $788,540 were made during this financial year (2023: $1,090,000). These are recognised within operating expenses on the Statement of Comprehensive Revenue and Expense.

Ⓟ **Operating leases**

i. as lessee

Payments made under operating leases, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased property, plant and equipment are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Property, plant and equipment used under operating leases are not recognised in the Statement of Financial Position.

ii. as lessor

Assets leased under operating leases are included in Investment property in the Statement of Financial Position. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term. For more details see the Investment property policy.

Leasehold improvements

The cost of improvements to leasehold property are capitalised and depreciated over the unexpired period of the lease or the estimated useful life of the improvements, whichever is the shorter.

25 Controlled Entity

Eastland Network Charitable Trust is a Charitable Trust established by the Trust Deed dated 19 April 2002 and was incorporated under the Charitable Trust Act 1957 on 4 December 2002. On 30 June 2008 it became registered as a charity. The purpose of the Trust is to support charitable purposes for which the trustees of Trust Tairawhiti could apply income. The trustees of Eastland Network Charitable Trust are the same as Trust Tairawhiti.

Eastland Network Charitable Trust receives distributions from Trust Tairawhiti and distributes these onto charitable applicants.

A special distribution of $40 million was made to support Eastland Network Charitable Trust to establish an investment fund that can be used to deliver on its purpose.

26 Related parties

Wholly owned subsidiaries

Eastland Group Limited, Eastland Development Fund Limited, Prime SPV Limited and Trust Tairawhiti Limited are wholly owned by Trust Tairawhiti. All transactions with controlled subsidiaries have been eliminated on consolidation.

Joint ventures
Eastland Debarking and WET Gisborne Limited are joint ventures of the Trust Group.

Controlled entity
Eastland Network Charitable Trust is a controlled entity of the Trust Group, refer to Note 25 for further details.

	Notes	2024 $'000	2023 $'000
Transactions with associates, joint ventures and controlled entities			
Distributions to Eastland Network Charitable Trust	31	49,747	3,908
Lease to WET Gisborne Limited Joint Venture		507	186

Other transactions
Trustees and management may transact with the Trust Group in the ordinary course of business on an arm's length basis.

27 Governance information

Trustee fees are paid by Trust Tairawhiti and approved by Gisborne District Council. Total fees paid excluding GST were $359,300 (2023: $320,316).

D Battin (appointed 01-07-2023)	Board chair from 6-12-2023	46,250
J Clarke	Board chair until 05-12-2023	74,400
R Aitken	Chair of Finance and Audit Committee	49,450
W Williams	Chair of People and Culture from 01-07-2023	47,838
W Mita		43,000
R Stoltz		43,000
R Kamau (appointed 01-07-2023)		32,250
J Chrisp (retired 30-06-2023)	Chair of People and Culture until 30-06-2023	12,362
K Kohere Soutar (retired 30-06-2023)		10,750
Total Trustee fees		**359,300**

All trustees are shareholders in Eastland Group Limited, Prime SPV Limited, Eastland Development Fund Limited and Activate Tairāwhiti Limited. All trustees are also trustees of Trust Tairawhiti and directors in Prime SPV Ltd and Activate Tairāwhiti Ltd. In addition to these, trustees have notified the following as at 31 March 2024:

Mr John Clarke

Trustee Ilfracombe Trust

Chair Rawhiti Orchard (GP) Ltd

Architects 44 (family member is director and shareholder)

Director Thos Corson Holdings Ltd

Eastland Port Ltd (family member is employee)

Mr David Battin

Trustee, Tairawhiti Whenua Charitable Trust

Director, Mangatu Investments Limited

Chief Executive Officer, Mangatu Blocks Incorporation

Trustee, Hauani Maori Land Tust

Chief Financial Officer, Integrated Foods Limited

Mr Wi Pere Mita

Director, Toitu Ngati Porou Trustee Limited

Trustee, SkyCity Entertainment Group (SkyCity Auckland Community Trust)

Director, Resolution Institute NZ & Australia

Director and Shareholder, Laidlaw Consultants Limited

Chairperson, Copyright Tribunal

Member, Community Law Centres o Aotearoa Incorporated

Executive Board Member, Māori Caucus Committee
Board member, Oranga Ngati Porou
Director, Lot Seven Limited
Legal Advisor and Beneficiary of the Tairāwhiti Cultural Development Trust
Director, Domain Name Commission Limited

Dr. Warren Williams

Chair, Tonui Collab
Deputy Chair, Te Huarahi Tika Trust Board
Founder/Director, Digital Taniwha Ltd
Shareholder Waiapu Investments Ltd (Rua Bioscience)
Chief Executive, 20/20 Trust
Director, Research Education Advanced Network NZ
Director, Manaaki Whenua-Landcare Research
Chair, Digital Identity Services Framework Trust - Māori Advisory Group
Commissioner, Library and Information Advisory Commission
Member, Te Ao Matihiko Kawanatanga - Māori in Tech Governance Board

Mr Ronald Aitken

Director, Leaderbrand South Island Ltd
Director, Oakwood (Canterbury) Properties Ltd
Director & Shareholder, Aitken & Associates Ltd
Trust Tairawhiti (family member is an employee)

Ms Rehette Stoltz

Director, Deon Stoltz Medical Services
Te Whatu Ora (family member is employee)
*GDC trustee appointment from 2022-2025
Trustee, HLT Trust
Mayor, Gisborne District Council

Ms Rawinia Kamau

Director, KamTech and Associates
Director, Hawke's Bay Economic Development Agency
Trustee, Puketapu Trust
Trustee, Whakatane Historical Scholarship Society Trust
Interim General Manager, Eastern Bay of Plenty Hospice

Eastland Group Directors

Director fees are paid by Eastland Group limited from a total fee pool of (2023: $540,750).

		$
Current Directors		
M Mahuika	Board Chair	123,600
H Bell	Member of Finance and Audit Committee Member of the Capital Commitment	67,388
D Birch	Chair of Sustainability and Risk Committee Member of Finance and Audit Committee	75,788
W Harvey	Chair of Performance and Remuneration Committee Member of Sustainability and Risk Committee	72,388
C Kinser	Member of Sustainability and Risk Committee	67,388
J Nichols	Chair of Finance and Audit Committee Member of the Capital Commitment	69,788
J Quinn	Member of Remuneration Committee Chair of the Capital Commitment	64,388
Total Director fees		**540,728**

28 Management compensation

Key management compensation comprises of the Trust's and Eastland Group's Chief Executives, Chief Financial Officers, Sector Chief Executives and the General Managers.. During the year payments of some of the long term incentive plan were made to this team. This also includes the key management compensation for Eastland Generation Limited, please refer to Note 3 for further information on the discontinued operation.

	2024 **$'000**	**2023** **$'000**
Short term employee benefits	3,979	5,057
Kiwisaver and other contributions	272	561
Total key management compensation	**4,251**	**5,618**

29 Employee entitlements

	2024 **$'000**	**2023** **$'000**
Provisions for:		
Annual leave	1,057	1,671
Other benefits	3,386	1,710
Total employee entitlements	**4,443**	**3,381**
Current	4,443	2,064
Non-current	-	1,317
	4,443	**3,381**

Expenses recognised in profit or loss:		
Wages and salaries	15,924	14,663
Contributions to defined contribution plans	698	864
Total personnel expenses	**16,622**	**15,527**

During the year the following number of employees received remuneration of at least $100,000.

	2024	2023
100,000 - 109,999	9	11
110,000 - 119,999	7	6
120,000 - 129,999	13	12
130,000 - 139,999	4	7
140,000 - 149,999	8	5
150,000 - 159,999	2	5
160,000 - 169,999	3	10
170,000 - 179,999	4	3
180,000 - 189,999	2	3
190,000 - 199,999	-	2
200,000 - 209,999	1	5
210,000 - 219,999	3	2
220,000 - 229,999	2	-
230,000 - 239,999	-	1
250,000 - 259,999	3	-
260,000 - 269,999	1	-
270,000 - 279,999	2	-
280,000 - 289,999	-	1
290,000 - 299,999	1	1
320,000 - 329,999	1	-
340,000 - 349,999	1	-
350,000 - 359,999	1	-
360,000 - 369,999	-	1
370,000 - 379,999	-	1
380,000 - 389,999	-	1
440,000 - 449,999	1	-
460,000 - 469,999	-	1
530,000 - 539,999	-	1
540,000 - 549,999	1	-
550,000 - 559,999	1	-
600,000 - 609,999	-	1
640,000 - 649,999	-	1
650,000 - 659,999	-	2
690,000 - 699,999	-	1
840,000 - 849,999	-	1
990,000 - 999,999	1	-
1,150,000 - 1,159,999	-	1

Ⓟ ***Short-term benefits***

Short-term benefits, payable within 12 months, are measured on an undiscounted basis and are expensed as the related service is provided. This includes wages, salaries, retirement benefits, annual leave and sick leave.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Trust Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

30 Trust Group equity

The Trust was established in part to preserve the value of the capital of the trust fund having regard to the effect of inflation and profits and losses from time to time. Each year, Trustees determine the amount preserved as capital for the residual beneficiary (Gisborne District Council) and that available for distribution to income beneficiaries.

Trustees continue to work with Gisborne District Council on the review of the income and capital allocation and the peer review that was done. Trustees have assessed the current year based on their agreed methodology which results in the following apportionment of the Trust Fund.

	2024	**2023**
	$'000	**$'000**
Preserved income to benefit beneficiaries		
Opening balance	258,478	208,885
Apportioned to income fund	20,270	49,593
Preserved for the future benefit of income beneficiaries	**278,748**	**258,478**
Capital preservation		
Opening balance	280,500	239,031
Apportioned to capital fund	(8,173)	41,469
Amount of capital preserved	**272,327**	**280,500**
Minority interest in equity	4,651	4,287
Total equity	**555,726**	**543,265**

Consolidated Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 MARCH 2024

31 Distributions approved and paid

	2024 Approved $	Paid $
Eastland Network Charitable Trust for Charities:		
Auckland District Kidney Society	10,000	10,000
Brain Injury Association Gisborne	10,000	10,000
Citizens Advice Bureau Gisborne Incorporated	10,000	10,000
Diabetes NZ	20,000	20,000
East Coast Museum of Technology	1,500	1,500
East Coast Rural Support Trust	10,000	10,000
Eastland Helicopter Rescue Trust	1,400,000	350,000
Eastwood Hill Trust	72,800	72,800
Endangered Species Foundation (Tairawhiti Ngutukaka)	40,000	40,000
Environment Hubs Aotearoa	10,000	-
Evolution Theatre Company	35,500	15,000
Gisborne Toy Library	9,435	9,435
Gisborne Youth Sports Charitable Trust	9,999	9,999
Hikurangi Enterprises	123,000	123,000
Hinenui Whanui CharitableTrust	80,000	80,000
Hiruharama Marae	16,865	16,865
House of Breakthrough	10,000	10,000
House of Science	35,000	35,000
Huringa Pai Charitable Trust	83,000	83,000
Kaenga Hou Trust	130,000	-
Kaitipua Charitable Trust	15,000	15,000
Living Theatre Charitable Trust	10,000	10,000
Mana Taiao / Te Weu Charitable Trust	5,000	5,000
Manaaki Matakaoa	11,650	11,650
Matai Research Institute	30,000	30,000
Matawai Memorial Hall Association	90,000	90,000
Motu Trails Charitable Trust	90,000	30,000
Outward Bound Trust Of New Zealand	10,000	10,000
Paikea Whitireia Trust	15,000	-
Poverty Bay A & P Association	10,000	10,000
Presbyterian Support (FWT)	10,000	10,000
Puketawai Marae	20,000	20,000
Rangatira Marae	30,000	30,000
Road Safety Education Limited	9,056	9,056
Ronogowhakaata Iwi Trust	11,000	11,000
Surfing For Farmers	5,000	5,000
Te Tairawhiti Arts Festival Trust	1,300,000	250,000
Tairawhiti Cultural Development Trust	70,000	70,000
Tairawhiti Environment Centre	136,500	136,500
Tairawhiti Maori Wardens	10,000	10,000
Tairawhiti Multicultural Council	25,000	25,000
Tairawhiti REAP Incorporated	10,000	10,000
Taki Rua Productions Society	10,000	10,000
Te Aitanga a Hauiti Centre of Excellence	10,000	10,000
Te Aka Ora	10,000	10,000
Te Aroha Kanarahi Trust	12,000	12,000
Te Ha Ora Asthma and Respiratory Foundation Charitable Trust	10,000	10,000
Te Ora Hou Te Tairawhiti	12,000	12,000
Te Poho o Rawiri Marae	1,415,000	10,000

Te Runanga o Turanganui a Kiwa	246,850	-
Te Weu Charitable Trust	10,000	10,000
Te Whare Hauora O Te Aitanga a Hauiti	11,000	11,000
The Havens Senior Citizens Association	2,473	2,473
The Nest Collective	10,000	10,000
The Salvation Army NZ	10,000	10,000
The Stroke Foundation NZ	10,000	10,000
Tokomaru Bay Heritage Trust	25,000	8,487
Tongan Methodist Church	3,000	3,000
Turanga Health (Te Hauora o Turanganui a Kiwa)	75,000	-
Waipiro Bay & Te Puia Springs Community Services Chairtable	11,000	11,000
Weetbix Tryathlon Foundation	75,000	-
Women's Native Tree Trust	58,800	-
YWAM (Youth With A Mission) Ships Aotearoa	10,000	10,000
School pool heating project and resilience project (up to)	3,500,000	6,819
Hatea a Rangi School		
Te Kura Kaupapa Maori o Te Waiu o Ngati Porou		
Te Waha O Rerekohu Area School		
Tolaga Bay Area School		
Total Eastland Network Charitable Trust	**9,577,428**	**1,871,584**

Distributions to others	**Approved $**	**Paid $**
Ahikaa Associates	10,000	10,000
Albatross- First light Marathon	15,000	15,000
Allwool Ltd	30,000	30,000
Boomshack Events Ltd	15,000	15,000
Gisborne Boys High	18,007	18,007
Gisborne Chardonnay Affair	15,000	15,000
Gisborne Classic Chardonnay Ltd	10,000	10,000
Gisborne District Council	128,000	128,000
Gisborne Holdings Ltd	21,500	21,500
Gisborne Rowing Club	8,000	8,000
Gisborne Speedway	267,000	133,500
Gisborne Thistle Football Club	15,000	-
Gizzy RC Club Manutuke	57,000	57,000
Hinemaurea Marae Committee	20,000	20,000
Huarahi Pai	11,000	11,000
Matawai Marae	11,000	-
MS & VA Miller - Te Kuri Walkway	9,000	3,000
Murray Sam Holdings - Katuku Island	10,000	10,000
Muster Vibrant Rural Communities Ltd	15,000	15,000
New Wave NZ	10,000	10,000
Nexgen Touring (The Long Line Classic)	74,000	74,000
Ngata Memorial College	164,000	-
Ora Homes (Stardust Me Ltd)(ratified)	30,000	30,000
Restaurant Association	20,000	5,516
Riversun	28,250	28,250
Rua Bioscience	85,000	85,000
Swimming Hawkes Bay Poverty Bay Incorporated	3,515	3,515
Tairawhiti Adventure Trust	15,000	15,000
Tairawhiti Community Voice	10,000	10,000
Tairawhiti Cultural Festival Events	2,000	2,000
Takipu Marae	20,000	20,000
Tarere Marae	7,000	7,000
Tautua Village	10,000	10,000
Te Karaka Area School	11,500	11,500
Te Kiekie Marae	7,000	7,000

Te Kura Kaupapa Maori o Nga Uri o Maui	10,000	10,000
Te Poho O Rawiri Marae	220,000	120,000
Te Runanganui o Ngati Porou	85,000	85,000
Te Uranga o Te Ra Waka Ama Association	76,562	-
Te Wainui Marae	7,000	7,000
Te Wiwi Nati Trust	10,000	10,000
Tiaki Taiao	2,000	2,000
Tiniroto Community Association	15,682	15,682
Toha	10,000	10,000
Toitu Tairāwhiti Limited	75,000	75,000
Tokomaru Bay Untied Sports Club	10,000	10,000
Uawa Horse Sports Club Incorporated	10,000	10,000
Victoria Sport and Recreation Hub	360,000	177,756
Waerenga a Hika Squash Club	7,500	7,500
Waimata Catchment	10,000	10,000
Worksafe	10,000	10,000
Wrights Vineyard & Winery	10,000	10,000
Facilites management and internal administration	650,488	237,991
Distributions returned or no longer required	(66,105)	-
Total others	**2,695,899**	**1,646,716**
Total distributed	**12,273,327**	**3,518,300**

Approved prior years paid this year	**Paid $**
Brightr	293,380
Fenn Refrigeration Ltd	12,766
Gisborne City Vintage Railway Incorporated	280,000
Gisborne International Music Competition	10,000
Nga Taonga a Nga Tama Toa Trust	10,000
Ngati Porou Hauora Charitable Trust	30,000
Ronald Mcdonald House Charities	11,429
Swim for Life Tairawhiti	30,000
Tairawhiti Multicultural Council	4,000
Te Runanga o Turanganui a Kiwa	200,000
Te Tairawhiti Arts Festival Trust	650,000
Waipawa Farm Cadet Training	9,260
Weetbix Tryathlon Foundation	20,000
Total prior years	**1,560,836**
Total ditributions paid during the year	**5,079,135**

Ⓟ **Distribution policy**

Distributions are allocated to beneficiaries, or for the benefit of beneficiaries, from current year income. These are recorded through comprehensive revenue and expenses and recognised as a payable when distributions are approved by Trustees.

32 Contingencies

Trustees made an in principled commitment to support up to $15 million for certain community facility projects, with $9.1 million approved at 31 March 2024. The balance of the principled commitment was $5.9 million (2022: $9.5million).

33 Subsequent events

Sale of Eastland Generation Group

The share sale and purchase agreement (SPA) between Eastland Group and Obayashi Clean Energy New Zealand Limited (a related party of Obayashi Corporation) to sell 50% interest in Eastland Generation Group was completed on 30 April 2024 (the completion date).

Upon completion of sale transaction, Eastland Group received initial proceeds of $195.9 million and lost control of Generation Group. The retained interest is being treated as a joint venture and follows the equity accounting method of consolidation.

Banking facilities

On 30 April 2024, the existing banking facilities (note 16) were repaid, and the outstanding loan balances of $237 million were settled in full.

A new long-term banking facility of $60 million has been agreed with ANZ and an initial drawdown of $20 million was made on 30 April 2024.

NZGIF loan

On 30 April 2024, the Group repaid the NZGIF facility and settled the loan balance.

There are no further subsequent events other than those disclosed in this note or elsewhere in the financial statements.