29 May 2020

Full year results announcement for the year ended 31 March 2020

Increasing exposure to data infrastructure and renewable energy drives net growth in a year of portfolio changes

During the year ended 31 March 2020 Infratil invested $2 billion which included the acquisition of Vodafone New Zealand (‘Vodafone’) for $1,029 million. The remaining $962 million was invested in Infratil’s existing businesses, including significant renewable energy projects developed by Tilt Renewables and Longroad Energy, and the development of additional data centres by CDC Data Centres. This increased exposure to our preferred sectors of renewable energy generation and data infrastructure will drive future earnings growth.

The acquisition of Vodafone represented the largest corporate transaction in New Zealand for over a decade when Infratil acquired a 49.9% stake alongside global infrastructure investor Brookfield Asset Management. The acquisition is transformational for Infratil and significantly strengthens the cash generative core of the portfolio while increasing Infratil's exposure to long-term data and connectivity growth. The deal was well supported by shareholders, reflected by the strong backing of the $400 million capital raise undertaken as part of the acquisition.

Alongside the Vodafone investment, the Infratil Group continued to undertake significant capital investment while also exercising a high level of capital discipline:

- Tilt Renewables is progressing with construction of its Dundonnell (336MW) and Waipipi (133MW) wind farms, having also concluded the sale of Snowtown 2 wind farm (‘Snowtown 2’). The sale crystallised a profit of $512 million and in April 2020, Tilt Renewables announced a capital return to shareholders of approximately A$260 million;

- Longroad Energy’s development initiatives gave rise to economic gains of which Infratil’s share is between $46 million and $66 million (with the final amount to be determined when construction of the projects is completed). Longroad currently has construction underway of 907MW of renewable generation capacity;

- CDC Data Centres completed construction of 2 data centres (35MW in total) and construction of a further data centre (25MW) is underway. CDC Data Centres has also announced the development of two world class hyperscale data centres in Auckland, with 20MW of capacity and forecast completion in calendar year 2022;

- Vodafone has commenced its initial roll-out of New Zealand’s first commercial 5G deployment with 108 enabled cell-sites to provide 5G coverage in Queenstown, Christchurch, Wellington, and Auckland; and,

- RetireAustralia has completed construction of 70 new care-units at its Glengara Village, while construction is ongoing on 177 units at The Verge village adjacent to the Burleigh Golf Club in Queensland.

While the year under review was dominated by investment, the divestments of five portfolio businesses, ANU Student Accommodation, NZ Bus, Perth Energy, Snapper and Aspire Schools are also significant in the context of Infratil’s goals and strategies. In addition to releasing capital, the asset sales reflect the desire to simplify Infratil’s portfolio and recognise that those activities were unlikely to grow to a material scale.

Solid operating result as capital was deployed and portfolio shifts were completed

Infratil's net surplus for the year from continuing operations of $508.8 million, compared to $64.4 million in the prior year. This current year result was driven by Tilt Renewables' gain from its sale of Snowtown 2. The wind farm was developed and constructed by Tilt Renewables with full commissioning achieved in 2014. Tilt Renewables then operated it successfully for 5 years. The sale of Snowtown 2 is consistent with Tilt Renewables' focus on delivering shareholder value from market opportunities and ensuring capital is available to execute near-term, high-value opportunities from its development pipeline.

Underlying EBITDAF[1] (excluding incentive fees) from continuing operations was $605.9 million for the year ended 31 March 2020, up from $533.8 million in the prior year. This included an eight-month contribution from Vodafone of $154.9 million. Excluding the contribution from Vodafone, the main changes were lower contributions from Trustpower and Longroad arising from low hydro generation in New Zealand and the accounting treatment of Longroad's project sales, a lower contribution from Tilt Renewables due to the sale of Snowtown 2 part way through the year, and an increase in the contribution from CDC Data Centres as new data centres came online.

Infratil has maintained its dividend, with a final dividend of 11.00 cps to be paid on 15 June 2020 to shareholders of record as at 8 June 2020. This is in line with the dividend paid in respect to the prior year. This will carry 2.5 cps of imputation credits. The dividend reinvestment plan will not be activated for this dividend.

As part of the 31 March 2020 results announcement Infratil has advised that due to the continued uncertainty from COVID-19, it is unable to provide Group FY2021 earnings and dividend guidance at this stage.

There will be a briefing for institutional investors, analysts and media commencing today at 10.00am.

An audio webcast of the presentation will be available live at:

https://edge.media-server.com/mmc/p/92hipxhg

Further information is available on www.infratil.com

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[1] Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A definition of Underlying EBITDAF and reconciliation of Underlying EBITDAF to Net profit after tax is provided in the Infratil Annual Results Presentation 2020.

Results Announcement

For the year ended 31 March 2020

29 May 2020

Infratil

Disclaimer

Disclaimer

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Further information on how Infratil calculates Underlying EBITDAF can be found at Appendix I.

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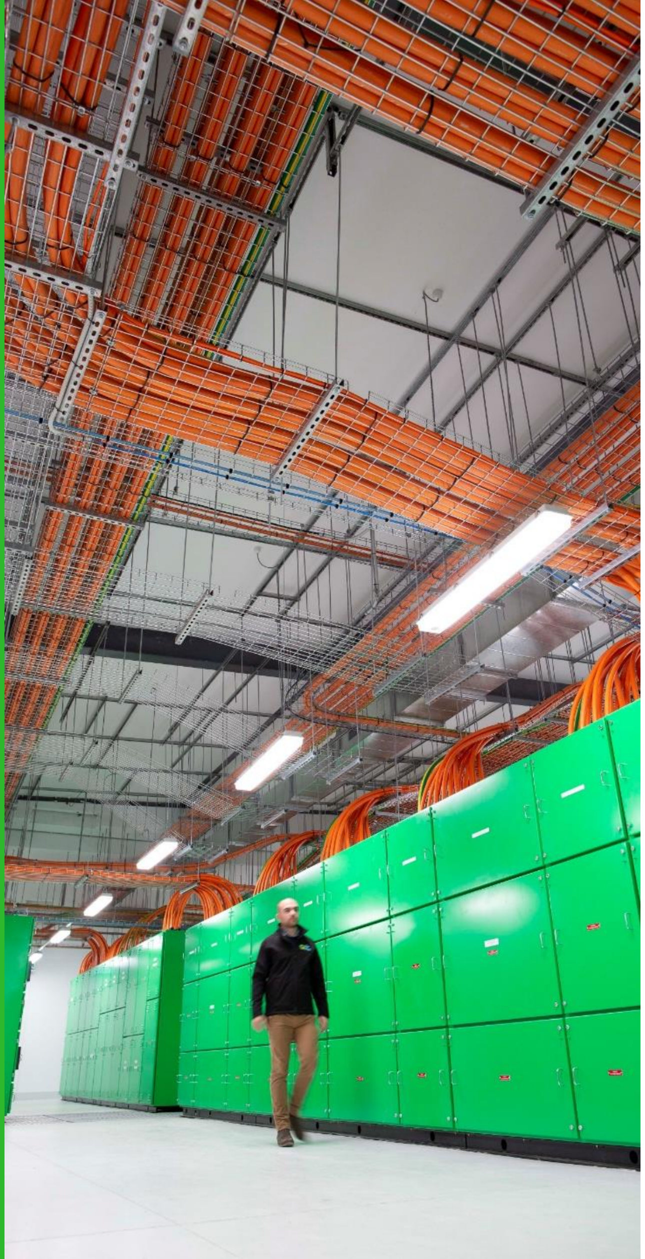
Full Year Overview

Increasing exposure to our preferred sectors of data infrastructure and renewable energy has driven net growth in a year of portfolio changes



Full Year Overview

- Net surplus for the year from continuing operations of $508.8 million, compared to $64.4 million in the prior year
- 13.5% growth in underlying EBITDAF reflected changes in the portfolio and a growing contribution from data and communications infrastructure;
  - Acquisition of 49.9% of Vodafone New Zealand completed on 31 July 2019 for $1.03 billion
  - Divestments and tightening of the portfolio are now substantially complete
- Capex investment of $920 million, including $541 million in renewable energy and $227 million at CDC Data Centres
- Strong capital position and liquidity across the Group with multiple levers to manage near to medium term capital commitments
- Partially imputed final dividend of 11.00 cents per share

Financial Highlights

Significant capital expenditure and investment will drive future earnings growth and increase exposure to high-conviction sectors

31 March ($Millions)	2020	2019	Variance	% Change
Net Surplus from Continuing Operations	508.8	64.4	444.4	690.1%
Net Parent Surplus	241.2	(19.5)	260.7	1,336.9%
Underlying EBITDAF[1] (before Incentive fee)	605.9	533.8	72.1	13.5%
International Portfolio Incentive fee	125.0	102.6	22.4	21.8%
Capital Expenditure & Investment	1,990.9	679.0	1,311.9	193.2%
Earnings per share (cps) (continuing activities)	41.5	(1.0)	42.5	4,397.7%

Notes:
1. Underlying EBITDAF is an unaudited non-GAAP measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A reconciliation of Underlying EBITDAF to Net profit after tax is provided in Appendix I

Results Summary

Solid operating result as capital was deployed and portfolio shifts were completed

31 March ($Millions)	2020	2019
Operating revenue	1,368.7	1,442.2
Operating expenses	(903.5)	(895.2)
Operating earnings	465.2	547.0
International portfolio incentive fee	(125.0)	(102.6)
Depreciation & amortisation	(147.5)	(160.4)
Net interest	(186.4)	(148.5)
Tax expense	(14.4)	(72.0)
Realisations and revaluations	516.9	0.9
Net Surplus (continuing)	508.8	64.4
Discontinued operations[1]	(24.6)	(12.0)
Net surplus	484.2	52.4
Minority earnings	(243.0)	(71.9)
Net parent surplus	241.2	(19.5)

- Operating revenue reflects a reduced period of contribution from Tilt's Snowtown 2 wind farm, and the impact of lower wholesale electricity prices and lower generation volumes for Trustpower
- The FY2020 annual incentive fee is payable in three tranches of $41.7 million, with payment of the second and third tranche subject to portfolio level asset values being maintained
- The net reduction in depreciation and amortisation primarily reflects Tilt's sale of Snowtown 2 and lower depreciation for Trustpower
- Net interest increased as capital was deployed to new investments and capex developments were completed
- Realisations and revaluations uplift reflects the realised gain on the sale of Tilt's Snowtown 2 wind farm in December 2019
- Discontinued operations include ANU PBSA, NZ Bus, Perth Energy and Snapper

Notes:
1. Discontinued operations represent businesses that have been divested, or businesses which will be recovered principally through a sale transaction rather than through continuing use

Underlying EBITDAF

CDC Data Centres and Vodafone are driving EBITDAF growth and offsetting declines from energy businesses and impact of portfolio divestments

31 March ($Millions)	2020	2019
Trustpower	186.5	222.2
Tilt Renewables	123.7	144.4
Wellington Airport	103.2	101.4
CDC Data Centres	59.6	37.6
Vodafone	154.9	-
RetireAustralia	8.9	9.2
Longroad Energy	4.7	46.5
Corporate and other	(35.6)	(27.5)
Underlying EBITDAF (excl. fees)	605.9	533.8
International portfolio incentive fee	(125.0)	(102.6)
Underlying EBITDAF (continuing)	480.9	431.2
NZ Bus	5.9	17.4
Perth Energy	12.1	35.9
ANU PBSA	0.5	12.8
Snapper	(1.5)	(4.1)
Total Underlying EBITDAF	497.9	493.2

- Lower contribution from **Trustpower**, with lower wholesale electricity prices and lower generation volumes
- Reduction in **Tilt Renewables'** contribution largely resulting from the sale of the Snowtown 2 wind farm in December 2019
- Increased contribution from **Wellington Airport** reflecting hotel and multi level carpark, slightly offset by March COVID-19 impacts
- **CDC Data Centres** ongoing year-on-year earnings growth as new facilities come online
- Current period includes an 8-month contribution from **Vodafone** following completion of the acquisition on 31 July 2019
- **Longroad Energy** includes the gain on the sale of Project Rio Bravo, however partial sales of the El Campo, Prospero I and Little Bear projects have not been recognised for accounting purposes
- Contributions from NZ Bus, Perth Energy, ANU PBSA and Snapper reflect their respective ownership periods before disposal

Capital Expenditure & Investment

Building a balanced portfolio capable of delivering long-term capital growth

31 March ($Millions)	2020	2019
Trustpower	34.3	27.7
Tilt Renewables	506.4	127.1
Wellington Airport	80.6	72.1
CDC Data Centres[1]	226.6	140.6
RetireAustralia[1]	28.0	31.8
NZ Bus	2.7	45.9
Other	41.2	28.2
Capital Expenditure	919.8	473.4
Vodafone	1,029.9	-
Longroad Energy	31.8	87.2
Tilt Renewables[2]	-	109.3
Other	9.4	9.1
Investment	1,071.1	205.6
Total Capex & Investment	1,990.9	679.0

- **Tilt Renewables'** ongoing construction of the Dundonnell Wind Farm (336MW) and commencement of construction of the Waipipi Wind Farm (133MW)
- **Wellington Airport** completed the final stage of the $100 million domestic terminal renovation
- **CDC**'s ongoing development including:
  - Eastern Creek 2, Sydney (10MW) – final handover occurred December 2019;
  - Hume 4, Canberra (25MW) – final handover occurred December 2019; and,
  - Commencement of construction of Eastern Creek 3, Sydney (25MW)
- **RetireAustralia** includes completion of the Glengara Care Apartments and commencement of construction of independent living units at Wood Glen (The Rise) and Burleigh (The Verge)
- Other includes the construction of the **Infratil Infrastructure Property**'s 154 room Travelodge hotel and carpark in the Wynyard Quarter – forecast to open in October 2020

Notes:
1. The amounts depicted are Infratil's proportionate share of the investee company's capital expenditure
2. Shares acquired under Infratil and Mercury Energy's full cash takeover offer for Tilt Renewables

Asset Values

The value of Infratil's subsidiaries and associates is recorded in Infratil's financial statements in accordance with NZ IFRS. This slide presents an alternative method for valuing those assets

31 March ($Millions)	
CDC Data Centres	1,355 - 1,711
Trustpower	1,118
Vodafone	1,029
Tilt Renewables	908 – 1,030
Wellington Airport	621 – 689
RetireAustralia	271 – 352
Longroad Energy	162
Other	166
Total	5,632 – 6,259

- CDC Data Centres, Tilt Renewables, RetireAustralia and Longroad Energy based on Independent Valuations as at 31 March 2020
- Trustpower based on market price as at 28 May 2020 of $7.00
- Vodafone based on NZ$1,029 million acquisition price
- Wellington Airport based on a 15x multiple of FY2020 EBITDA less net debt as at 31 March 2020
- Other includes 31 March 2020 book values for Australian Social Infrastructure Partners, Infratil Infrastructure Property and Clearvision Ventures

International Portfolio Annual Incentive fee

Fee reflects the ongoing significant outperformance of the material international assets

31 March ($Millions)	Acquisition	Valuation	Distributions[1]	Prior Year[2]	Annual Fee	IRR[3]
CDC Data Centres	15/09/2016	1,515.6	16.7	1,004.8	105.5	38.8%
Longroad Energy	26/10/2016	162.4	34.2	166.2	6.1	54.7%
RetireAustralia	31/12/2014	308.2	-	398.1	(18.0)	2.2%
Tilt Renewables	28/10/2016	966.5	-	805.2	32.2	19.5%
ASIP	04/04/2014	33.1	0.5	37.4	(0.8)	13.1%
		2,985.8	51.4	2,411.7	125.0	

- The Management Agreement provides for the assessment of an International Portfolio annual incentive fee for those assets which have been held more than three financial years. The fee assesses the performance of the assets since the previous balance date
- The FY2020 annual incentive fee has been finalised and approved by the Infratil Board as part of the approval of the financial statements for the year ended 31 March 2020
- The FY2020 annual incentive fee is payable in three tranches of $41.7 million, with payment of the second and third tranche subject to portfolio level asset values being maintained at the relevant date

Notes:
1. Distributions from International Portfolio assets plus the hurdle rate of return calculated on a daily basis, compounding
2. Prior year is the fair market value as at 31 March 2019 plus the hurdle rate calculated on a daily basis compounding, adjusted for any capital movements
3. IRR after incentive fees calculated as at 31 March

Access to Liquidity and Credit

Duration extended over last 6 months through new retail bond issues and renewed bank facilities

Maturities to 31 March ($Millions)	Total	FY21	FY22	FY23	FY24	FY25-31	>FY31
Bonds	1,303.8	-	93.9	193.7	122.1	662.2	231.9
Wholly-owned bank facilities[1]	748.0	85.0	115.0	350.0	148.0	50.0	-

Access to liquidity and credit

- The Infratil wholly-owned group ended the year with a strong liquidity position after a number of bank re-financings were executed in the last quarter of FY2020
- Total bank facilities increased by $75 million to $748 million
- As at 31 March 2020 drawn bank debt was $480 million with $268 million of undrawn bank facilities
- Tilt Renewables' capital return is expected to be completed in July 2020 (Infratil's share ~$179 million)
- Infratil's next bank maturity is $53 million in July 2020 and is not intended to be renewed
- Infratil's next two bond maturities are:
  - $93.9 million of IFT220 bonds which mature in June 2021
  - $93.7 million of IFT190 bonds which mature in June 2022
- No material changes in the period since 31 March 2020

Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt Renewables, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy, Galileo Green Energy and Vodafone.

Debt Capacity & Facilities

Balanced pool of funding sources supports long-term investment programme

31 March ($Millions)	2020	2019
Net bank debt[1]	470.9	44.3
Infratil Infrastructure bonds	1,071.9	904.5
Infratil Perpetual bonds	231.9	231.9
Market value of equity	2,579.3	2,332.2
Total capital	4,354.0	3,512.9
Gearing (net debt/total capital)	40.8%	33.6%
Infratil undrawn bank facilities[1]	268.0	403.0
100% subsidiaries cash	9.1	55.1
Funds available	277.1	458.1

- The market value of equity increased by $247.1 million since 31 March 2019, reflecting:
  - $400 million placement and rights issue as part of the Vodafone acquisition
  - the change in the IFT share price from $4.17 (March 2019) to $3.91 (March 2020)
- During the year ended 31 March 2020, Infratil issued:
  - $156.3 million of the IFT280 bond series (maturing December 2026)
  - $123.2 million of the IFTHC series (annual rate re-set, maturing December 2029
  - $37.0 million of the IFT300 series (maturing March 2026)
- 2020 gearing reflects the share price at 31 March 2020. Based on the 28 May 2020 share price, gearing would be 35.8%

Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt Renewables, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy, Galileo Green Energy and Vodafone.

Portfolio Target Returns

Ten-year 11-15% total shareholder return target maintained

Portfolio composition and active management approach have been designed to deliver targeted returns

Infratil Portfolio		Expected Returns[1]		Leverage Assumption		Management Costs		Return to Shareholders
Core Lower Risk		**8–10%** Per annum						
Core Plus / Growth	+	**10–15%** Per annum	+	Average net debt/ total capital **30%** at **6%** p.a. interest rate	–	**1% of assets** Per annum	=	**11–15%** Per annum
Development Higher Risk		**15–25%** Per annum						

Notes:
1. Based on composition of existing Infratil portfolio

Share Price Performance

Outstanding returns delivered over the medium and long-term

Total Shareholder Return[1]

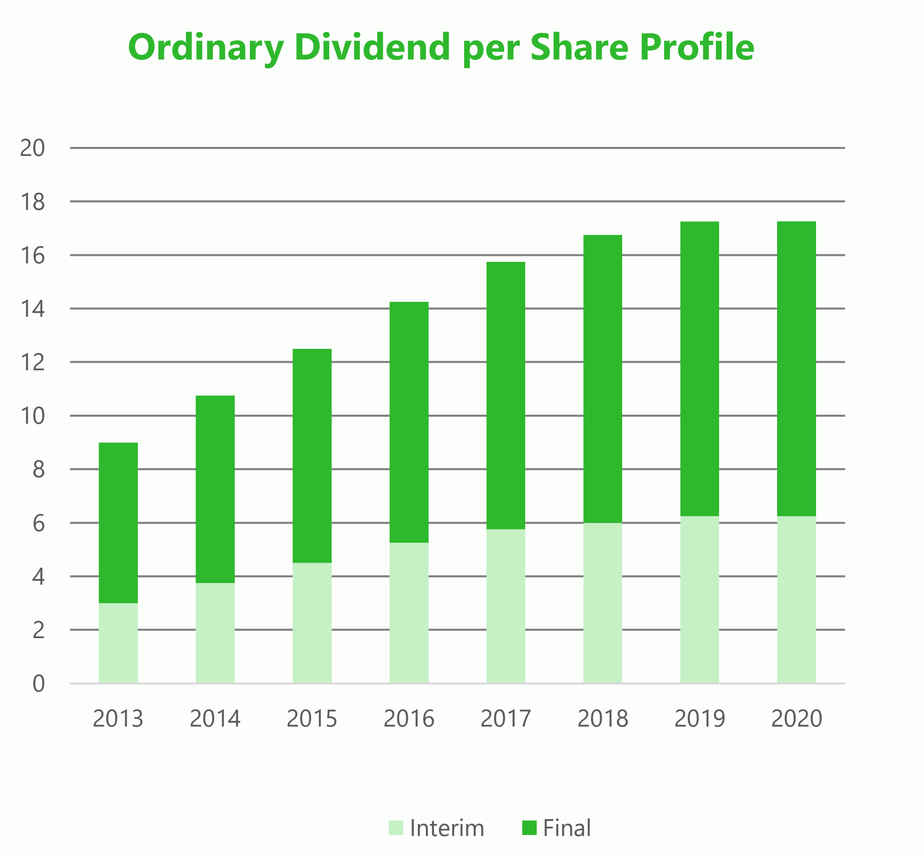
Period	TSR
1 Year to 31 March	(2.7%)
12 months to 28 May	15.6%
5 Year	10.2%
10 Year	16.0%
Inception – 25 years	16.9%

Infratil Share Price

[1] Total shareholder returns are to 31 March 2020 based on a closing share price of $3.91

Distributions

FY2020 final dividend maintained at FY2019 level



Final Ordinary Dividend

- A final dividend of 11.00 cps payable on 15 June 2020, partially imputed with 2.5 cps of imputation credits attached
- The FY2020 final dividend is on par with the FY2019 final dividend
- The record date will be 8 June 2020
- The dividend reinvestment plan will not be activated for this dividend

Dividend Outlook

- Consistent with its earnings guidance position, Infratil will not be giving dividend guidance for FY21 at this stage

Portfolio Resilience and Composition

Investment over the last 24 months has focused on building scalable platforms with defensive characteristics and ongoing demand growth

- Infratil is well positioned in scalable high growth sectors with good jurisdictional diversification
- Investment over the last 24 months has been focused on Infratil's Renewable Energy and Data & Connectivity platforms:

Tilt Renewables
- 336MW (A$560 million) Dundonnell Wind Farm under construction
- 133MW (NZ$377 million) Waipipi Wind Farm under construction

Longroad Energy
- 594MW of utility scale solar under construction (Texas & Minnesota)
- 313MW of utility scale wind under construction (California & Texas)

Galileo Green Energy
- Newly established development vehicle based in Europe
- Pace of development will reflect COVID-19 realities

CDC Data Centres
- 105MW of installed Data Centre capacity with a further 25MW under construction
- Roadmap to over 230MW of Data Centre capacity
- Announced development of two hyperscale Data Centres in Auckland

Vodafone
- $3.4 billion acquisition of Vodafone New Zealand
- Launch of 5G network in December 2019 and business transformation programme underway

Operating Businesses

CDC Data Centres
Significant development driven by increasing customer demand for high quality secure data storage

Financial

- Current period reported EBITDAF A$117.5 million, up A$45.4 million (+63.0%) from the comparative period
- Current run-rate EBITDAF of A$135 million
- Strong performance with revenue growth from new data centres and additional utilisation in existing data centres
- Increased reliance and demand for resilient digital infrastructure in COVID-19 world
- FY2021 forecast reported EBITDAF of A$145-A$155 million

Growth and development

- Globally, the generation of electronic data and the need for its storage continues to grow exponentially
- Announced the development of two world-class hyperscale data centres in Auckland, with 20MW of capacity and forecast completion in CY2022
- Development accelerating overall with FY2020 investment of A$446.6 million including:
  - Completion of Eastern Creek 2 (13MW) and Hume 4 (25MW)
  - Construction on Eastern Creek 3 (28MW)
  - Preparatory work for two Australian sites (50MW) and two Auckland sites (20MW)
  - Additional land acquisitions in Canberra completed during the period
- Whole of portfolio weighted average lease expiry (WALE) of 8.6 years, and 15.9 years with options (2019: 9.0 years, and 16.7 years with options)

Vodafone New Zealand

First 8 months of ownership focused on rebuilding capability and setting an ambitious strategy for the business

Financial

- Annual EBITDA of $480.6 million at the operating company level
  - Total revenue of $2,046.7 million was up 4.3% on the prior year
  - Cost management has been excellent, but trading momentum and customer experience still require improvement
- $67.0 million favourable purchase price adjustment expected to be received in Q1 FY2021
- Capital expenditure of $283.2 million, including the launch of 5G capability in Auckland, Wellington, Christchurch and Queenstown

Transformation programme

- Advanced programme of work underway to reset strategy and address historic areas of underinvestment
- New capability should address future cost structures while enhancing customer experience and product development
- Significant new hires have added further strength to the Executive team, with new appointments including CFO, Human Resources Director and Strategy Director

Outlook

- COVID-19 has significantly impacted pre-paid and roaming revenue, and effects will continue while travel restrictions remain in place
- Impact elsewhere has been relatively modest, although we anticipate a delayed effect from the extended lockdown and overall GDP impact on FY21 service revenues and cash collections
- Digitisation and simplification will enable a greater range of strategic choices in the medium-term

Longroad Energy

Financial close reached on 900MW of utility-scale generation against a full year goal of 800MW

Financial

- Associate earnings of NZ$4.7 million compared to NZ$46.5 million in the comparative period, primarily driven by partial realisations in the current period which precluded certain development gains from being recognised in the statement of profit and loss
- During the current period Infratil received cash distributions of NZ$29.0 million and capital returns of NZ$4.4 million
- To date Infratil has invested NZ$185.8 million, and received distributions and capital returns of NZ$184.7 million

Development

- During the period Longroad closed financing and commenced construction of the
  - 243MW El Campo Texas Wind project (US$335 million)
  - 379MW Prospero Texas Solar project (US$416 million)
  - 215MW Little Bear California Solar project (US$346 million)
  - 70MW Minnesota Wind repowering project (US$77 million)

Operations

- Total operating portfolio of 715MW and managing construction of a further 907MW
- Currently providing operating and maintenance services to 2,610MW including 1,472MW for third parties

Outlook

- It is reasonable to expect a slowdown in FY2021 and pipeline development will in part depend on the rate of recovery in corporates and utilities signing new Power Purchase Agreements, as well as liquidity in the bank and tax equity markets.

Longroad Energy

Development gains and project outcomes have exceeded expectations, however the nature of retained interests precludes some development gains from being recognised

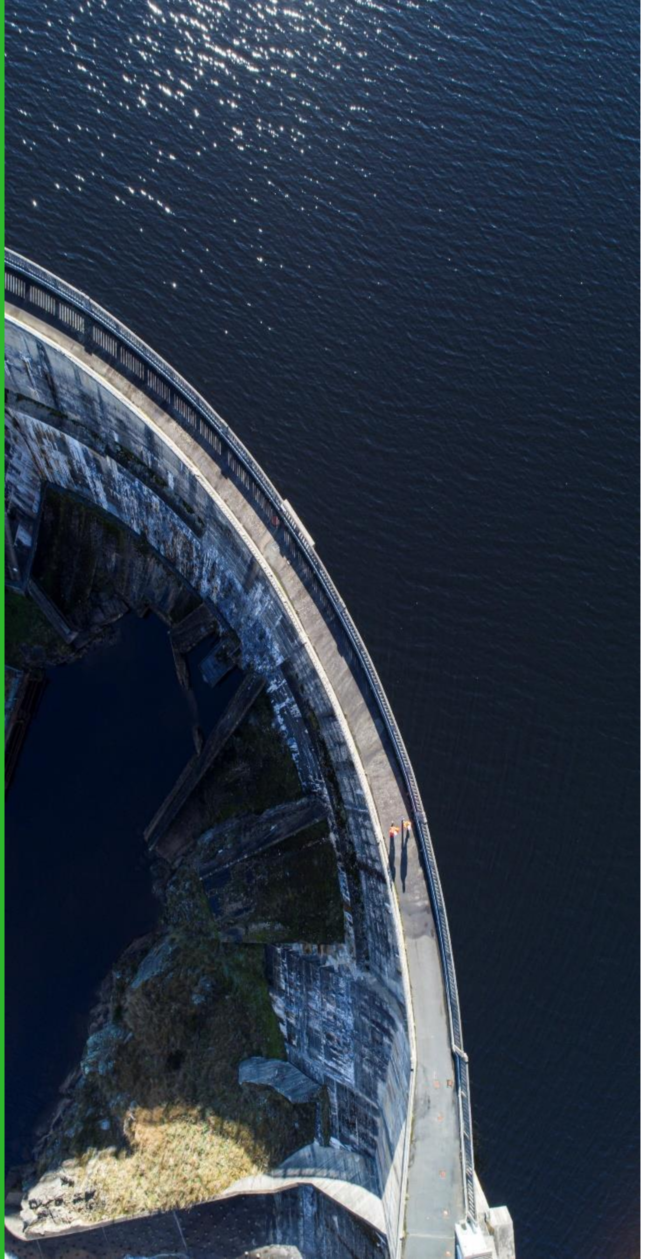
FY2020 Development Summary

Project	Capacity	Status
Project Rio Bravo Texas Wind US$300 million	238MW	• 100% of the equity sold December 2018 • **Development gain recognised** on completion of construction in June 2019
El Campo Texas Wind US$335 million	243MW	• 50% of the equity sold June 2019, remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Prospero I Texas Solar US$416 million	379MW	• 50% of equity sold 1 April 2020, remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Little Bear California Solar US$346 million	215MW	• 50% of equity sold 31 March 2020 • Remaining 50% consolidated by LEH, therefore **no development gain recognised for accounting**
Minnesota Wind (Wind repowering) US$77 million	70MW	• Binding agreement to sell 100% of the equity at Commercial Operation Date ('COD'), expected ~ late 2020 calendar year • **Development gain will be recognised for accounting purposes at COD**

Total Net Economic Development gains – FY2020[1]	**US$74 million to US$107 million**
Infratil's Share	US$30 million to US$43 million
FY2020 Cash Dividends to Infratil	US$18.5 million
FY2020 Capital returns to Infratil	US$2.8 million

[1] Excludes the value of Longroad's retained interest in projects that have been partially sold

Trustpower
Geographically diverse portfolio of hydro generation well placed to optimise revenue under periods of high volatility



Financial

- EBITDAF of $186.5 million was $35.7 million (16.1%) below the comparative period of $222.2 million
- Current period impacted by lower generation volumes resulting from plant outages and materially lower North Island inflows compared to the prior period
- Trustpower has refinanced all its debt due in 2020 and does not expect to be returning to the bank or debt markets over the next 12 months

Customers

- Total retail utility accounts 411,000, up 9,000 on the comparative period, while customers with two or more products rose 8.4% to over 116,000
- Total products and products per customer continue to grow, with 84% of all customer acquisitions in the last quarter of FY2020 taking 2 or more products
- Both electricity only and bundled retail will benefit if the current very high churn levels drop to more long-term sustainable levels
- Focus on automation as a way of improving the customer experience and reducing costs

Generation

- Generation revenue materially impacted by decline in Avoided Transmission (ACoT) revenue, lower production volumes, and fair value declines in carbon credits
- Average generation forecast to increase by 60GWh from FY2021 to FY2025

Tilt Renewables

Balanced focus on delivery of development pipeline and optimisation of the existing portfolio

Financial

- Tilt Renewables EBITDAF of A$117.5 million was A$17.3 million (12.8%) behind FY2019 primarily driven by the sale of Snowtown 2 in December 2019, and the reduced contribution for a 3-month period post sale
- Production for FY2020 was in line with the previous year when normalised for the sale of Snowtown 2 and 1.3% below long-term 50th percentile expectations

Sale of Snowtown 2 Wind Farm

- Tilt completed the sale of the 270MW Snowtown 2 Wind Farm for an enterprise value of A$1,073 million
- Snowtown 2 Wind Farm was developed, constructed and operated successfully for 5 years by Tilt
- The accounting profit on the sale was A$486.0 million (NZ$511.5 million) with net cash proceeds of A$470.7 million
- Tilt has announced that it intends to return approximately A$260 million to shareholders via a pro rata share buy back in July 2020

Construction and development

- Construction underway on the 133MW Waipipi Wind Farm
- Along with the Dundonnell Wind Farm, Tilt now has 469MW under construction, a total forecast investment of more than $900 million
- Dundonnell Wind Farm commenced generation during the month of March 2020, with generation of 0.8GWh achieved during commissioning of the first turbines
- 448MW Rye Park project is expected to reach FID in 2021

Wellington Airport

Essential infrastructure for central New Zealand and will continue to play an important role in the recovery of the local community and economy

Financial

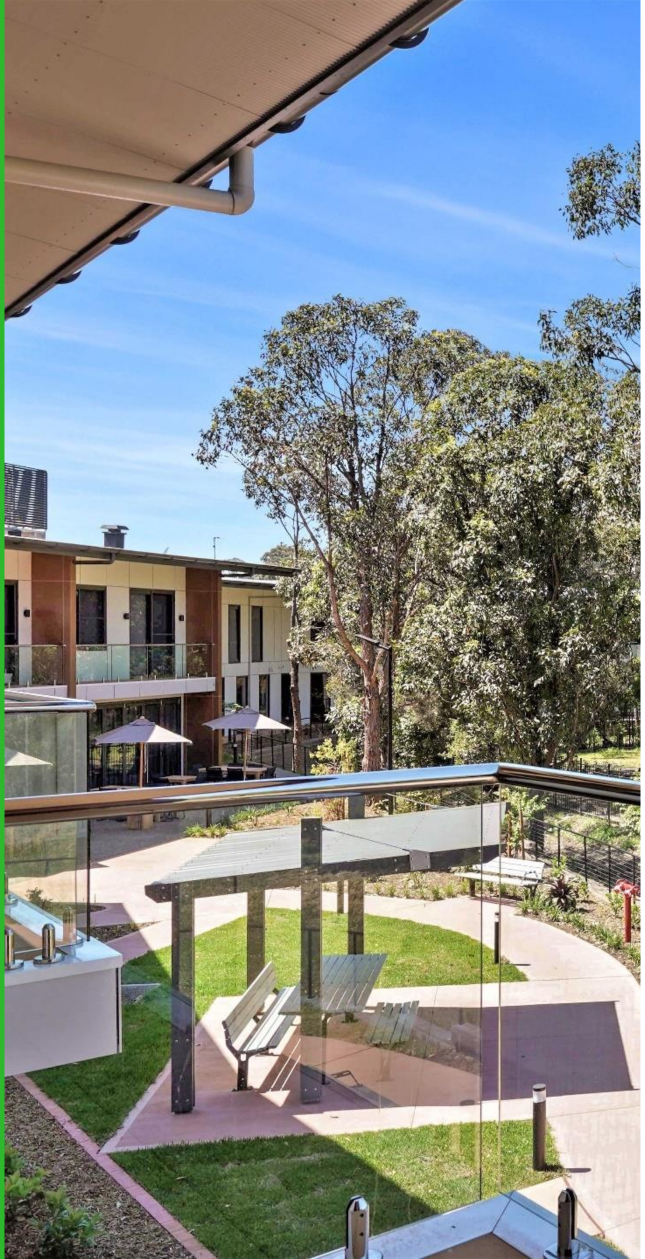
- EBITDAF of $103.2 million was $1.8 million above the comparative period of $101.4 million
- COVID-19 travel restrictions came into effect in March resulting in a 40% reduction in passengers for the month, and a 99% reduction in the final week as national borders were closed and all but essential domestic travel was restricted
- Domestic passengers -4.8% to 5.2 million and international -1.0% to 920k
- Domestic traffic was flat following the withdrawal of Jetstar from regional services
- Capex was $80.6 million, including the final stage of the $100 million domestic terminal upgrade

Outlook

- Capital investment for FY2021 has been reduced by 80% with growth projects deferred until passenger growth resumes
- Terms agreed with the Airport's shareholders and banks, and terms with USPP noteholders expected to be agreed shortly, to ensure funds are available until traffic and revenues return to more viable levels.
- Under Level 2, the resumption of traffic is consistent with forecasts. The mid-point forecast is for domestic traffic to be at 60% of pre-COVID levels by March 2021 and for international to be at 20%

RetireAustralia

Flow through economic impact of COVID-19 creates medium term outlook uncertainty. Longer-term investment thesis remains intact



Financial

- Underlying Profit[1] of A$17.0 million was flat year on year
- 292 resale settlements vs 244 in FY2019. Total collect A$40.1 million vs A$32.6 million
- Net fair value loss of A$102.0 million from the revaluation of investment properties at 31 March 2020, primarily reflecting potential COVID-19 impacts
- Portfolio occupancy during the financial year remained above the industry average

Development and Outlook

- Protecting residents from COVID-19 remains RetireAustralia's top priority as the pandemic continues
- 70 purpose-built care apartments at Glengara (NSW) were opened in February 2020, however sales activities have been impacted by COVID-19 lockdown restrictions
- Completion of new apartments at The Rise at Wood Glen on the Central Coast is expected to take place in the first half of FY2021
- Stage one of The Verge, Burleigh a 77-unit development co-located with Burleigh Golf Club, will welcome its first residents in the first half of FY2022
- The flow through impact of COVID-19 may see a slowdown in the Australian housing market, with a consequential impact on RetireAustralia's working capital requirements
- RetireAustralia lenders have waived certain covenants until 31 December 2020 and shareholders have also committed to a capital contribution of up to A$10 million each if required

1. Underlying Profit is an unaudited non-GAAP measure and is defined at Appendix I.

FY2021 Outlook

Continued uncertainty over the duration and impact of COVID-19 means FY2021 Group earnings and dividend guidance cannot be provided at this stage

FY2021 Outlook

- Given ongoing uncertainty over the duration and impact of the COVID-19 pandemic Infratil will not be providing FY2021 Group earnings or dividend guidance at this stage.
- The following component guidance is available:
  - Trustpower FY2021 EBITDAF guidance expected to be in the range of $190 million to $215 million
  - Tilt Renewables FY2021 EBITDAF guidance expected to be in the range of A$80 million to A$95 million
  - CDC Data Centres FY2021 EBITDAF guidance expected to be in the range of A$145 million to A$155 million
- Infratil will provide FY2021 Group guidance when it has sufficient certainty
- Capital expenditure will continue to be focused on the growing renewable generation and data and connectivity platforms

Summary

A resilient and balanced portfolio with significant exposure to higher growth essential services. Infratil is well placed to support the economic recovery in key markets

- Infratil is well positioned in scalable high growth sectors, with diversified cashflows generating reliable non-correlated returns across several jurisdictions
  - The overweight position in renewable energy generation and data infrastructure should drive relative outperformance during a sustained slowdown in economic activity
  - Significant capital investment undertaken by CDC Data Centres, Tilt Renewables and Longroad Energy during FY2020 will be income generating in FY2021
- Its strong capital position and flexibility across the group enables Infratil to comfortably support our high-growth platforms and meet existing capital commitments
  - Rationing capital to support our businesses and sequence our highest-value developments
  - Default position is to prioritise capital to support existing platform opportunities
  - Working with lenders to support Wellington Airport and RetireAustralia as the most COVID-19 affected businesses
  - Continuing to evaluate opportunities in key growth sectors and new geographies
- Infrastructure sector will be essential to the pace and shape of the global economic recovery
- Infratil is well placed to support the recovery in each key market of operation

For further information:

www.infratil.com

Appendix I
Reconciliation of NPAT to Underlying EBITDAF

Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure of financial performance, presented to provide additional insight into management's view of the underlying business performance.

Specifically, in the context of operating businesses, Underlying EBITDAF provides a metric that can be used to report on the operations of the business (as distinct from investing and other valuation movements).

Market analysts also use Underlying EBITDAF as an input into company valuation and valuation metrics used to assess relative value and performance of companies across a sector.

31 March ($Millions)	2020	2019
Net profit after tax ('NPAT')	484.2	52.4
Less: share of RetireAustralia associate earnings	53.7	23.9
Less: share of CDC Data Centres associate earnings	(161.0)	(83.9)
Less: share of Vodafone associate earnings	24.7	-
Plus: share of RetireAustralia Underlying Profit	8.9	9.2
Plus: share of CDC Data Centres EBITDAF	59.6	37.6
Plus: share of Vodafone EBITDAF	154.9	-
Net loss/(gain) on foreign exchange and derivatives	(6.2)	(0.3)
Net realisations, revaluations and impairments	(510.7)	(0.6)
Discontinued operations	24.6	12.0
Underlying earnings	132.6	50.3
Depreciation & amortisation	147.5	160.4
Net interest	186.4	148.5
Tax	14.4	72.0
Underlying EBITDAF (continuing operations)	480.9	431.2
International Portfolio Incentive fee	125.0	102.6
Underlying EBITDAF (excluding Incentive fees)	605.9	533.8

Notes:
1. Reconciling adjustments for Longroad Energy and Galileo Green Energy are not required as their contribution to Underlying EBITDAF is the same as their contribution to Net profit after tax.

Appendix I
Reconciliation of NPAT to Underlying EBITDAF

Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure of financial performance, presented to provide additional insight into management's view of the underlying business performance.

Specifically, in the context of operating businesses, Underlying EBITDAF provides a metric that can be used to report on the operations of the business (as distinct from investing and other valuation movements).

Market analysts also use Underlying EBITDAF as an input into company valuation and valuation metrics used to assess relative value and performance of companies across a sector.

- **Underlying EBITDAF** is presented on a continuing operations basis and excludes any contributions from discontinued operations.
- Underlying EBITDAF comprises:
    - 100% of the EBITDAF of the entities which are fully consolidated for Infratil's Group Financial Statements, that is Trustpower, Tilt Renewables and Wellington Airport;
    - Infratil's share of EBITDAF for CDC Data Centres (48%) and Vodafone (49.9%);
    - Infratil's 50% share of the Underlying Profit of RetireAustralia (see definition below); and
    - Infratil's 40% share of the surplus before tax of Longroad Energy and Galileo Green Energy.
- Infratil's approach to calculating Underlying EBITDAF is consistent with the prior reporting period, with the exception of CDC Data Centres which was previously included on the basis of Infratil's share of Net profit after tax. Management's view is that this change provides additional insight into the underlying business performance of CDC Data Centres following growth in this investment.
- **EBITDAF** is net earnings before interest, tax, depreciation, amortisation, foreign exchange and financial derivative movements, revaluations, impairment, gains or losses on the sales of investments.
- **Underlying Profit** is a non-GAAP performance measure used by RetireAustralia that removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, while adding back realised resale gains and realised development margins. It is management's view that Underlying Profit provides a more predictable and consistent measure of performance year-on-year for RetireAustralia and is viewed as a better reflection of the underlying performance.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2020

	Notes	2020 $Millions	2019 $Millions
Operating revenue	10	1,281.3	1,333.2
Dividends		0.6	2.6
Total revenue		**1,281.9**	**1,335.8**
Share of earnings of associate companies	6	86.8	106.4
Total income		**1,368.7**	**1,442.2**
Depreciation	14	136.4	145.1
Amortisation of intangibles		11.1	15.3
Employee benefits		99.1	90.8
Other operating expenses	12	929.4	907.0
Total operating expenditure		**1,176.0**	**1,158.2**
Operating surplus before financing, derivatives, realisations and impairments		192.7	284.0
Net gain/(loss) on foreign exchange and derivatives		6.2	0.3
Net realisations, revaluations and impairments	11	510.7	0.6
Interest income		10.7	6.8
Interest expense		197.1	155.3
Net financing expense		186.4	148.5
Net surplus before taxation		**523.2**	**136.4**
Taxation expense	13	14.4	72.0
Net surplus for the year from continuing operations		**508.8**	**64.4**
Net surplus/(loss) from discontinued operations after tax	9	(24.6)	(12.0)
Net surplus for the year		**484.2**	**52.4**
Net surplus/(loss) attributable to owners of the Company		241.2	(19.5)
Net surplus attributable to non-controlling interest		243.0	71.9
Other comprehensive income, after tax			
Items that will not be reclassified to profit and loss:			
Net change in fair value of property, plant & equipment recognised in equity		63.3	(283.6)
Share of associates other comprehensive income		(21.3)	(11.6)
Net change in fair value of equity investments at fair value through profit and loss		(0.5)	2.6
Ineffective portion of hedges taken to profit and loss		-	-
Fair value movements in relation to the executive share scheme		5.1	(0.1)
Income tax effect of the above items		(22.8)	69.8
Items that may subsequently be reclassified to profit and loss:			
Differences arising on translation of foreign operations		(17.8)	(18.9)
Realisations on disposal of subsidiary, reclassified to profit and loss		(22.5)	-
Effective portion of changes in fair value of cash flow hedges		(75.0)	5.9
Income tax effect of the above items		20.8	(3.6)
Total other comprehensive income/(loss) after tax		**(70.7)**	**(239.5)**
Total comprehensive income/(loss) for the year		**413.5**	**(187.1)**
Total comprehensive income for the year attributable to owners of the Company		207.9	(164.3)
Total comprehensive income for the year attributable to non-controlling interests		205.6	(22.8)
Earnings per share			
Basic and diluted (cents per share) from continuing operations	4	41.5	(1.0)
Basic and diluted (cents per share)	4	37.6	(3.5)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

For the year ended 31 March 2020

	Notes	2020 $Millions	2019 $Millions
Cash and cash equivalents	22.1	730.3	414.3
Trade and other accounts receivable and prepayments	22.1	174.8	226.1
Derivative financial instruments	22.4	18.9	17.8
Income tax receivable	-	9.3	1.2
Assets held for sale	9	-	521.8
Current assets		**933.3**	**1,181.2**
Trade and other accounts receivable and prepayments	22.1	18.7	22.8
Property, plant and equipment	14	3,958.2	4,201.5
Investment properties	15	266.7	86.5
Right of use assets	16.1	161.2	-
Derivative financial instruments	22.4	65.5	156.7
Intangible assets		35.1	33.6
Goodwill	17	113.1	113.1
Investments in associates	6	1,961.9	855.4
Other investments	7	71.4	81.2
Non-current assets		**6,651.8**	**5,550.8**
Total assets		**7,585.1**	**6,732.0**
Accounts payable, accruals and other liabilities		227.3	274.5
Interest bearing loans and borrowings	18	134.7	295.3
Lease liabilities	16.2	21.8	-
Derivative financial instruments	22.4	8.0	32.2
Income tax payable		4.6	9.3
Infrastructure bonds	19	-	148.9
Trustpower bonds	20	-	114.0
Wellington International Airport bonds	21	25.0	25.0
Liabilities directly associated with the assets held for sale	9	-	146.2
Total current liabilities		**421.4**	**1,045.4**
Interest bearing loans and borrowings	18	835.0	696.8
Other liabilities		86.5	25.9
Lease liabilities	16.2	225.1	-
Deferred tax liability	13.3	314.6	442.5
Derivative financial instruments	22.4	121.3	85.3
Infrastructure bonds	19	1,061.3	747.2
Perpetual Infratil Infrastructure bonds	19	231.9	231.5
Trustpower bonds	20	432.2	307.8
Wellington International Airport bonds and senior notes	21	515.9	405.1
Non-current liabilities		**3,823.8**	**2,942.1**
Attributable to owners of the Company		2,132.2	1,646.0
Non-controlling interest in subsidiaries		1,207.7	1,098.5
Total equity		**3,339.9**	**2,744.5**
Total equity and liabilities		**7,585.1**	**6,732.0**
Net tangible assets per share ($ per share)		3.01	2.68

Approved on behalf of the Board on 28 May 2020

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A.R.Gerry
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Alison Gerry
Director

DocuSigned by:
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Mark Tume
Director

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	Notes	2020 $Millions	2019 $Millions
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		1,495.0	1,825.6
Distributions received from associates		75.2	52.2
Other dividends		0.6	1.8
Interest received		10.8	7.1
		1,581.6	1,886.7
Cash was disbursed to:			
Payments to suppliers and employees		(1,253.3)	(1,388.7)
Interest paid		(177.5)	(149.3)
Taxation paid		(50.8)	(71.8)
		(1,481.6)	(1,609.8)
Net cash inflow from operating activities	**24**	**100.0**	**276.9**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of associates		169.7	-
Proceeds from sale of subsidiaries (net of cash sold)		593.3	-
Proceeds from sale of property, plant and equipment		19.4	12.9
Proceeds from sale of investments		19.7	5.9
Return of security deposits		14.4	-
		816.5	18.8
Cash was disbursed to:			
Purchase of investments		(1,132.5)	(69.9)
Lodgement of security deposits		(5.5)	(2.7)
Purchase of intangible assets		(12.9)	(8.3)
Interest capitalised on construction of fixed assets		(4.4)	-
Purchase of shares in subsidiaries		(5.2)	(109.3)
Purchase of investment properties		(22.9)	-
Purchase of property, plant and equipment		(463.3)	(258.2)
		(1,646.7)	(448.4)
Net cash inflow/(outflow) from investing activities		**(830.2)**	**(429.6)**
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		396.8	-
Sale of shares in non-wholly owned subsidiary		-	6.3
Proceeds from issue of shares to non-controlling interests		-	92.6
Bank borrowings		1,436.2	346.7
Issue of bonds		544.5	346.2
		2,377.5	791.8
Cash was disbursed to:			
Repayment of bank debt		(824.4)	(229.8)
Repayment of lease liabilities		(12.1)	-
Loan establishment costs		(10.1)	(10.8)
Repayment of bonds/Perpetual Infratil Infrastructure bonds buyback		(288.2)	(111.4)
Infrastructure bond issue expenses		(6.0)	(6.9)
Share buyback		(3.7)	-
Dividends paid to non-controlling shareholders in subsidiary companies		(92.3)	(117.7)
Dividends paid to owners of the Company	3	(113.7)	(95.1)
		(1,350.5)	(571.7)
Net cash inflow/(outflow) from financing activities		**1,027.0**	**220.1**
Net increase/(decrease) in cash and cash equivalents		296.8	67.4
Foreign exchange gains/(losses) on cash and cash equivalents		(10.4)	(4.0)
Cash and cash equivalents at beginning of the year		414.3	380.5
Adjustment for cash classified as assets held for sale	9	29.6	(29.6)
Cash and cash equivalents at end of the year		**730.3**	**414.3**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2019	361.8	685.0	(65.4)	(50.4)	715.0	1,646.0	1,098.5	2,744.5
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	241.2	241.2	243.0	484.2
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(22.7)	-	-	(22.7)	5.2	(17.5)
Transfers to profit and loss on disposal of subsidiaries	-	(21.5)	16.3	0.4	-	(4.8)	(17.7)	(22.5)
Net change in fair value of equity investments at FVOCI	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Realisations on disposal of equity investments at FVOCI	-	-	-	(2.5)	2.5	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(32.7)	-	(32.7)	(21.3)	(54.0)
Fair value movements in relation to the executive share scheme	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Fair value change of property, plant & equipment recognised in equity	-	22.9	-	-	27.2	50.1	(3.6)	46.5
Share of associates other comprehensive income	-	-	-	(21.3)	-	(21.3)	-	(21.3)
Total other comprehensive income	-	1.4	(6.4)	(58.0)	29.7	(33.3)	(37.4)	(70.7)
Total comprehensive income for the year	**-**	**1.4**	**(6.4)**	**(58.0)**	**270.9**	**207.9**	**205.6**	**413.5**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	1.7	1.7
Issue/(acquisition) of shares held by outside equity interest	-	-	-	-	-	-	(5.2)	(5.2)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(3.5)	(3.5)
Disposal of Snowtown 2	-	(31.3)	-	-	30.2	(1.1)	(0.6)	(1.7)
Contributions by and distributions to owners								
Share issued	390.9	-	-	-	-	390.9	-	390.9
Share buyback	(3.7)	-	-	-	-	(3.7)	-	(3.7)
Shares issued under dividend reinvestment plan	5.0	-	-	-	-	5.0	-	5.0
Conversion of executive redeemable shares	0.9	-	-	-	-	0.9	-	0.9
Dividends to equity holders	-	-	-	-	(113.7)	(113.7)	(92.3)	(206.0)
Total contributions by and distributions to owners	393.1	-	-	-	(113.7)	279.4	(92.3)	187.1
Balance at 31 March 2020	**754.9**	**655.1**	**(71.8)**	**(108.4)**	**902.4**	**2,132.2**	**1,207.7**	**3,339.9**

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Other reserves $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2018	361.8	798.2	(43.5)	(1.2)	819.2	1,934.5	1,199.4	3,133.9
Adjustment on initial application of IFRS 15 (net of tax)	-	-	-	-	10.6	10.6	10.2	20.8
Adjusted balance as at 1 April 2018	**361.8**	**798.2**	**(43.5)**	**(1.2)**	**829.8**	**1,945.1**	**1,209.6**	**3,154.7**
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	(19.5)	(19.5)	71.9	52.4
Disposal of revalued assets	-	0.2	-	-	(0.2)	-	-	-
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(21.9)	-	-	(21.9)	0.2	(21.7)
Transfers to profit and loss on disposal of subsidiaries	-	-	-	-	-	-	-	-
Net change in fair value of equity investments at FVOCI	-	-	-	2.6	-	2.6	-	2.6
Realisations on disposal of equity investments at FVOCI	-	-	-	-	-	-	-	-
Ineffective portion of hedges taken to profit and loss	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	(1.1)	-	(1.1)	6.2	5.1
Fair value movements in relation to the executive share scheme	-	-	-	0.6	-	0.6	-	0.6
Fair value change of property, plant & equipment recognised in equity	-	(113.4)	-	-	-	(113.4)	(101.1)	(214.5)
Share of associates other comprehensive income	-	-	-	(11.6)	-	(11.6)	-	(11.6)
Total other comprehensive income	-	(113.4)	(21.9)	(9.5)	-	(144.8)	(94.7)	(239.5)
Total comprehensive income for the year	**-**	**(113.2)**	**(21.9)**	**(9.5)**	**(19.7)**	**(164.3)**	**(22.8)**	**(187.1)**
Contributions by and distributions to non-controlling interest								
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	92.6	92.6
Issue/(acquisition) of shares held by outside equity interest	-	-	-	(39.7)	-	(39.7)	(63.2)	(102.9)
Total contributions by and distributions to non-controlling interest	-	-	-	(39.7)	-	(39.7)	29.4	(10.3)
Contributions by and distributions to owners								
Share buyback	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Total contributions by and distributions to owners	-	-	-	-	(95.1)	(95.1)	(117.7)	(212.8)
Balance at 31 March 2019	**361.8**	**685.0**	**(65.4)**	**(50.4)**	**715.0**	**1,646.0**	**1,098.5**	**2,744.5**

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

1 Accounting policies

A Reporting entity

Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

B Basis of preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') and comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated financial statements comprise the Company, its subsidiaries and associates ('the Group'). The presentation currency used in the preparation of these consolidated financial statements is New Zealand dollars, which is also the Group's functional currency, and is presented in $Millions unless otherwise stated. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Comparative figures have been restated where appropriate to ensure consistency with the current period.

The consolidated financial statements comprise statements of the following: comprehensive income; financial position; changes in equity; cash flows; significant accounting policies; and the notes to those statements. The consolidated financial statements are prepared on the basis of historical cost, except certain property, plant and equipment which is valued in accordance with accounting policy (D), investment property valued in accordance with accounting policy (E), and financial derivatives valued in accordance with accounting policy (K).

Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these consolidated financial statements are set out below.

Valuation of property, plant and equipment

The basis of valuation for the Group's property, plant and equipment is fair value by independent valuers, or cost. The basis of the valuations include assessment of the net present value of the future earnings of the assets, the depreciated replacement cost, and other market based information, in accordance with asset valuation standards. The major inputs and assumptions that are used in the valuations that require judgement include projections of future revenues, sales volumes, operational and capital expenditure profiles, capacity, life assumptions, terminal values for each asset, the application of discount rates and replacement values. The key inputs and assumptions are reassessed at each balance date between valuations to ensure there has been no significant change that may impact the valuation.

With respect to assets held at cost, judgements must be made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence. Assessing whether an asset is impaired involves estimating the future cash flows that the asset is expected to generate. This will, in turn, involve a number of assumptions, including rates of expected revenue growth or decline, expected future margins, terminal values and the selection of an appropriate discount rate for valuing future cash flows.

Valuation of investments including Associates

Infratil completes an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment, taking into account observable data on the investment, the status or context of markets, its own view of fair value, and its long term investment intentions. Infratil notes the following matters which are specifically considered in terms of objective evidence of impairment of its investments, and whether there is a significant or prolonged decline from cost, which should be recorded as an impairment, and taken to profit and loss: any known loss events that have occurred since the initial recognition date of the investments, including its investment performance, its long term investment horizon, specific initiatives which reflect the strategic or influential nature of its existing investment position and internal valuations; and the state of markets. The assessment also requires judgements about the expected future performance and cash flows of the investment.

Derivatives

Certain derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. The key assumptions and risk factors for these derivatives relate to energy price hedges and their valuation. Energy price hedges are valued with reference to financial models of future energy prices or market values for the relevant derivative. Accounting judgements have been made in determining hedge designation for the different types of derivatives employed by the Group to hedge risk exposures. Other derivatives including interest rate instruments and foreign exchange contracts are valued based on market information and prices.

Covid-19 pandemic

The spread of novel coronavirus ('Covid-19') was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. Authorities worldwide (including the New Zealand Government and Australian Federal Government) quickly moved to implement strict measures such as quarantines, curfews, stay-at-home orders and the closure of borders during March 2020. The level of restrictions has resulted in a reduced ability for many businesses to operate, significant volatility and instability in the financial markets, quantitative easing and reductions in official interest rates by central banks and the release of significant government stimulus packages.

The closure of the New Zealand border to international travellers and ongoing restrictions on domestic travel are expected to have material implications for Wellington International Airport's ('WIAL') revenues for an as yet unknown period of time. Subsequent to balance date, WIAL has agreed terms with its banking group to increase its total committed bank facilities by $70.0 million to $170.0 million and for covenant waivers to be in place through to 30 September 2021. WIAL is also seeking covenant waivers from its USPP note holders, which are expected to follow the bank waiver approvals. WIAL has also entered into a shareholder support agreement with its shareholders to enable access to up to $75.0 million of funding by way of non-participating redeemable preference shares, if required. WIAL is a subsidiary of the Group and its results are consolidated in the financial statements.

Tilt Renewables and Trustpower are subsidiaries of the Group and their results are also consolidated into these financial statements. Although these entities are publicly listed, the Group's carrying value of these investments is not directly impacted by changes in the quoted price on the NZX and ASX for these entities. Changes in share price were taken into account when undertaking an assessment of the carrying value of these investments and as part of the annual impairment testing of the associated goodwill balances (Note 17).

The primary impacts of Covid-19 on the Group's consolidated balance sheet at 31 March 2020 are summarised below:

Investments (including associates)
Notes 6,7

The Group's investments in Vodafone New Zealand, CDC Data Centres, RetireAustralia, Longroad Energy and Galileo Green Energy are accounted for using the equity method. Under the equity method, the investment in the associate is carried at cost plus the Group's share of post-acquisition changes in the net assets of the associate and any impairment losses.

In accordance with its accounting policies, Infratil has completed an assessment of the carrying value of its investments at 31 March 2020. This annual assessment considers a variety of factors as outlined in Note 1. As part of this assessment the Group has considered the potential impact of the Covid-19 pandemic. Direct impacts of Covid-19 on movements in the net assets of RetireAustralia and Vodafone New Zealand are summarised below.

The potential impact of Covid-19 was considered by RetireAustralia as part of the estimation of the fair value of its investment properties at year end. RetireAustralia made adjustments to key assumptions such as the unit price growth rates and discount rates to reflect increased risks and uncertainties from the pandemic on RetireAustralia's future operations and cash flows. The Group has incorporated its share of these changes in the carrying value of RetireAustralia in these consolidated financial statements. Subsequent to year end, RetireAustralia has obtained support from its lenders and shareholders to assist with its future funding and liquidity requirements as it continues operations.

Vodafone New Zealand has revised its expected credit loss allowance for trade receivables due to the deteriorating economic outlook in New Zealand as a result of Covid-19.

Based on the information available at 31 March 2020, Covid-19 did not have a direct impact on the carrying value of the Group's other investments (including associates) at 31 March 2020.

Property, Plant and Equipment
Note 14

The Group has considered the impact of the Covid-19 pandemic on the valuation of its Property, Plant and Equipment held at fair value.

Generation assets are held at fair value. Trustpower and Tilt Renewables have undertaken independent revaluations of Generation Assets at 31 March 2020 and the updated valuations are reflected in the consolidated financial statements. Covid-19 has introduced extra uncertainty into the valuation of Generation Assets. While the New Zealand forward electricity path is observable for the first four years and this reflects the impact of Covid-19 and the New Zealand Government response, any longer term impact on the demand for electricity is uncertain and has not been incorporated in the valuations. Weighted average cost of capital is also uncertain as, since Covid-19 began impacting New Zealand and Australia, there have been very few transactions between willing buyers and willing sellers which could be used to observe the required returns of investors.

Civil works assets are held at fair value. WIAL has undertaken an independent revaluation of civil works assets at 31 March 2020 and the updated valuation is reflected in the consolidated financial statements. There was no direct impact from Covid-19 on the fair value of civil works due to the specialised nature of these assets.

Land and buildings assets are held at fair value. WIAL has undertaken an assessment of whether the carrying amount for land and buildings differed materially from fair value at 31 March 2020. With the exception of the vehicle business and hotel business assets, Covid-19 was not considered to have had a material impact on the fair value of WIAL's land and building assets based on information available at 31 March 2020. Following this assessment, WIAL revised the carrying value of its vehicle business and hotel business assets, based on a discounted cash flow assessment of value-in-use incorporating the expected Covid-19 impacts.

Due to the uncertainties resulting from the Covid-19 pandemic, the fair value assessment for WIAL's building assets was concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to this assessment as at 31 March 2020.

Investment Properties
Note 15

The Group has considered the impact of the Covid-19 pandemic on the valuation of its Investment properties held at fair value. The Group has undertaken an independent revaluation of its Investment properties at 31 March 2020, in line with its accounting policies, and the updated valuations are reflected in the consolidated financial statements. Due to the uncertainties resulting from the Covid-19 pandemic, these valuations were concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to these valuations as at 31 March 2020.

Trade and other accounts receivable and prepayments
Note 22.1

Trustpower and Wellington International Airport increased their expected credit loss allowance for trade receivables, in part due to the deteriorating economic outlook in New Zealand as a result of Covid-19.

C Basis of preparing consolidated financial statements

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity. A list of significant subsidiaries and associates is shown in Note 8. Consistent accounting policies are employed in the preparation and presentation of the Group consolidated financial statements.

D Property, plant and equipment

Property, plant and equipment ('PPE') is recorded at cost less accumulated depreciation and accumulated impairment losses (or fair value on acquisition), or at valuation, with valuations undertaken on a systematic basis. No individual asset is included at a valuation undertaken more than five years previously. PPE that is revalued, is revalued to its fair value determined by an independent valuer or by the Directors with reference to independent experts, in accordance with NZ IAS 16 Property, Plant and Equipment. Where the assets are of a specialised nature and do not have observable market values in their existing use, depreciated replacement cost is used as the basis of the valuation. Depreciated replacement cost measures net current value as the most efficient, lowest cost which would replace existing assets and offer the same amount of utility in their present use. For non-specialised assets where there is no observable market an income based approach is used.

Land, buildings, leasehold improvements and civil works are measured at fair value or cost.

Renewable and Non-renewable generation assets are shown at fair value, based on periodic valuations by independent external valuers or by Directors with reference to independent experts, less subsequent depreciation.

Depreciation is provided on a straight line basis and the major depreciation periods (in years) are:

Buildings and civil works	0-120
Vehicles, plant and equipment	3-40
Renewable generation	12-200
Non-renewable generation assets	30-40
Metering equipment	6-20
Land	not depreciated
Capital work in progress	not depreciated until asset in use

E Investment properties

Investment properties are property (either owned or leased) held to earn rental income. Investment properties are measured at fair value with any change therein recognised in profit or loss. Property that is being constructed for future use as investment property is measured at fair value and classified as investment properties. Where a leased property is held to earn rental income, the right of use asset is included within Investment properties.

F Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets. These provisions take into account known commercial factors impacting specific customer accounts, as well as the overall profile of the debtor portfolio. In assessing the provision, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general macro-economic trends, are also taken into account.

G Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method. Under the equity method, the investment in the associate is carried at cost plus the Group's share of post-acquisition changes in the net assets of the associate and any impairment losses. The Group's share of the associates' post-acquisition profits or losses is recognised in profit or loss, and the Group's share of post-acquisition movements in reserves is recognised in other comprehensive income.

H Goodwill and intangible assets

Goodwill

The carrying value of goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date. For the purpose of impairment testing, goodwill is allocated to the individual cash-generating units to which it relates. Any impairment losses are recognised in the statement of comprehensive income. In determining the recoverable amount of goodwill, fair value is assessed, including the use of valuation models to calculate the present value of expected future cash flows of the cash-generating units, and where available with reference to Listed prices.

Intangible customer base assets

Costs incurred in acquiring customers are recorded based on the directly attributable costs of obtaining the customer contract and are amortised on a straight line basis over the period of the expected benefit. This period has been assessed as between 12 years and 20 years depending on the nature of the customer and term of the contract. The carrying value is reviewed for any indication of impairment on an annual basis and adjusted where it is considered necessary.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over three years on a straight line basis except for major pieces of billing system software which are amortised over no more than seven years on a straight line basis.

I Non-current assets and disposal groups held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

J Taxation

Income tax comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. 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, or there are deferred tax liabilities to offset it. Preparation of the consolidated financial statements requires estimates of the amount of tax that will ultimately be payable, the availability and recognition of losses to be carried forward and the amount of foreign tax credits that will be received.

K Derivative financial instruments

When appropriate, the Group enters into agreements to manage its interest rate, foreign exchange, operating and investment risks.

In accordance with the Group's risk management policies, the Group does not hold or issue derivative financial instruments for speculative purposes. However, certain derivatives do not qualify for hedge accounting and are required to be accounted for at fair value through profit or loss. Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group identifies certain derivatives as hedges of highly probable forecast transactions to the extent the hedge meets the hedge designation tests.

Hedge accounting

The Group designates certain hedging instruments as either cash flow hedges or hedges of net investments in equity. At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument that is used in the hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

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 and presented in equity. The gain or loss relating to the ineffective portion is recognised in profit or loss. The amounts presented in equity are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is recognised in profit or loss.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

L Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 the functional currency at the beginning of the period, adjusted for interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of the net investment in a foreign operation.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at the average rate for the reporting period.

M Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

N Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. A description of the nature and timing of the various performance obligations in the Group's contracts with customers and when revenue is recognised is outlined at Note 10 (Revenue).

Interest revenues are recognised as accrued, taking into account the effective yield of the financial asset. Revenue from services is recognised in the profit or loss over the period of service. Dividend income is recognised when the right to receive the payment is established.

O Borrowings

Borrowings 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 profit or loss over the period of the borrowing using the effective interest rate. Bond and bank debt issue expenses, fees and other costs incurred in arranging finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

P Discontinued operations

Classification as a discontinued operation occurs on disposal, or when the operation meets the criteria to be classified as a non-current asset or disposal group held for sale (see note (l)), if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Q Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organised into five main business segments, Trustpower, Tilt Renewables, Wellington International Airport, Associate Companies and Other. Other comprises investment activity not included in the specific categories.

R Changes in accounting policies

The Group has adopted NZ IFRS 16 Leases ('NZ IFRS 16') from 1 April 2019.

NZ IFRS 16 Leases

NZ IFRS 16 replaces NZ IAS 17 Leases and removes the classification of leases as either operating leases or finance leases and consequently for the lessee, all leases (other than short term or low value leases) are recognised on the Consolidated Statement of Financial Position. This has resulted in the Group recognising right of use assets and related lease liabilities for leases previously classified as operating leases on the statement of financial position. As a result, payments for operating leases are now recorded against the lease liability. The operating lease expense previously included within Other operating expenses is replaced by interest on the lease liability and depreciation on the right of use assets. Lessor accounting remains materially unchanged under the new standard.

The Group has adopted NZ IFRS 16 using the modified retrospective approach and has not restated comparative amounts for the period prior to first adoption. The Group has utilised the practical expedients permitted by NZ IFRS 16 in respect of short-term and low value leases where appropriate.

The Group has also elected not to reassess whether an existing contract contains a lease at the date of initial application.

The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 April 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 April 2019, with no overall change in net assets. Where the lease pertains to property held to earn rental income, the right of use asset is classified as Investment Property and is measured at fair value.

Consolidated statement of financial position effect

	31 March 2020 $Millions	1 April 2019 $Millions
Right of use assets	161.2	79.1
Investment properties	82.2	80.5
Lease liabilities	(246.9)	(159.6)
Change in net assets	**(3.5)**	**-**

When compared to the accounting policies applied in the prior comparative period, the adoption of NZ IFRS 16 on the Group's Consolidated Statement of Comprehensive Income for the year ended 31 March 2020 is summarised below.

Consolidated statement of comprehensive income effect

	2020 $Millions
Other operating expenses	(14.7)
Depreciation	10.4
Interest expense	10.8

Reconciliation of lease commitments to lease liabilities

	2020 $Millions
Operating lease commitments disclosed at 31 March 2019	103.2
Operating lease commitments as at 31 March 2019 not previously disclosed	6.3
Effect of using incremental borrowing rate at the date of initial application	(21.0)
Extension and termination options reasonably certain to be exercised	80.0
Contracts reassessed as capital commitments	(2.9)
Finance lease liabilities recognised at 31 March 2019	24.1
Future dated lease commitments	(28.5)
Recognition exemption for:	
- short-term leases	(0.6)
- leases of low-value assets	(0.3)
Effect of movements in exchange rates	(0.7)
Lease liabilities at 1 April 2019	**159.6**

Operating lease commitments as at 31 March 2019 not previously disclosed

As part of Trustpower's adoption of NZ IFRS 16 certain operating lease commitments were identified that were not disclosed as part of Trustpower's 31 March 2019 financial statements. The Group has evaluated the impact of this non-disclosure and has determined that the impact is not material. This assessment is due to the size and non-cash nature of this item being such that it would not influence the economic decisions of users made on the basis of the financial information previously issued. Additionally this non-disclosure had no impact on the financial position, performance or cash flows of the Group and impacted the lease commitments note only.

S Adoption status of relevant new financial reporting standards and interpretations

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material impact on the consolidated financial statements.

2 Nature of business

The Group owns and operates infrastructure businesses and investments in New Zealand, Australia, the United States and Europe. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

More information on the individual businesses is contained in Note 5 (Operating segments) and Note 6 (Investments in associates) including the relative contributions to total revenue and expenses of the Group.

3 Infratil shares and dividends

Ordinary shares (fully paid)

	2020	2019
Total authorised and issued shares at the beginning of the year	559,278,166	559,278,166
Movements during the year:		
New shares issued	99,992,228	-
New shares issued under dividend reinvestment plan	1,030,793	-
Treasury Stock reissued under dividend reinvestment plan	-	-
Conversion of executive redeemable shares	265,267	-
Share buyback	(887,617)	-
Total authorised and issued shares at the end of the year	**659,678,837**	**559,278,166**

During the year the Company issued new shares to support the acquisition of a 49.9% share of Vodafone New Zealand Limited, raising net proceeds after issue costs of $396.8 million via an institutional placement and an entitlement offer to existing shareholders. All fully paid ordinary shares have equal voting rights, have no par value and share equally in dividends and equity. At 31 March 2020 the Group held 1,662,617 shares as Treasury Stock (31 March 2019: 775,000).

Dividends paid on ordinary shares

	2020 Cents per share	2019 Cents per share	2020 $Millions	2019 $Millions
Final dividend prior year	11.00	10.75	72.5	60.1
Interim dividend current year	6.25	6.25	41.2	35.0
Dividends paid on ordinary shares	17.25	17.00	113.7	95.1

4 Earnings per share

	2020 $Millions	2019 $Millions
Net surplus attributable to ordinary shareholders	266.2	(5.4)
Basic and diluted earnings per share (cps) from continuing operations	41.5	(1.0)
Net surplus attributable to ordinary shareholders	241.3	(19.5)
Basic and diluted earnings per share (cps)	37.6	(3.5)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	559.3	559.3
Effect of new shares issued	81.5	-
Effect of new shares issued under dividend reinvestment plan	0.3	-
Effect of Treasury Stock reissued under dividend reinvestment plan	-	-
Effect of conversion of executive redeemable shares	0.2	-
Effect of shares bought back	-	-
Weighted average number of ordinary shares at end of year	**641.3**	**559.3**

5 Operating segments

Reportable segments of the Group are analysed by significant businesses for reporting to the Infratil Chief Executive Officer. The Group has seven reportable segments, as described below:

Trustpower and Tilt Renewables are renewable generation investments, Wellington International Airport is an airport investment, NZ Bus is a transportation investment and Perth Energy is a non-renewable generation investment in Western Australia. Associates comprises Infratil's investments that aren't consolidated for financial reporting purposes including CDC Data Centres, Vodafone New Zealand, RetireAustralia, ANU Student Accommodation, Longroad Energy and Galileo Green Energy. Further information on these investments is outlined in Note 6. The Group's investments in NZ Bus, Perth Energy, ANU Student Accommodation and Snapper were classified as Held for Sale and treated as Discontinued Operations as at 31 March 2019. Further information on these investments is outlined in Note 9. All other segments and corporate predominately includes the activities of the Parent Company. The Group has no significant reliance on any one customer. Inter-segment revenue primarily comprises dividends from Trustpower, subvention income from Wellington International Airport and intercompany transactions between Trustpower and Tilt Renewables.

	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Perth Energy Australia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
For the year ended 31 March 2020									
Total revenue	990.0	179.2	146.4	76.1	114.2	-	135.1	(191.9)	1,449.1
Share of earnings of associate companies	-	-	-	-	-	87.3	-	(0.5)	86.8
Inter-segment revenue	-	-	-	-	-	-	(125.3)	(41.9)	(167.2)
Total income	990.0	179.2	146.4	76.1	114.2	87.3	9.8	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(803.5)	(55.5)	(43.2)	(70.2)	(102.1)	-	(170.5)	216.5	(1,028.5)
Interest income	0.6	7.6	0.7	-	0.1	-	7.3	(5.6)	10.7
Interest expense	(32.4)	(49.0)	(25.5)	(3.9)	(3.6)	-	(90.2)	7.5	(197.1)
Depreciation and amortisation	(42.5)	(76.3)	(28.4)	(7.1)	(2.6)	-	(0.1)	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	16.2	(9.0)	0.1	-	-	-	(1.1)	-	6.2
Net realisations, revaluations and impairments	8.9	511.5	(11.4)	(68.6)	(22.9)	-	67.7	25.5	510.7
Taxation expense	(39.6)	(4.9)	34.5	1.7	(4.2)	-	(6.1)	4.2	(14.4)
Net surplus/(loss) for the year	97.7	503.6	73.2	(72.0)	(21.1)	87.3	(183.2)	23.3	508.8
Net surplus/(loss) attributable to owners of the company	48.6	330.7	52.6	(72.0)	(21.4)	87.3	(183.2)	23.6	266.2
Net surplus/(loss) attributable to non-controlling interests	49.1	172.9	20.6	-	0.3	-	-	(0.3)	242.6
Current assets	150.8	730.5	35.0	-	-	-	17.0	-	933.3
Non-current assets	1,960.0	1,046.0	1,336.9	-	-	1,961.9	347.0	-	6,651.8
Current liabilities	143.6	92.6	89.5	-	-	-	95.7	-	421.4
Non-current liabilities	867.1	469.0	641.6	-	-	-	1,846.1	-	3,823.8
Net assets	1,100.1	1,214.9	640.8	-	-	1,961.9	(1,577.8)	-	3,339.9
Non-controlling interest percentage	49.0%	34.4%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	34.3	506.4	80.6	2.7	0.2	1,134.5	41.0	(3.0)	1,796.7

	Trustpower New Zealand $Millions	Tilt Renewables Australasia $Millions	Wellington International Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Perth Energy Australia $Millions	Associates $Millions	All other segments and corporate New Zealand $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
For the year ended 31 March 2019									
Total revenue	1,030.1	207.1	137.9	184.2	269.9	-	158.6	(461.3)	1,526.5
Share of earnings of associate companies	-	-	-	-	-	119.2	-	(12.8)	106.4
Inter-segment revenue	-	-	-	-	-	-	(147.8)	(42.9)	(190.7)
Total income	1,030.1	207.1	137.9	184.2	269.9	119.2	10.8	(517.0)	1,442.2
Operating expenses (excluding depreciation and amortisation)	(807.9)	(62.7)	(36.5)	(166.8)	(234.0)	-	(142.4)	452.5	(997.8)
Interest income	1.4	1.4	0.3	-	0.2	-	13.3	(9.8)	6.8
Interest expense	(29.6)	(33.6)	(19.7)	(7.1)	(7.6)	-	(73.3)	15.6	(155.3)
Depreciation and amortisation	(47.2)	(89.5)	(23.7)	(21.1)	(6.0)	-	(0.6)	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	(5.8)	(2.1)	1.2	-	-	-	7.0	-	0.3
Net realisations, revaluations and impairments	(10.9)	-	4.8	(29.2)	-	-	3.5	32.4	0.6
Taxation expense	(37.5)	(7.4)	(0.2)	4.2	(12.1)	-	(30.3)	11.3	(72.0)
Net surplus/(loss) for the year	92.6	13.2	64.1	(35.8)	10.4	119.2	(212.0)	12.7	64.4
Net surplus/(loss) attributable to owners of the company	46.0	7.5	46.2	(35.8)	8.3	119.2	(211.7)	14.8	(5.5)
Net surplus/(loss) attributable to non-controlling interests	46.6	5.7	17.9	-	2.1	-	(0.3)	(2.1)	69.9
Current assets	185.7	367.9	43.9	200.0	211.3	108.2	64.2	-	1,181.2
Non-current assets	2,028.9	1,233.1	1,216.5	-	-	856.5	215.8	-	5,550.8
Current liabilities	284.3	238.2	115.0	29.7	110.5	-	267.7	-	1,045.4
Non-current liabilities	681.2	677.6	541.9	-	-	-	1,041.4	-	2,942.1
Net assets	1,249.1	685.2	603.5	170.3	100.8	964.7	(1,029.1)	-	2,744.5
Non-controlling interest percentage	49.0%	34.7%	34.0%	-	20.0%	-	-	-	-
Capital expenditure and investments	27.7	127.1	72.1	45.9	0.4	139.0	27.8	(55.6)	384.4

Entity wide disclosure – geographical

The Group operates in two principal areas, New Zealand and Australia, as well as having certain investments in the United States and Europe. The Group's geographical segments are based on the location of both customers and assets.

	New Zealand $Millions	Australia $Millions	United States $Millions	Europe $Millions	Eliminations and discontinued operations $Millions	Total from continuing operations $Millions
For the year ended 31 March 2020						
Total revenue	1,391.4	249.6	-	-	(191.9)	1,449.1
Share of earnings of associate companies	(24.6)	107.8	4.7	(0.6)	(0.5)	86.8
Inter-segment revenue	(125.3)	-	-	-	(41.9)	(167.2)
Total income	1,241.5	357.4	4.7	(0.6)	(234.3)	1,368.7
Operating expenses (excluding depreciation and amortisation)	(1,147.5)	(97.5)	-	-	216.5	(1,028.5)
Interest income	9.1	7.2	-	-	(5.6)	10.7
Interest expense	(170.0)	(34.6)	-	-	7.5	(197.1)
Depreciation and amortisation	(100.2)	(56.8)	-	-	9.5	(147.5)
Net gain/(loss) on foreign exchange and derivatives	15.7	(9.5)	-	-	-	6.2
Net realisations, revaluations and impairments	(3.4)	488.6	-	-	25.5	510.7
Taxation expense	(11.2)	(7.4)	-	-	4.2	(14.4)
Net surplus/(loss) for the year	(166.0)	647.4	4.7	(0.6)	23.3	508.8
Current assets	268.1	665.2	-	-	-	933.3
Non-current assets	4,845.6	1,773.1	30.1	3.0	-	6,651.8
Current liabilities	357.1	64.3	-	-	-	421.4
Non-current liabilities	3,434.0	389.8	-	-	-	3,823.8
Net assets	1,322.6	1,984.2	30.1	3.0	-	3,339.9
Capital expenditure and investments	1,249.8	512.5	34.0	3.4	(3.0)	1,796.7
For the year ended 31 March 2019						
Total Revenue	1,555.8	432.0	-	-	(461.3)	1,526.5
Share of earnings of associate companies	-	72.7	46.5	-	(12.8)	106.4
Inter-segment revenue	(147.8)	-	-	-	(42.9)	(190.7)
Total income	1,408.0	504.7	46.5	-	(517.0)	1,442.2
Operating expenses (excluding depreciation and amortisation)	(1,214.4)	(235.9)	-	-	452.5	(997.8)
Interest income	15.1	1.5	-	-	(9.8)	6.8
Interest expense	(135.2)	(35.7)	-	-	15.6	(155.3)
Depreciation and amortisation	(116.0)	(72.1)	-	-	27.7	(160.4)
Net gain/(loss) on foreign exchange and derivatives	0.8	(0.5)	-	-	-	0.3
Net realisations, revaluations and impairments	(31.8)	-	-	-	32.4	0.6
Taxation expense	(62.8)	(20.5)	-	-	11.3	(72.0)
Net surplus/(loss) for the year	(136.3)	141.5	46.5	-	12.7	64.4
Current assets	523.5	657.7	-	-	-	1,181.2
Non-current assets	3,648.6	1,864.6	37.6	-	-	5,550.8
Current liabilities	718.7	326.7	-	-	-	1,045.4
Non-current liabilities	2,396.5	545.6	-	-	-	2,942.1
Net assets	1,056.9	1,650.0	37.6	-	-	2,744.5
Capital expenditure and investments	161.9	176.6	101.5	-	(55.6)	384.4

6 Investments in associates

	Note	2020 $Millions	2019 $Millions
Investments in associates are as follows:			
Vodafone New Zealand	6.1	974.0	-
CDC Data Centres	6.2	693.4	555.3
RetireAustralia	6.3	291.5	289.3
Longroad Energy	6.4	-	10.8
Galileo Green Energy		3.0	-
Investments in associates		**1,961.9**	**855.4**

	Note	2020 $Millions	2019 $Millions
Equity accounted earnings of associates are as follows:			
Vodafone New Zealand	6.1	(24.7)	-
CDC Data Centres	6.2	161.0	83.9
RetireAustralia	6.3	(53.7)	(23.9)
Longroad Energy	6.4	4.7	46.4
Galileo Green Energy		(0.5)	-
Share of earnings of associate companies		**86.8**	**106.4**

6.1 Vodafone New Zealand

On 31 July 2019, the Group acquired a 49.9% ownership interest in Vodafone New Zealand Limited via a holding company structure. The Group and consortium partner Brookfield Asset Management Inc. ('Brookfield') each acquired 49.9% of the share capital of ICN JV Investments Limited ('Vodafone'), with the remaining shares being reserved for management of Vodafone. The Group has determined that its investment in ICN JV Investments Limited is an investment in associate, based on the key terms of the shareholders' agreement, governance structures and relative rights of the investors. Vodafone is a full-service telecommunications company in New Zealand and the acquisition increases Infratil's exposure to long-term data and connectivity growth. Infratils current shareholding is 49.9% (31 March 2019: N/A).

Movement in the carrying amount of the Group's investment in Vodafone New Zealand:	2020 $Millions
Carrying value at 1 April	
Acquisition of shares	690.3
Capitalised transaction costs	0.2
Shareholder loan	339.4
Total capital contributions during the year	1,029.9
Interest on shareholder loan	9.3
Share of associate's surplus/(loss) before income tax	(45.1)
Share of associate's income tax (expense)	11.1
Total share of associate's earnings during the year	(24.7)
Share of associate's other comprehensive income	(6.2)
less: Distributions received	(19.1)
less: Shareholder loan repayments including interest	(5.9)
Carrying value of investment in associate	974.0

The nature of the holding structure under which Infratil and Brookfield acquired Vodafone meant that ICN JV Investments Limited ultimately acquired 100% of the shares in Vodafone New Zealand Limited. As a result, within the holding structure NZ IFRS 3: Business Combinations was required to be applied on acquisition. NZ IFRS 3 requires that the identifiable assets and liabilities acquired as part of the business combination are measured at fair value at the date of acquisition, with any gain recognised through the profit and loss and any deficit recognised as goodwill. The major inputs and assumptions that are used in the valuations of material tangible assets include replacement values, life assumptions and terminal values for each asset. Key assumptions used for measuring the fair value of material intangible assets include projections of future revenues and margins associated with customer contracts, expected average customer tenure and application of discount rates.

Vodafone Management has completed this process and the results of this exercise are reflected in the summary financial information presented below and carrying value of the investment in associate.

Summary financial information:	2020 $Millions
Summary information for Vodafone is not adjusted for the percentage ownership held by the Group (unless stated)	
Current assets	598.7
Non-current assets	3,811.7
Total assets	4,410.4
Current liabilities	580.9
Non-current liabilities	2,565.0
Total liabilities	3,145.9
Net assets (100%)	1,264.5
Group's share of net assets	631.0
Revenues	1,382.6
Net surplus/(loss) after tax	(68.1)
Total other comprehensive income	2.2

	2020 $Millions
Reconciliation of the carrying amount of the Group's investment in Vodafone:	
Group's share of net assets	631.0
add: Shareholder loan	342.8
add: Capitalised transaction costs	0.2
Total other comprehensive income	974.0

6.2 CDC Data Centres

On 14 September 2016 the Group completed the acquisition of 48.13% of CDC Data Centres ('CDC'). CDC operates 80MW (2019: 67MW) of installed capacity across 3 accredited and connected Data Centre campuses in Canberra & Sydney. These facilities provide highly secure outsourced co-location Data Centre services to Australian Government entities and third party service providers. Infratil's current shareholding is 48.22% (2019: 48.22%).

Movement in the carrying amount of the Group's investment in CDC Data Centres:	2020 $Millions	2019 $Millions
Carrying value at 1 April	555.3	453.2
Acquisition of shares	-	31.7
Capitalised transaction costs	-	-
Shareholder loan	8.1	11.0
Total capital contributions during the year	8.1	42.7
Interest on shareholder loan	14.2	14.5
Share of associate's surplus/(loss) before income tax	216.6	108.6
Share of associate's income tax (expense)	(69.8)	(39.2)
Total share of associate's earnings during the year	161.0	83.9
Share of associate's other comprehensive income	-	-
less: Shareholder loan repayments including interest	(16.1)	(12.6)
Foreign exchange movements	(14.9)	(11.9)
Carrying value of investment in associate	693.4	555.3

Summary financial information:	2020 A$Millions	2019 A$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	87.2	35.0
Non-current assets	2,703.3	1,799.4
Total assets	2,790.5	1,834.4
Current liabilities	73.3	20.5
Non-current liabilities	1,654.1	1,039.9
Total liabilities	1,727.4	1,060.4
Net assets (100%)	1,063.1	774.0
Group's share of net assets	512.6	373.2
Revenues	173.6	115.5
Net surplus/(loss) after tax	289.1	137.5
Total other comprehensive income	-	-

	2020 $Millions	2019 $Millions
Reconciliation of the carrying amount of the Group's investment in CDC Data Centres:		
Group's share of net assets in NZD	526.3	389.8
add: Shareholder loan	167.1	165.5
Carrying value of investment in associate	693.4	555.3

CDC's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.9740 (Spot rate) and 0.9501 (Average rate) (2019: Spot rate 0.9574, Average rate 0.9334).

6.3 RetireAustralia

On 31 December 2014, the Group acquired a 50% shareholding of RetireAustralia, with consortium partner the New Zealand Superannuation Fund acquiring the other 50%. RetireAustralia operates 27 retirement villages across three states in Australia – New South Wales, Queensland and South Australia. Infratil's current shareholding is 50% (2019: 50%).

Movement in the carrying amount of the Group's investment in RetireAustralia:	2020 $Millions	2019 $Millions
Carrying value at 1 April	289.3	318.0
Acquisition of shares	61.3	-
Total capital contributions during the year	61.3	-
Share of associate's surplus/(loss) before income tax	(53.7)	(23.9)
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	(53.7)	(23.9)
Share of associate's other comprehensive income	-	-
less: Shareholder loan repayments including interest	-	-
Foreign exchange movements	(5.4)	(4.8)
Carrying value of investment in associate	291.5	289.3

Summary financial information:	2020 A$Millions	2019 A$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	196.4	191.1
Non-current assets	2,266.4	2,319.6
Total assets	2,462.8	2,510.7
Current liabilities	1,738.0	1,746.0
Non-current liabilities	157.1	210.8
Total liabilities	1,895.1	1,956.8
Net assets (100%)	567.7	553.9
Group's share of net assets	283.9	277.0
Total other comprehensive income	291.5	289.3
Revenues	77.5	74.6
Net surplus/(loss) after tax	(102.1)	(44.5)
Total other comprehensive income	-	-

RetireAustralia's functional currency is Australian Dollars (A$) and the summary financial information shown is presented in this currency. The NZD/AUD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.9740 (Spot rate) and 0.9501 (Average rate) (2019: Spot rate 0.9574, Average rate 0.9334).

RetireAustralia's net current asset deficiency has primarily arisen due to the requirement under Accounting Standards to classify resident obligations as current liabilities as there is no unconditional contractual right to defer settlement for at least twelve months of balance date (residents may give notice of their intention to vacate their unit with immediate effect). In contrast, the corresponding assets are classified as non-current under Accounting Standards.

6.4 Longroad Energy

On 5 October 2016 the Group announced an initial (45%) investment in Longroad Energy Holdings, LLC ('Longroad Energy' or 'Longroad'), a recently formed renewable energy development and operating vehicle headquartered in Boston, Massachusetts. Longroad's focus is primarily in the development of utility-scale wind and solar generation throughout North America. The other establishment partners were the New Zealand Superannuation Fund (40%) and the Longroad management team (10%). Infratil's current shareholding is 40% (2019: 40%). In December 2018 Longroad Energy distributed its membership interest in Montgomery Street Holdings, LLC ('MSH') to the shareholders of Longroad Energy. The carrying value of MSH is included within the equity accounting for Longroad Energy presented below.

Movement in the carrying amount of the Group's investment in Longroad Energy:	2020 $Millions	2019 $Millions
Carrying value at 1 April	10.8	10.1
Capital contributions	31.8	19.8
Shareholder loan	-	0.4
Mezzanine debt drawdowns	-	67.0
Total capital contributions during the year	31.8	87.2
Interest on shareholder loan	-	-
Interest on mezzanine debt	-	4.6
Share of associate's surplus/(loss) before income tax	4.7	41.8
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	4.7	46.4
Share of associate's other comprehensive income	(15.0)	(12.0)
less: Distributions received	(29.0)	(32.7)
less: Capital returned	(4.4)	(16.5)
less: Shareholder loan repayments including interest	-	(1.6)
less: Mezzanine debt repayments including interest	-	(71.6)
Foreign exchange movements	1.1	1.5
Carrying value of investment in associate	-	10.8

Summary financial information:	31 December 2019 US$Millions	31 December 2018 US$Millions
Summary information for is not adjusted for the percentage ownership held by the Group (unless stated)		
Current assets	153.0	282.2
Non-current assets	1,247.3	572.7
Total assets	1,400.3	854.9
Current liabilities	270.0	290.1
Non-current liabilities	1,059.8	533.8
Total liabilities	1,329.8	823.9
Net assets (100%)	70.5	31.0
Adjustment for movements between 31 December and 31 March	(57.4)	(11.6)
less: non-controlling interests at 31 March	(29.2)	(0.2)
Net assets attributable to owners of Longroad Energy as at 31 March	(16.1)	19.2
Group's share of net assets at 31 March	(5.7)	7.3
Group's share of net assets at 31 March ($NZD)	(9.6)	10.8
Adjust carrying value to nil at 31 March ($NZD)	9.6	-
Carrying value of investment in associate ($NZD)	-	10.8
Revenues	94.3	93.4
Net surplus/(loss) after tax	6.8	59.5
Total other comprehensive income	(10.2)	1.1

Longroad's functional currency is United States Dollars ($US) and the summary financial information shown is presented in this currency. The NZD/USD exchange rates used to convert the summary financial information to the Group's functional currency ($NZD) were 0.5997 (Spot rate) and 0.6474 (Average rate) (2019: Spot rate 0.6785, Average rate 0.6810).

The summary information provided is taken from the most recent audited annual financial statements of Longroad Energy Holdings, LLC which have a balance date of 31 December and are reported as at that date. An adjustment to the carrying value of the investment in Longroad Energy has been recorded as at 31 March 2020 as under NZ IAS 28 the carrying amount of the investment is not permitted to reduce below zero.

Letter of credit facility

Longroad has obtained an uncommitted secured letter of credit facility of up to US$150 million from HSBC Bank. Letters of credit under the Facility are on issue to beneficiaries to support the development and continued operations of Longroad. Infratil has provided shareholder backing of the Longroad Letter of Credit facility, specifically, Infratil (and the New Zealand Superannuation Fund) have collectively agreed to meet up to US$150 million of capital calls (i.e. subscribe for additional units) equal to Longroad's reimbursement obligation in the event that a Letter of Credit is called and Longroad cannot fund the call, taking into account immediately available working capital. As at 31 March 2020, US$113.5 million (31 March 2019: US$115.3 million) in Letters of Credit are on issue under the Longroad Letter of Credit facility.

7 Other investments

	2020 $Millions	2019 $Millions
Australian Social Infrastructure Partners	33.4	45.4
Clearvision Ventures	30.1	26.8
Other	7.9	9.0
Other investments	**71.4**	**81.2**

Australian Social Infrastructure Partners

Australian Social Infrastructure Partners ('ASIP') holds a 9.95% share of the equity in the New Royal Adelaide Hospital public-private partnership ('PPP'). ASIP divested its 49.0% equity interest in the South East Queensland Schools PPP during the year, from which Infratil's share of cash proceeds was A$12.9 million. In 2014, Infratil made a A$100 million commitment to pursue greenfield availability-based PPP opportunities in Australia via ASIP. As at 31 March 2020, A$69.5 million of the commitment remains uncalled (31 March 2019: A$69.5 million) however no further Capital Calls are forecast from ASIP.

Clearvision Ventures

In February 2016, the Group made a commitment of US$25 million to the California based Envision Ventures Fund 2. The strategic objective is to help Infratil's businesses identify and engage with technology changes that will impact their activities. As at 31 March 2020 Infratil has made total contributions of US$21.0 million (31 March 2019: US$19.5 million), with the remaining US$4.0 million commitment uncalled at that date. During the comparative period the name of the investing entity, Envision Ventures Fund 2 LP was renamed Clearvision Ventures Ecosystem Fund LP.

8 Investment in subsidiaries and associates

The significant companies of the Infratil Group and their activities are shown below. The financial year end of all the significant subsidiaries and associates is 31 March with exceptions noted.

	2020 Holding	2019 Holding	Principal Activity
Subsidiaries			
New Zealand			
Infratil Finance Limited	100%	100%	Finance
Infratil Infrastructure Property Limited	100%	100%	Property
New Zealand Bus Limited	-	100%	Public transport
Snapper Services Limited	-	100%	Technology
Swift Transport Limited	100%	100%	Investment
Tilt Renewables Limited	65.6%	65.3%	Electricity generation
Trustpower Limited	51.0%	51.0%	Electricity generation and utility retailer
Wellington International Airport Limited	66.0%	66.0%	Airport
Australia			
Perth Energy Pty Limited	-	80.0%	Electricity retailer
Western Energy Pty Limited	-	80.0%	Electricity generation
Associates			
New Zealand			
Vodafone New Zealand Limited	49.9%	-	Telecommunications
Australia			
CDC Group Holdings Pty Ltd	48.2%	48.2%	Data Centre
Cullinan Holding Trust	-	50.0%	Purpose Built Student Accommodation
RA (Holdings) 2014 Pty Limited	50.0%	50.0%	Retirement Living
United States			
Longroad Energy Holdings, LLC *(31 December year end)*	40.0%	40.0%	Renewable Energy Development
Europe			
Galileo Green Energy, LLC	40.0%	-	Renewable Energy Development

9 Discontinued operations

Summary of results of discontinued operations	Note	2020 $Millions	2019 $Millions
ANU Student Accommodation	9.1	66.6	12.7
NZ Bus	9.2	(69.2)	(30.8)
Perth Energy	9.3	(19.4)	14.2
Snapper Services	9.4	(2.6)	(8.1)
Net surplus from discontinued operations after tax		**(24.6)**	**(12.0)**

9.1 ANU Student Accommodation

On 21 May 2019 the Group announced a sale of its 50% interest in the Australian National University's PBSA concession to funds controlled by AMP Capital had completed. Infratil received cash proceeds of A$162.1 million, as well as shareholder loan interest and distributions of A$4.8 million in the period from 1 April 2019 to completion. The investment was classified as held for sale at 31 March 2019 and is reported in the consolidated financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Carrying value at 1 April	108.2	96.1
Acquisition of shares	-	4.1
Shareholder loan	-	5.0
Total capital contributions during the year	-	9.1
Interest on shareholder loan (including accruals)	0.5	3.8
Share of associate's surplus/(loss) before income tax	-	8.9
Share of associate's income tax (expense)	-	-
Total share of associate's earnings during the year	0.5	12.7
less: Distributions received	(3.5)	(5.2)
less: Shareholder loan repayments including interest	(57.6)	(1.7)
less: Capital returned	(49.4)	-
Foreign exchange movements recognised in other comprehensive income	1.8	(2.8)
Carrying value of investment in associate	-	108.2
The net gain on the sale is calculated as follows:		
Gross sale proceeds	172.2	-
Carrying amount of assets and liabilities as at the date of sale	104.1	-
Gain on sale before cost of disposal	68.1	-
Cost of disposal	(2.0)	-
Net gain on sale	66.1	-
Net surplus from discontinued operation after tax	66.6	12.7
Basic and diluted earnings per share (cents per share)	10.4	2.3
The profit from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	4.0	6.9
Net cash from/(used in) investing activities	169.7	(9.1)
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	173.7	(2.2)

There was no cumulative income recognised in other comprehensive income relating to ANU Student Accommodation at 31 March 2020 (31 March 2019: -$2.4 million).

9.2 NZ Bus

On 2 September 2019 the Group announced that the sale of its NZ Bus business to funds controlled by Next Capital had been completed. The final consideration after post-completion adjustments for working capital, capital expenditure, and an earnout mechanism is yet to be finalised. Upfront cash proceeds of approximately $93 million have been received. The balance (after the post-completion adjustments and earnout) will be paid in cash and a vendor loan once post completion activities are finalised. Gross sale proceeds have been recognised based on upfront proceeds and an estimate of final proceeds based on the contractual price floor. Contingent sales proceeds above the contractual price floor do not meet the requirements for recognition as at 31 March 2020. The investment was classified as held for sale at 31 March 2019 and is reported in the financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Results of discontinued operation		
Revenue	76.1	184.2
Operating expenses	70.2	166.8
Results from operating activities	5.9	17.4
Depreciation & amortisation of intangibles	(7.1)	(21.1)
Net realisations, revaluations, (impairments)	0.2	(29.2)
Net financing expense	-	(0.2)
Net surplus/(loss) before tax	(1.0)	(33.1)
Taxation (expense)/credit	0.6	2.3
Net surplus/(loss) after tax	(0.4)	(30.8)
The net loss on the sale is calculated as follows:		
Gross sale proceeds	98.5	-
Carrying amount of assets and liabilities as at the date of sale	166.9	-
Loss on sale before cost of disposal	(68.4)	-
Cost of disposal	(0.4)	-
Net loss on sale	(68.8)	-
Net loss from discontinued operation after tax	(69.2)	(30.8)
Basic and diluted earnings per share (cents per share)	(10.8)	(5.5)
The loss from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from/(used in) operating activities	(0.1)	2.6
Net cash from/(used in) investing activities	92.9	2.8
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	92.8	5.4

There was no cumulative income recognised in other comprehensive income relating to NZ Bus at 31 March 2020 (31 March 2019: nil).

9.3 Perth Energy

On 2 September 2019 Infratil announced that the sale of Perth Energy to AGL Energy Limited had been completed. Infratil received cash proceeds of A$56.7 million for its 80% shareholding. Additional final sales proceeds may be received contingent on certain outcomes but do not meet the requirements for recognition as at 31 March 2020. The investment was classified as held for sale at 31 March 2019 and is reported in the consolidated financial statements as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

	2020 $Millions	2019 $Millions
Results of discontinued operation		
Revenue	114.2	269.9
Operating expenses	102.1	234.0
Results from operating activities	12.1	35.9
Depreciation & amortisation of intangibles	(2.6)	(6.0)
Net realisations, revaluations, (impairments)	-	-
Net financing expense	(1.1)	(2.1)
Net surplus/(loss) before tax	8.4	27.8
Taxation (expense)/credit	(4.9)	(13.6)
Net surplus/(loss) after tax	3.5	14.2
The net loss on the sale is calculated as follows:		
Gross sale proceeds	67.4	-
Carrying amount of assets and liabilities as at the date of sale	89.6	-
Loss on sale before cost of disposal	(22.2)	-
Cost of disposal	(0.7)	-
Net loss on sale	(22.9)	-
Net loss from discontinued operation after tax	(19.4)	14.2
Basic and diluted earnings per share (cents per share)	(3.0)	2.5
The loss from the discontinued operation is attributable entirely to the owners of the Company.		
Cash flows from/(used in) discontinued operation		
Net cash from/(used in) operating activities	3.5	11.9
Net cash from/(used in) investing activities	67.2	(0.4)
Net cash from/(used in) financing activities	(2.3)	(4.5)
Net cash flows for the year	68.4	7.0

There was no cumulative income recognised in other comprehensive income relating to Perth Energy at 31 March 2020 (31 March 2019: $5.1 million).

9.4 Snapper Services

On 31 May 2019, Infratil announced that it had completed the sale of Snapper Services to Allectus Capital for nominal consideration. The investment was classified as held for sale at 31 March 2019 and is presented in the consolidated financial statements as a discontinued operation.

10 Revenue

	2020 $Millions	2019 $Millions
Electricity	940.2	1,026.2
Gas	29.9	29.2
Telecommunications	98.1	87.7
Aircraft movement and terminal charges	80.8	81.5
Hotel and other trading activities	39.1	30.5
Revenue allocated to customer incentives	27.9	21.5
Other	65.3	56.6
Total operating revenue	**1,281.3**	**1,333.2**

Revenue Recognition Policies

The nature and timing of the various performance obligations in the Group's contracts with customers and property leases and when revenue is recognised is outlined below:

Description of performance obligations	Timing and satisfaction of performance obligations
Electricity and Gas - Sales to customers	
Revenue received or receivable from the sale of electricity and gas to mass market, commercial and industrial customers by Trustpower. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Customer consumption of electricity and gas is measured and billed by calendar month for half hourly metered customers and in line with meter reading schedules for non-half hourly metered customers. Accordingly, revenues from electricity and gas sales include an estimated accrual for units sold but not billed at the end of the reporting period for non-half hourly metered customers.
Electricity - Generation	
This category includes revenue from the sale of electricity generated from Tilt Renewables' wind farms and Generation and sale of Large-scale Generation Certificates ('LGC's') in Australia.	Generation revenue is recognised when control has transferred to the customer. This takes place when the amount of revenue can be reliably measured, upon satisfaction of contractually binding performance obligations.
Telecommunications	
This category comprises Trustpower's revenue from the sale of broadband, mobile and other telecommunications services. Where Trustpower provides a bundle of services (such as electricity and telecommunications) to a customer and a discount is provided for one of those services, the discount is allocated to each distinct performance obligation based on the relative standalone selling price of those services. Where a discount is offered for prompt payment, revenue is initially recognised net of estimated discount based on accumulated experience used to estimate the quantum of discounts extended to customers.	Revenue is recognised at the point in time of supply and customer consumption. Generally billed and paid on a monthly billing cycle.

Description of performance obligations	Timing and satisfaction of performance obligations
Aircraft movement and terminal charges	
Aircraft movement and terminal charges consists of Wellington International Airport's airfield income, passenger service charges and terminal service charges. Airfield income consists of landing charges and aircraft parking charges.	Landing charges and aircraft parking charges are paid by the airlines and recognised as revenue at the point in time the airport facilities are used by the arriving or departing aircraft. Passenger services charges and terminal service charges relating to arriving, departing and transiting passengers are paid by the airlines and recognised as revenue at the point in time when the passenger travels or the airport facilities are used.
Hotel and other trading activities	
Hotel and other trading activities includes Wellington International Airport's hotel and access to the airport's car parking facilities.	Revenue from car parking is recognised at the point in time where the utilisation of car parking facilities has been completed. Revenue from the hotel is recognised at the point in time the service is delivered.
Revenue allocated to customer incentives	
Trustpower offers new customers goods, including appliances and modems, as an incentive to enter into a contract for electricity and telecommunications services. These incentives are considered performance obligations in their own right and a proportion of the revenue expected to be received over the contract period is allocated to these physical goods proportionately to their standalone selling price.	Revenue allocated to customer incentives is recognised upon delivery of the goods and a capitalised customer acquisition cost asset is recorded in the statement of financial position. As the customer is invoiced for electricity and telecommunications services over the life of the contract, a portion of this invoiced revenue is allocated to the capitalised customer acquisition cost asset, thereby reducing this asset to zero over the course of the contract term.

Other revenue includes Wellington International Airport's retail concession fees and rental income. Retail concession fees are recognised as revenue based upon passenger throughput or the turnover of the concessionaires and in accordance with the related agreements. Rental income is recognised as revenue on a straight-line basis over the term of the leases on leases where the group is the lessor.

11 Net realisations, revaluations and impairments

	2020 $Millions	2019 $Millions
Impairment of assets	(14.0)	(10.9)
Gain on sale of metering business	16.4	-
Gain on sale of Snowtown 2	511.5	-
Investment property revaluation	(3.2)	4.8
Other realisations, revaluations and impairments	(0.1)	6.7
Net realisations, revaluations and impairments	**510.7**	**0.6**

On 5 December 2019 Tilt Renewables entered into an agreement to sell the 270 MW Snowtown 2 wind farm to an entity wholly-owned by funds managed by Palisade Investment Partners Limited and First State Super. Tilt Renewables recorded a net gain on sale of A$486.0 million (NZ$511.5 million) as a result of the transaction.

12 Other operating expenses

	Note	2020 $Millions	2019 $Millions
Trading operations			
Energy and wholesale costs		207.1	234.6
Line, distribution and network costs		280.7	284.5
Generation production & development costs		45.5	46.5
Other energy business costs		126.5	123.1
Telecommunications cost of sales		63.3	54.4
Airport business costs		27.5	24.0
Bad debts written off		3.6	2.0
Increase in provision for expected credit loss	22.1	3.2	0.4
Directors' fees	25	3.3	3.2
Administration and other corporate costs		5.4	6.7
Management fee (to related party Morrison & Co Infrastructure Management)	26	37.3	24.1
International Portfolio incentive fee	28	125.0	102.6
Donations		1.0	0.9
Total other operating expenses		**929.4**	**907.0**

Fees paid to auditors (including fees paid by associates)

	2020 Fees paid to the Group auditor $000's	2020 Audit fees paid to other auditors $000's	2020 Total $000's	2019 Fees paid to the Group auditor $000's	2019 Audit fees paid to other auditors $000's	2019 Total $000's
Audit and review of financial statements	299.3	800.5	1,099.9	317.4	882.9	1,200.3
Regulatory audit work	32.0	-	32.0	32.0	-	32.0
Other assurance services	114.5	-	114.5	-	-	-
Taxation services	58.1	-	58.1	99.6	-	99.6
Other services	122.1	-	122.1	103.0	-	103.0
	626.0	800.5	1,426.6	552.0	882.9	1,434.9
Fees paid to the Group auditor by associates (recognised through share of associate earnings)	621.8	1,101.5	1,723.3	472.5	-	472.5
Total fees paid to the Group auditor	**1,247.8**	**1,902.0**	**3,149.8**	**1,024.5**	**882.9**	**1,907.4**

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory audit work consists of the audit of regulatory disclosures. Other assurance services comprise of agreed upon procedures and audit of compliance reports. Tax services relate to tax compliance work and tax advisory services provided to a subsidiary of the group. Other services primarily relate to due diligence work undertaken.

13 Taxation

13.1 Tax Reconciliation

	2020 $Millions	2019 $Millions
Net surplus before taxation from continuing operations	523.2	136.4
Taxation on the surplus for the year @ 28%	146.5	38.2
Plus/(less) taxation adjustments:		
Effect of tax rates in foreign jurisdictions	9.6	(0.1)
Net benefit of imputation credits	–	–
Timing differences not recognised	(3.1)	(1.0)
Tax losses not recognised/(utilised)	6.2	30.1
Effect of equity accounted earnings of associates	(2.1)	0.6
Recognition of previously unrecognised deferred tax	(20.8)	(1.2)
(Over)/under provision in prior periods	(6.1)	0.9
Net investment realisations	(148.8)	(0.4)
Other permanent differences	33.0	4.9
Taxation expense	**14.4**	**72.0**
Current taxation	35.1	52.4
Deferred taxation	(20.7)	19.6
Tax on discontinued operations	4.3	11.4

13.2 Income tax recognised in other comprehensive income

	2020		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(17.8)	0.3	(17.5)
Realisations on disposal of subsidiary, reclassified to profit and loss	(22.5)	-	(22.5)
Net change in fair value of available for sale financial assets	(0.5)	(0.5)	(1.0)
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	(75.0)	21.0	(54.0)
Fair value movements in relation to executive share scheme	5.1	(6.0)	(0.9)
Net change in fair value of property, plant & equipment recognised in equity	63.3	(16.8)	46.5
Share of associates other comprehensive income	(21.3)	-	(21.3)
Balance at the end of the year	**(68.7)**	**(2.0)**	**(70.7)**

	2019		
	Before tax $Millions	Tax (expense) $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(18.9)	(2.8)	(21.7)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	-	-
Net change in fair value of available for sale financial assets	2.6	-	2.6
Ineffective portion of hedges taken to profit and loss	-	-	-
Effective portion of changes in fair value of cash flow hedges	5.9	(0.8)	5.1
Fair value movements in relation to executive share scheme	(0.1)	0.7	0.6
Net change in fair value of property, plant & equipment recognised in equity	(283.6)	69.1	(214.5)
Share of associates other comprehensive income	(11.6)	-	(11.6)
Balance at the end of the year	**(305.7)**	**66.2**	**(239.5)**

13.3 Deferred tax

Deferred tax assets and liabilities are offset on the Statement of Financial Position where they relate to entities with a legally enforceable right to offset tax.

	2020 $Millions	2019 $Millions
Balance at the beginning of the year	(442.5)	(505.1)
Charge for the year	20.7	(19.6)
Charge relating to discontinued operations	-	(14.7)
Deferred tax recognised in equity	(1.4)	66.2
Disposal of Snowtown 2	102.0	-
Adjustment on initial application of IFRS 15	-	(8.1)
Effect of movements in foreign exchange rates	(0.6)	1.7
Tax losses recognised	7.2	9.9
Transfers to liabilities classified as held for sale	-	27.2
Balance at the end of the year	**(314.6)**	**(442.5)**

The Infratil New Zealand Group is forecasting to derive taxable profits in future periods, sufficient to utilise the tax losses carried forward and deductible temporary differences. As a result deferred tax assets and liabilities have been recognised where they arise, including deferred tax on tax losses carried forward.

13.4 Recognised deferred tax assets and liabilities

	Assets $Millions	Liabilities $Millions	Net $Millions
31 March 2020			
Property, plant and equipment	-	(372.5)	(372.5)
Investment property	-	(4.3)	(4.3)
Derivative financial instruments	46.7	-	46.7
Employee benefits	5.4	-	5.4
Customer base assets	-	(2.4)	(2.4)
Provisions	1.3	-	1.3
Tax losses carried forward	38.8	-	38.8
Other items	(2.4)	(25.2)	(27.6)
Total	**89.8**	**(404.4)**	**(314.6)**
31 March 2019			
Property, plant and equipment	-	(442.4)	(442.4)
Investment property	-	(14.9)	(14.9)
Derivative financial instruments	8.2	(6.7)	1.5
Employee benefits	5.8	-	5.8
Customer base assets	-	(2.9)	(2.9)
Provisions	0.8	-	0.8
Tax losses carried forward	42.2	-	42.2
Other items	-	(32.6)	(32.6)
Total	**57.0**	**(499.5)**	**(442.5)**

13.5 Changes in temporary differences affecting tax expense

	Tax expense		Other comprehensive income	
	2020 $Millions	2019 $Millions	2020 $Millions	2019 $Millions
Property, plant and equipment	24.2	9.9	45.0	69.1
Investment property	10.6	(1.5)	-	-
Derivative financial instruments	(5.9)	0.6	52.0	(0.8)
Employee benefits	0.1	1.3	(0.5)	0.7
Customer base assets	0.4	0.9	-	-
Provisions	0.5	0.1	-	-
Tax losses carried forward	(10.6)	(24.9)	-	-
Other items	1.4	(6.0)	3.6	(2.8)
	20.7	**(19.6)**	**100.1**	**66.2**

13.6 Imputation credits available to be used by Infratil Limited

	2020 $Millions	2019 $Millions
Balance at the end of the year	9.9	1.7
Imputation credits that will arise on the payment/(refund) of tax provided for	-	-
Imputation credits that will arise on the (payment)/receipt of dividends accrued at year end	-	-
Imputation credits available for use	**9.9**	**1.7**

14 Property, plant and equipment

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation plant (renewable) $Millions	Generation plant (non-renewable) $Millions	Total $Millions
2020								
Cost or valuation								
Balance at beginning of year	585.6	551.7	132.4	169.2	67.6	2,961.1	-	4,467.6
Additions	0.4	-	-	520.7	-	-	-	521.1
Capitalised interest and financing costs	-	-	-	-	-	-	-	-
Disposals	-	-	(14.4)	-	(69.5)	(623.7)	-	(707.6)
Impairment	-	(4.4)	-	(3.6)	-	(5.6)	-	(13.6)
Revaluation	(12.1)	14.7	-	-	-	(5.1)	-	(2.5)
Transfers between categories	24.4	12.6	18.3	(79.6)	1.9	22.0	-	(0.4)
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Transfer to right of use assets on transition to NZ IFRS 16	-	-	-	-	-	(23.8)	-	(23.8)
Transfers to intangible assets	-	-	-	(0.5)	-	-	-	(0.5)
Transfers from/(to) investment properties	(16.4)	(4.9)	-	(32.4)	-	-	-	(53.7)
Effect of movements in foreign exchange rates	-	-	(0.3)	(9.4)	-	(0.9)	-	(10.6)
Balance at end of year	**581.9**	**569.7**	**136.0**	**564.4**	**-**	**2,324.0**	**-**	**4,176.0**
Accumulated depreciation								
Balance at beginning of year	22.8	13.7	86.5	-	67.0	76.1	-	266.1
Depreciation for the year	8.0	14.3	14.1	-	0.8	84.5	-	121.7
Transfer to investment properties	-	(0.7)	-	-	-	-	-	(0.7)
Revaluation	(30.8)	-	-	-	-	(16.3)	-	(47.1)
Disposals	-	-	(13.2)	-	(67.8)	(39.8)	-	(120.8)
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Transfer to right of use assets on transition to NZ IFRS 16	-	-	-	-	-	(0.7)	-	(0.7)
Effect of movements in foreign exchange rates	-	-	(0.1)	-	-	(0.6)	-	(0.7)
Balance at end of year	**-**	**27.3**	**87.3**	**-**	**-**	**103.2**	**-**	**217.8**
Carrying value at 31 March 2020	581.9	542.4	48.7	564.4	-	2,220.8	-	3,958.2

Additions to capital work in progress primarily relate to the construction costs associated with the Dundonnell Wind Farm project in Australia and the Waipipi Wind Farm project in New Zealand. Included within Impairment is a $4.4 million reduction in the Wellington International Airport hotel, $5.6 million relating to the valuation of Trustpower's generation assets, $2.3 million relating to a generation project and $1.3 million relating to costs superseded as part of a runway and seawall strengthening works project.

Readers should pay attention to the sensitivity analysis included in this note which shows the impact on revalued assets should key valuation inputs differ from that assumed by the valuer.

	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation plant (renewable) $Millions	Generation plant (non-renewable) $Millions	Total $Millions
2019								
Cost or valuation								
Balance at beginning of year	543.1	449.4	533.2	255.1	69.4	3,301.5	99.9	5,251.6
Additions	-	0.1	43.6	207.2	-	48.2	0.3	299.4
Capitalised interest and financing costs	-	-	-	-	-	-	-	-
Disposals	(5.3)	(1.5)	(27.7)	-	(0.7)	(4.0)	(0.3)	(39.5)
Impairment	-	-	(30.4)	(1.6)	-	-	-	(32.0)
Revaluation	14.0	-	-	-	-	(460.9)	4.8	(442.1)
Transfers between categories	33.8	112.6	27.9	(284.0)	(1.1)	110.8	-	-
Transfers to assets classified as held for sale	-	(8.9)	(413.9)	(6.0)	-	-	(105.6)	(534.4)
Transfers to intangible assets	-	-	-	-	-	-	-	-
Transfers from/(to) investment properties	-	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	-	(0.3)	(1.5)	-	(34.5)	0.9	(35.4)
Balance at end of year	**585.6**	**551.7**	**132.4**	**169.2**	**67.6**	**2,961.1**	**-**	**4,467.6**
Accumulated depreciation								
Balance at beginning of year	15.3	2.9	329.5	-	63.4	117.6	-	528.7
Depreciation for the year	7.5	12.4	35.3	-	4.3	105.2	5.3	170.0
Transfer to investment properties	-	-	-	-	-	-	-	-
Revaluation	-	-	(0.1)	-	-	(145.1)	(5.3)	(150.5)
Disposals	-	(0.3)	(25.7)	-	(0.7)	(1.3)	-	(28.0)
Transfers to assets classified as held for sale	-	(1.3)	(252.4)	-	-	-	-	(253.7)
Effect of movements in foreign exchange rates	-	-	(0.1)	-	-	(0.3)	-	(0.4)
Balance at end of year	**22.8**	**13.7**	**86.5**	**-**	**67.0**	**76.1**	**-**	**266.1**
Carrying value at 31 March 2019	562.8	538.0	45.9	169.2	0.6	2,885.0	-	4,201.5

Trustpower generation property, plant and equipment

Trustpower's generation assets include land and buildings which are not separately identifiable from other generation assets. Generation assets were independently revalued, using a discounted cash flow methodology, as at 31 March 2020, to their estimated market value as assessed by Deloitte Corporate Finance.

The valuation of Trustpower's generation assets is sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis of key inputs is given in the table below. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the respective assumptions and while keeping all other valuation inputs constant.

Generation Renewable	Low	High	Valuation impact
New Zealand Assets			
Forward electricity price path	Decreasing in real terms from $100/MWh to $76/MWh by 2024. Thereafter held constant.	Decreasing in real terms from $100/MWh to $86/MWh by 2024. Thereafter held constant.	-/+ $250.0m
Generation volume	1,668 GWh	2,205 GWh	-/+ $370.0m
Avoided Cost of Transmission	70% reduction in revenue from 2025	30% reduction in revenue from 2025	- $62.0m / + $18.0m
Operating costs	$60.0 million p.a.	$73.0 million p.a.	-/+ $123.0m
Weighted average cost of capital	6.50%	7.50%	+ $196.0m / - $160.0m

Tilt Renewables generation property, plant and equipment

The valuation of Tilt Renewables generation assets is sensitive to the inputs used in the discounted cash flow valuation model. A sensitivity analysis around some key inputs is given in the table below. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the assumption and keeping all other valuation inputs constant. In addition to the tests below, a separate sensitivity analysis has been conducted to assess the impact of varying future cash flows for increases or decreases of up to 10% in market prices (including New Zealand market prices beyond the fixed price period to March 2025). None of these tests resulted in an impairment of the fair value of generation, property, plant and equipment.

Generation Renewable	Low	High	Valuation impact
New Zealand Assets			
Generation volume	10% reduction in future production	10% increase in future production	-/+ $22.5m
Operating costs	10% increase in future operating expenditure	10% decrease in future operating expenditure	-/+ $9.6m
Weighted average cost of capital	6.50%	7.5%	- $5.4m / + $6.6m
Australian Assets			
Forward electricity price path (including renewable energy credits)	10% reduction in future electricity pricing	10% increase in future electricity pricing	-/+ A$33.8m
Generation volume	10% reduction in future production	10% increase in future production	-/+ A$29.4m
Operating costs	10% increase in future operating expenditure	10% decrease in future operating expenditure	-/+ $11.3m
Weighted average cost of capital	6.13%	7.13%	- A$9.3m / + A$9.9m

Wellington International Airport property, plant and equipment

At 31 March 2020, the Group made an assessment of whether the carrying amounts of Wellington International Airport's ('WIAL') property, plant and equipment differed materially from fair value. This assessment considered changes in significant inputs since the last revaluation, movements in the capital goods price index and changes in valuations of investment property as an indicator of property, plant and equipment.

Due to Covid-19, there is uncertainty around forecast domestic and international air travel and consequently uncertainty relating to WIAL's forecast cash flows. WIAL has forecast a significant reduction in passenger numbers for the year ending 31 March 2021 and a slow recovery back to pre-Covid-19 levels occurring in the year ended 31 March 2023. These passenger forecasts are based on the information available to the Group at the time of preparing these financial statements and were arrived at with reference to various data sources including airlines, the International Air Transport Association ('IATA') and travel and tourism bodies.

WIAL's estimates of passengers, recovery and growth rates remain uncertain and dependent on a number of factors with respect to Covid-19 including timing of New Zealand moving into lower alert levels, any remaining restrictions on domestic travel, border controls for international travel, public demand and behaviour with respect to travel and airline scheduling. Material changes in any of these factors might have a material impact on the estimates of income and cashflows used in the valuations and fair value assessments at 31 March 2020. In addition, the longer-term effects of Covid-19 on WIAL's business remain uncertain and the potential impacts of the pandemic continue to evolve rapidly.

Due to the uncertainties resulting from the Covid-19 pandemic, the assessment of fair value of land and buildings by Savills (NZ) Limited and the valuation of the hotel business assets by Jones Lang LaSalle have been reported by both valuers on the basis of "material valuation uncertainty as defined by RICS (the Royal Institution of Chartered Surveyors)". Savills (NZ) Limited and Jones Lang LaSalle both noted in their valuation reports that as a consequence of this material valuation uncertainty, "less certainty and a higher degree of caution" should be attached to the work undertaken.

The following tables summarise the significant valuation techniques and inputs used by valuers to arrive at the fair value for Wellington International Airport's property, plant and equipment.

Asset classification and description	Valuation approach	Key valuation assumptions		+/- 5% Valuation impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets.	Market Value for Existing Use ('MVEU')	Rate per hectare	$1.86 million per hectare	+/- $10.0m
Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail, residential and land associated with the vehicle business.		Developer's WACC rate	10.4%	+/- $7.4m
		Holding period	6 years	+/- $11.1m
Valued at 31 March 2018 by Savills (NZ) Limited, registered valuers, at $333.1 million.				
Civil				
Civil works includes sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value.	Optimised Depreciated Replacement Cost ('ODRC')	Average cost rates including concrete, asphalt, base course and foundations	Concrete $887 Asphalt $989 Basecourse $127 Foundations $20	+/- $9.5m
		Estimated remaining useful life	Average remaining useful life 30 years	+/- $9.5wm
Valued at 31 March 2020 by Opus International Consultants Limited at $190.4 million.				
Buildings				
Specialised buildings used for identified airport activities.	Optimised Depreciated Replacement Cost ('ODRC')	Modern equivalent asset rate (per square metre)	$5,567	+/- $13.0m
Non-specialised buildings used for purposes other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage.			$1,711	+/- $0.4m
Vehicle business assets associated with car parking and taxi, shuttle and bus services (excluding land and civil).	Discounted Cash flows ('DCF') and Capitalisation Rate	Revenue growth	3.00%	+/- $0.8m
		Cost growth	3.00%	+/- $0.1m
		Discount rate	12.00%	+/- $6.6m
		Capitalisation rate	9.00%	+/- $9.0m

All buildings (excluding hotel business assets) valued at 31 March 2018 by Savills (NZ) Limited, registered valuers, at $423.4 million. The decrease in the carrying value of the vehicle business assets is primarily due to a forecast reduction in short term cashflows due to fewer passengers and vehicle business customers.

Hotel business assets	Discounted Cash flows ('DCF') and Capitalisation Rate	Capitalisation rate	6.50%	+/- $1.4m
		Discount rate	8.25%	+/- $0.7m

Effect of level 3 fair value measurements on profit or loss and other comprehensive income

The following table summarises for property, plant and equipment measured at fair value, classified as level 3 in the fair value hierarchy, the effect of the fair value movements on profit or loss and other comprehensive income for the year.

2020 **Level 3 fair value movements**	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Generation Plant (renewable)	(5.6)	11.2	5.6
Generation Plant (non-renewable)	-	-	-
Land and civil works	-	18.7	18.7
Buildings	(4.4)	14.7	10.3
	(10.0)	**44.6**	**34.6**

2019 **Level 3 fair value movements**	Recognised in profit or loss $Millions	Recognised in OCI $Millions	Total $Millions
Generation Plant (renewable)	(10.6)	(231.6)	(242.2)
Generation Plant (non-renewable)	-	6.2	6.2
Land and civil works	-	14.0	14.0
Buildings	-	-	-
	(10.6)	**(211.4)**	**(222.0)**

There were no transfers between property, plant and equipment assets classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2020 (2019: none).

Revalued assets at deemed cost

For each revalued class the carrying amount that would have been recognised had the assets been carried on a historical cost basis are as follows:

2020	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Generation Plant (renewable)	678.9	-	(107.4)	571.5
Generation Plant (non-renewable)	-	-	-	-
Land and civil works	285.5	24.4	(55.2)	254.7
Buildings	409.3	12.5	(101.4)	320.4
	1,373.7	**36.9**	**(264.0)**	**1,146.6**

2019	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $Millions
Generation Plant (renewable)	1,231.2	-	(469.7)	761.5
Generation Plant (non-renewable)	123.6	-	(47.9)	75.7
Land and civil works	252.4	33.8	(50.8)	235.4
Buildings	296.8	112.5	(92.2)	317.1
	1,904.0	**146.3**	**(660.6)**	**1,389.7**

15 Investment properties

2020	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	86.5	-	86.5
Adoption of NZ IFRS 16	-	80.5	80.5
Additions	25.2	1.7	26.9
Transfers from/(to) property, plant and equipment	53.0	-	53.0
Investment properties revaluation net increase	19.8	-	19.8
Balance at end of year	**184.5**	**82.2**	**266.7**

2019	Owned property $Millions	Right of use assets $Millions	Total $Millions
Balance at beginning of year	81.9	-	81.9
Additions	-	-	-
Transfers from/(to) property, plant and equipment	-	-	-
Investment properties revaluation net increase	4.6	-	4.6
Balance at end of year	**86.5**	**-**	**86.5**

Where a lease pertains to property held to earn rental income, the right of use asset is included within Investment properties and is measured at fair value. Rental income from investment properties of $10.8 million was recognised in profit or loss during the year (2019: $10.6 million). Direct operating expenses arising from investment properties of $1.4 million were also recognised in profit or loss during the year (2019: $0.9 million).

Wellington International Airport's investment property was valued at 31 March 2020 by Jones Lang LaSalle, registered valuers, at $81.2 million (2019: $86.5 million).

Following the sale of NZ Bus, property leased by Infratil Infrastructure Property Limited ('IIPL') to NZ Bus was transferred at historic cost from property, plant and equipment to investment properties and measured at fair value. IIPL's investment property was valued at 31 March 2020 by Jones Lang LaSalle, registered valuers, at $49.5 million (2019: held at historic cost as property, plant and equipment). Also included in investment properties is $53.8 million of capital work in progress (2019: $11.0 million).

Due to the uncertainties resulting from the Covid-19 pandemic, all investment property valuations at 31 March 2020 were concluded on the basis of 'material valuation uncertainty' as defined by the Royal Institution of Chartered Surveyors ('RICS'). Consequently, less certainty and a higher degree of caution should be attached to these valuations at 31 March 2020.

16 Leases

16.1 Right of use assets

Right of use assets related to leased properties that do not meet the definition of investment properties are summarised below. Land and buildings right of use assets include land held under ground leases and rental of a variety of office space. Generation right of use assets comprise leases of transmission lines at the Salt Creek and Dundonnell Wind Farms by Tilt Renewables.

2020	Land and Buildings $Millions	Generation Assets $Millions	Plant and equipment $Millions	Total $Millions
Cost				
Balance at beginning of year	-	-	-	-
Adoption of NZ IFRS 16	54.6	22.5	2.0	79.1
Additions	-	94.0	10.2	104.2
Disposals	(8.8)	-	-	(8.8)
Remeasurements	-	-	-	-
Effect of movements in exchange rates	(0.2)	(2.7)	-	(2.9)
Balance at end of year	**45.6**	**113.8**	**12.2**	**171.6**

2020	Land and Buildings $Millions	Generation Assets $Millions	Plant and equipment $Millions	Total $Millions
Accumulated depreciation				
Balance at beginning of year	-	-	-	-
Depreciation for the year	4.3	1.3	4.8	10.4
Effect of movements in exchange rates	-	-	-	-
Balance at end of year	4.3	1.3	4.8	10.4
Carrying value at 31 March 2020	**41.3**	**112.5**	**7.4**	**161.2**

16.2 Lease liabilities

	2020 $Millions
Maturity analysis – contractual undiscounted cash flows	
Between 0 to 1 year	24.4
Between 1 to 2 years	31.7
Between 2 to 5 years	58.9
More than 5 years	514.6
Total undiscounted lease liabilities	**629.6**

	2020 $Millions
Lease liabilities included in the statement of financial position	
Split as follows:	
Current	21.8
Non-current	225.1
	246.9

	2020 $Millions
Amounts recognised in the consolidated statement of comprehensive income	
Interest on lease liabilities	10.8
Variable lease payments not included in the measurement of lease liabilities	2.4
Expenses relating to short-term leases	0.7
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	0.3

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2019 was 4.93%. Total cash outflow for leases for the year ended 31 March 2020 was $17.1 million.

16.3 Leases as a lessor

The Group has receivables from operating leases relating to the lease of premises. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2020 $Millions	2019 $Millions
Operating lease receivables as lessor		
Between 0 to 1 year	30.6	19.3
Between 1 to 2 years	25.8	17.1
Between 2 to 5 years	40.8	32.3
More than 5 years	60.0	5.5
Total undiscounted lease payments	**157.2**	**74.2**

17 Goodwill

	2020 $Millions	2019 $Millions
The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:		
Trustpower	79.4	79.4
Tilt Renewables	33.7	33.7
	113.1	113.1

There were no movements in the carrying amount of goodwill during the year (2019: $4.2 million was transferred to disposal group assets classified as held for sale).

The carrying value of goodwill is subject to an annual impairment test to ensure the carrying value does not exceed the recoverable amount at balance date. In determining whether there are any indicators of impairment the fair value of the Company's investments in Trustpower and Tilt Renewables are assessed with reference to the market share price quoted on the NZX at each reporting date.

As at 31 March 2020 there were no indicators of impairment (31 March 2019: there were no indicators of impairment).

18 Loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings.

	2020 $Millions	2019 $Millions
Current liabilities		
Unsecured bank loans	118.0	97.7
Secured bank facilities	19.8	201.9
less: Loan establishment costs capitalised and amortised over term	(3.1)	(4.3)
	134.7	295.3
Non-current liabilities		
Unsecured bank loans	460.7	200.2
Secured bank facilities	384.0	505.3
less: Loan establishment costs capitalised and amortised over term	(9.7)	(8.7)
	835.0	696.8
Facilities utilised at reporting date		
Unsecured bank loans	578.7	298.0
Unsecured guarantees	-	-
Secured bank loans	403.8	707.0
Secured guarantees	162.2	129.5
Facilities not utilised at reporting date		
Unsecured bank loans	514.5	664.4
Unsecured guarantees	-	-
Secured bank loans	303.6	255.8
Secured guarantees	57.6	85.7
Interest bearing loans and borrowings - *current*	134.7	295.3
Interest bearing loans and borrowings - *non-current*	835.0	696.8
Total interest bearing loans and borrowings	**969.7**	**992.1**

	2020 $Millions	2019 $Millions
Maturity profile for bank facilities (excluding secured guarantees):		
Between 0 to 1 year	220.0	379.9
Between 1 to 2 years	248.9	523.1
Between 2 to 5 years	1,118.4	741.9
Over 5 years	213.3	280.3
Total bank facilities	**1,800.6**	**1,925.2**

Financing arrangements

Infratil Finance Limited, a wholly owned subsidiary of the Company, has entered into bank facility arrangements with a negative pledge agreement, which, with limited exceptions does not permit the Infratil Guaranteeing Group ('IGG') to grant any security over its assets. The IGG comprises entities subject to a cross guarantee and comprises Infratil Limited, Infratil Finance Limited and certain other wholly owned subsidiaries. The IGG does not incorporate the underlying assets of the Company's non-wholly owned subsidiaries and investments in associates. The IGG bank facilities also include restrictions over the sale or disposal of certain assets without bank agreement. Liability under the cross guarantee is limited to the amount of debt drawn under the IGG facilities, plus any unpaid interest and costs of recovery. At 31 March 2020 drawn debt and accrued interest under the IGG facilities was $355.3 million (31 March 2019: $70.2 million) and undrawn IGG facilities totalled $268.0 million (2019: $278.0 million).

Infratil Energy New Zealand Limited ('IENZ'), a wholly owned subsidiary of the Company, is not a member of the IGG and has granted a security interest over assets with a carrying amount of $310.2 million (31 March 2019: $320.4 million) as part of its bank facility arrangements. IENZ has total facilities of $125.0 million, of which $125.0 million was drawn as at 31 March 2020 (31 March 2019: nil).

The Group's non-wholly owned subsidiaries also enter into bank facility arrangements. Amounts outstanding under these facilities are included within loans and borrowings in the table above. Wellington International Airport and Trustpower facilities are both subject to negative pledge arrangements, which with limited exceptions does not permit those entities to grant security over their respective assets. Tilt Renewables borrows under syndicated bank debt facilities (both general and project specific) and has granted security over its assets. All non-wholly owned subsidiary facilities are subject to restrictions over the sale or disposal of certain assets without bank agreement. The various bank facilities across the Group require the relevant borrowing group to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. Throughout the period the Group has complied with all debt covenant requirements as imposed by the respective lenders.

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 1.45% to 4.10% (31 March 2019: 2.2% to 4.5%).

19 Infrastructure bonds

	2020 $Millions	2019 $Millions
Balance at the beginning of the year	1,127.6	994.4
Issued during the year	316.4	246.2
Exchanged during the year	(29.3)	(51.1)
Matured during the year	(119.7)	(60.4)
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(4.2)	(3.6)
Bond issue costs amortised during the year	2.4	2.1
Balance at the end of the year	**1,293.2**	**1,127.6**
Current	-	148.9
Non-current fixed coupon	939.7	747.2
Non-current variable coupon	121.6	-
Non-current perpetual variable coupon	231.9	231.5
Balance at the end of the year	**1,293.2**	**1,127.6**
Repayment terms and interest rates:		
IFT200 maturing in November 2019, 6.75% p.a. fixed coupon rate	-	68.5
IFT090 maturing in February 2020, 8.50% p.a. fixed coupon rate	-	80.5
IFT220 maturing in June 2021, 4.90% p.a. fixed coupon rate	93.9	93.9
IFT190 maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7
IFT240 maturing in December 2022, 5.65% p.a. fixed coupon rate	100.0	100.0
IFT210 maturing in September 2023, 5.25% p.a. fixed coupon rate	122.1	122.1
IFT230 maturing in June 2024, 5.50% p.a. fixed coupon rate	56.1	56.1
IFT260 maturing in December 2024, 4.75% p.a. fixed coupon rate	100.0	100.0
IFT250 maturing in June 2025, 6.15% p.a. fixed coupon rate	43.4	43.4
IFT300 maturing in March 2026, 3.35% p.a. fixed coupon rate	37.0	-
IFT280 maturing in December 2026, 3.35% p.a. fixed coupon rate	156.3	-
IFT270 maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146.2	146.2
IFTHC maturing in December 2029, 3.50% p.a. variable coupon rate	123.2	-
IFTHA Perpetual Infratil infrastructure bonds	231.9	231.9
less: Bond issue costs capitalised and amortised over term	(10.6)	(8.7)
Balance at the end of the year	**1,293.2**	**1,127.6**

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds.

IFTHC bonds

The IFTHC bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2020 the coupon is fixed at 3.50% per annum. Thereafter the rate will be reset annually at 2.50% per annum over the then one year bank rate for quarterly payments

IF270 bonds

The interest rate of the IFT270 bonds is fixed for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,000 (31 March 2019: 231,916,000) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. On 15 November 2019 the coupon was set at 2.67% per annum until the next reset date, being 15 November 2020 (2019: 3.55%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year bank rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2019: nil) were repurchased by Infratil Limited during the year.

Throughout the year the Company complied with all debt covenant requirements as imposed by its bond supervisor.

At 31 March 2020 Infratil Infrastructure bonds (including PIIBs) had a fair value of $1,161.5 million (31 March 2019: $1,104.4 million).

20 Trustpower bonds

Unsecured subordinated bonds	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
TPW160 maturing in September 2019, 6.75% p.a. fixed coupon rate	-	114.2
less: Bond issue costs capitalised and amortised over term	-	(0.2)
Balance at the end of the year	**-**	**114.0**
Current	-	114.0
Non-current	-	-
Balance at the end of the year	**-**	**114.0**

The unsecured unsubordinated bonds had a fair value of $115.7 million at 31 March 2019 and matured in September 2019.

Unsecured senior bonds	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
TPW140 maturing in December 2021, 5.63% p.a. fixed coupon rate	83.0	83.0
TPW150 maturing in December 2022, 4.01% p.a. fixed coupon rate	127.7	127.7
TPW180 maturing in July 2026, 3.35% p.a. fixed coupon rate	125.0	-
TPW170 maturing in February 2029, 3.97% p.a. fixed coupon rate until 22 February 2024	100.0	100.0
less: Bond issue costs capitalised and amortised over term	(3.5)	(2.9)
Balance at the end of the year	**432.2**	**307.8**
Current	-	-
Non-current	432.2	307.8
Balance at the end of the year	**432.2**	**307.8**

Trustpower's senior bonds rank equally with their bank loans. Trustpower borrows under a negative pledge arrangement, which with limited exceptions does not permit Trustpower to grant any security interest over its assets. The Trust Deed for these bonds requires Trustpower to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios.
The arrangements under the Trust Deed may also create restrictions over the sale or disposal of certain assets unless the senior bonds are repaid or renegotiated. Throughout the year Trustpower complied with all debt covenant requirements as imposed by their bond supervisor.

At 31 March 2020 Trustpower's unsecured senior bonds had a fair value of $443.0 million (31 March 2019: $321.8 million).

21 Wellington International Airport bonds and USPP notes

	2020 $Millions	2019 $Millions
Repayment terms and interest rates:		
WIA0619 Wholesale bonds maturing June 2019, repriced quarterly at BKBM plus 130bp	-	25.0
WIA0620 Wholesale bonds maturing June 2020, 5.27% p.a. fixed coupon rate	25.0	25.0
WIA020 Retail bonds maturing May 2021, 6.25% p.a. fixed coupon rate	75.0	75.0
WIA030 Retail bonds maturing May 2023, 4.25% p.a. fixed coupon rate	75.0	75.0
WIA040 Retail bonds maturing August 2024, 4.00% p.a. fixed coupon rate	60.0	60.0
WIA050 Retail bonds maturing June 2025, 5.00% p.a. fixed coupon rate	70.0	70.0
WIA060 Retail bonds maturing April 2030, 4.00% p.a. fixed coupon rate until 1 April 2025	103.0	-
USPP Notes – Series A	68.1	52.0
USPP Notes – Series B	68.1	52.0
less: Issue costs capitalised and amortised over term	(3.3)	(3.9)
Balance at the end of the year	**540.9**	**430.1**
Current	25.0	25.0
Non-current	515.9	405.1
Balance at the end of the year	**540.9**	**430.1**

The Trust Deed for the retail bonds requires Wellington International Airport ('WIAL') to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deed creates restrictions over the sale or disposal of certain assets. Throughout the year WIAL complied with all debt covenant requirements as imposed by the retail bond supervisor.

On 27 July 2017 WIAL completed a United States Private Placement ('USPP') Note issuance, securing US$72 million of long term debt. The USPP comprised two equal tranches, a US$36 million 10 year Note with a coupon of 3.47% and a US$36 million 12 year Note with a coupon of 3.59%. In conjunction with the USPP issuance, WIAL entered into cross currency interest rate swaps to formally hedge the exposure to foreign currency risk over the term of the notes.

At 31 March 2020 WIAL's bonds had a fair value of $415.7 million (2019: $353.8 million), and WIAL's USPP Notes had a fair value of $122.3 million (2019: $102.2 million).

22 Financial instruments

The Group has exposure to the following risks due to its business activities and financial policies:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

22.1 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to credit risk in the normal course of business including those arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. The Group minimises its exposure to credit risk of trade receivables through the adoption of counterparty credit limits and standard payment terms. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and organisations in the relevant industry. The Group's exposure and the credit ratings of significant counterparties are monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties. The carrying amounts of financial assets recognised in the Statement of Financial Position best represent the Group's maximum exposure to credit risk at the reporting date. Generally no security is held on these amounts.

	2020 $Millions	2019 $Millions
The Group had exposure to credit risk with financial institutions at balance date from cash deposits held as follows:		
Financial institutions with 'AA' credit ratings	-	173.2
Financial institutions with 'AA-' credit ratings	485.9	70.6
Financial institutions with 'A+' credit ratings	-	-
Financial institutions with 'A' credit ratings	242.7	153.3
Unrated financial institutions	1.7	17.2
Total cash deposits with financial institutions	730.3	414.3
Cash on hand	-	-
Total cash and cash equivalents	**730.3**	**414.3**

Cash and cash equivalents includes $696.8 million of cash balances held by Tilt Renewables at 31 March 2020. At 31 March 2020 $0.1 million of cash deposits are "restricted" and not immediately available for use by the Group (31 March 2019: $19.9 million). Credit ratings are from S&P Global Ratings or equivalent rating agencies.

Trade and other receivables

The Group has exposure to various counterparties. Concentration of credit risk with respect to trade receivables is limited due to the Group's large customer base in a diverse range of industries throughout New Zealand and Australia.

Ageing of trade receivables

	2020 $Millions	2019 $Millions
The ageing analysis of trade receivables is as follows:		
Not past due	90.4	56.9
Past due 0-30 days	9.4	9.2
Past due 31-90 days	2.1	3.7
Greater than 90 days	4.0	3.8
Total	105.9	73.6
The ageing analysis of impaired trade receivables is as follows:		
Not past due	(1.2)	-
Past due 0-30 days	(1.1)	-
Past due 31-90 days	(1.0)	-
Greater than 90 days	(3.0)	(2.8)
Total	(6.3)	(2.8)

	2020 $Millions	2019 $Millions
Movement in the provision for impairment of trade receivables for the year was as follows:		
Balance as at 1st April	3.1	3.1
Expected credit loss recognised (Charged to operating expenses)	3.2	0.4
Bad debts recovered	-	-
Utilised	-	-
Transfers to assets classified as held for sale	-	(0.4)
Balance as at 31 March	6.3	3.1
Other current prepayments and receivables	93.9	178.1
Total trade, accounts receivable and current prepayments	193.5	248.9

Trustpower and Wellington International Airport increased their expected credit loss allowance for trade receivables, in part due to the deteriorating economic outlook in New Zealand as a result of Covid-19.

22.2 Liquidity risk

Liquidity risk is the risk that assets held by the Group cannot readily be converted to cash to meet the Group's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due and make value investments, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the spreading of debt maturities, and its credit standing in capital markets.

The tables below analyse the Group's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the earliest possible contractual maturity date at year end. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bonds cash flows have been determined by reference to the longest dated Infratil bond maturity in the year 2029.

	Balance sheet $Millions	Contractual cash flows $Millions	6 months or less $Millions	6-12 months $Millions	1-2 years $Millions	2-5 years $Millions	5 + years $Millions
31 March 2020							
Accounts payable, accruals and other liabilities	313.8	315.5	312.8	0.1	0.2	0.8	1.6
Lease liabilities	246.9	629.6	12.5	11.9	31.7	58.9	514.6
Unsecured & secured bank facilities	969.7	1,325.5	122.3	48.0	309.0	693.3	152.9
Infratil Infrastructure bonds	1,061.3	1,324.4	25.7	25.7	141.7	567.9	563.4
Perpetual Infratil Infrastructure bonds	231.9	292.1	3.1	3.1	6.2	18.6	261.1
Wellington International Airport bonds	540.9	652.1	36.7	11.0	94.7	181.1	328.6
Trustpower bonds	432.2	518.9	9.0	9.0	99.8	156.0	245.1
Derivative financial instruments	129.3	151.2	15.6	13.2	22.6	50.1	49.7
	3,926.0	5,209.3	537.7	122.0	705.9	1,726.7	2,117.0
31 March 2019							
Accounts payable, accruals and other liabilities	446.6	469.2	334.0	13.4	43.2	13.4	65.2
Lease liabilities	-	-	-	-	-	-	-
Unsecured & secured bank facilities	992.1	1,254.4	94.7	254.5	204.4	386.7	314.1
Infratil Infrastructure bonds	896.1	1,122.3	26.1	172.5	40.7	496.6	386.4
Perpetual Infratil Infrastructure bonds	231.5	311.8	4.1	4.1	8.2	24.7	270.7
Wellington International Airport bonds	430.1	535.2	34.6	9.4	43.2	189.2	258.8
Trustpower bonds	421.8	460.9	122.9	4.9	9.8	223.3	100.0
Derivative financial instruments	117.5	129.0	23.3	16.1	22.6	40.6	26.4
	3,535.7	4,282.8	639.7	474.9	372.1	1,374.5	1,421.6

22.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and energy prices will affect the Group's income or the value of its holdings of financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

22.3.1 Interest rate risk (cash flow and fair value)

Interest rate risk is the risk of interest rate volatility negatively affecting the Group's interest expense cash flow and earnings. Infratil mitigates this risk by issuing term borrowings at fixed interest rates and entering into Interest Rate Swaps to convert floating rate exposures to fixed rate exposures. Borrowings issued at fixed rates expose the Group to fair value interest rate risk which is managed by the interest rate repricing profile and hedging.

	2020 $Millions	2019 $Millions
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps - notional value	1,333.0	1,760.8
Fair value of interest rate swaps	(102.5)	(81.6)
Cross-currency interest rate swaps	99.8	99.8
Fair value of cross-currency interest rate swaps	35.5	2.9
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	242.8	179.8
Between 1 to 2 years	144.3	158.7
Between 2 to 5 years	398.0	893.5
Over 5 years	547.9	528.8
The termination dates for the cross-currency interest rate swaps are as follows:		
Between 0 to 1 year	-	-
Between 1 to 2 years	-	-
Between 2 to 5 years	-	-
Over 5 years	99.8	99.8

Interest rate sensitivity analysis

The following table shows the impact on post-tax profit and equity of a movement in bank interest rates of 100 basis points higher/lower with all other variables held constant.

	2020 $Millions	2019 $Millions
Profit or loss		
100 bp increase	2.8	19.5
100 bp decrease	(9.4)	(20.1)
Other comprehensive income		
100 bp increase	49.9	43.7
100 bp decrease	(53.6)	(48.6)

Assumptions used in the interest rate sensitivity analysis include:

Reasonably possible movements in interest rates were determined based on a review of historical movements. A movement of 100 basis points higher/lower is considered appropriate to demonstrate the sensitivity of the Group to movements in interest rates. The sensitivity was calculated by taking interest rate instruments including loans and borrowings, bonds, interest rate swaps and cross currency interest rate swaps at balance date and adjusting the interest rate upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

22.3.2 Foreign currency risk

The Group has exposure to foreign currency risk on the value of its net investment in foreign investments, assets and liabilities, future investment obligations and future income. Foreign currency obligations and income are recognised as soon as the flow of funds is likely to occur. Decisions on buying forward cover for likely foreign currency investments is subject to the Group's expectation of the fair value of the relevant exchange rate.

The Group may enter into forward exchange contracts to reduce the risk from price fluctuations of foreign currency commitments associated with the construction of generation assets and to hedge the risk of its net investment in foreign operations. Any resulting differential to be paid or received as a result of the currency hedging of the asset is reflected in the final cost of the asset. The Group has elected to apply cash flow hedge accounting to these instruments.

Foreign exchange sensitivity analysis

The following table shows the impact on post-tax profit and equity if the New Zealand dollar had weakened or strengthened by 10 per cent against the currencies with which the Group has foreign currency risk with, all other variables held constant.

	2020 $Millions	2019 $Millions
Profit or loss		
Strengthened by 10 per cent	(11.7)	0.7
Weakened by 10 per cent	11.7	(0.7)
Other comprehensive income		
Strengthened by 10 per cent	(18.6)	(100.8)
Weakened by 10 per cent	22.7	103.2

Assumptions used in the foreign currency exposure sensitivity analysis include:

Reasonably possible movements in foreign exchange rates were determined based on a review of historical movements. A movement of plus or minus 10% has been applied to the AUD/NZD and USD/NZD exchange rates to demonstrate the sensitivity of foreign currency risk of the company's investment in foreign operations and associated derivative financial instruments. The sensitivity was calculated by taking the AUD and USD spot rate as at balance date, moving this spot rate by plus and minus 10% and then reconverting the AUD and USD balances with the 'new spot-rate'.

Unhedged foreign currency exposures

At balance date the Group has the following unhedged exposure to foreign currency risk arising on foreign currency monetary assets and liabilities that fall due within the next twelve months:

	2020 $Millions	2019 $Millions
Cash, short-term deposits and trade receivables		
United States Dollars (USD)	-	-
Australian Dollars (AUD)	3.0	7.3

22.3.3 Energy price risk

Energy Price Risk is the risk that results will be impacted by fluctuations in spot energy prices. The Group meets its energy sales demand by purchasing energy on spot markets, physical deliveries and financial derivative contracts. This exposes the Group to fluctuations in the spot and forward price of energy. The Group has entered into a number of energy hedge contracts to reduce the energy price risk from price fluctuations. These hedge contracts establish the price at which future specified quantities of energy are purchased and settled. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments it deems material and which qualify as cash flow hedges.

	2020	2019
At balance date the aggregate notional volume of outstanding energy derivatives were:		
Electricity (GWh)	5,006.6	19,753.0
Fair value of energy derivatives ($millions)	20.5	135.7

As at 31 March 2020, the Group had energy contracts outstanding with various maturities expected to occur continuously throughout the next five years. The hedged anticipated energy purchase transactions are expected to occur continuously throughout the contract period from balance sheet date consistent with the Group's forecast energy generation and retail energy sales. Gains and losses recognised in the cash flow hedge reserve on energy derivatives as of 31 March 2020 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the profit or loss.

	2020 $Millions	2019 $Millions
The termination dates for the energy derivatives are as follows:		
Between 0 to 1 year	101.5	43.3
Between 1 to 2 years	54.6	78.8
Between 2 to 5 years	88.1	117.0
Over 5 years	17.1	15.0
	261.3	254.1

Energy price sensitivity analysis

The following table shows the impact on post-tax profit and equity of an increase/decrease in the relevant forward electricity prices with all other variables held constant:

	2020 $Millions	2019 $Millions
Profit and loss		
10% increase in energy forward prices	(2.2)	(2.2)
10% decrease in energy forward prices	2.2	2.2
Other comprehensive income		
10% increase in energy forward prices	(57.7)	(33.2)
10% decrease in energy forward prices	57.7	33.2

Assumptions used in the energy forward price sensitivity analysis include:

Reasonably possible movements in energy forward prices were determined based on a review of historical movements. A movement of 10% higher/lower is considered appropriate to demonstrate sensitivity to movements in forward energy prices. The sensitivity was calculated by taking balances that incorporate expectations of forward electricity prices at balance date and adjusting the forward electricity price upwards and downwards to quantify the resulting impact to profit or loss and other comprehensive income.

22.4 Fair values

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements is their fair value, with the exception of bond debt and senior notes held at amortised cost which have a fair value at 31 March 2020 of $2,142.5 million (31 March 2019: $1,997.9 million) compared to a carrying value of $2,266.3 million (31 March 2019: $1,979.5 million).

The carrying value of derivative financial assets and liabilities recorded in the statement of financial position are as follows:

	2020 $Millions	2019 $Millions
Assets		
Derivative financial instruments – energy	35.7	170.9
Derivative financial instruments – cross currency interest rate swaps	35.5	2.9
Derivative financial instruments – foreign exchange	1.6	-
Derivative financial instruments – interest rate	11.6	0.7
	84.4	174.5
Split as follows:		
Current	18.9	17.8
Non-current	65.5	156.7
	84.4	174.5
Liabilities		
Derivative financial instruments – energy	15.2	35.2
Derivative financial instruments – cross currency interest rate swaps	-	-
Derivative financial instruments – foreign exchange	-	-
Derivative financial instruments – interest rate	114.1	82.3
	129.3	117.5
Split as follows:		
Current	8.0	32.2
Non-current	121.3	85.3
	129.3	117.5

Estimation of fair values

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

- forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and
- discount rates.

Valuation input	Source
Interest rate forward price curve	Published market swap rates
Foreign exchange forward prices	Published spot foreign exchange rates
Electricity forward price curve	Market quoted prices where available and management's best estimate based on its view of the long run marginal cost of new generation where no market quoted prices are available
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument
Discount rate for valuing forward foreign exchange contracts	Published market rates as applicable to the remaining life of the instrument
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 3.1% to 4.1% (31 March 2019: 3.1% to 4.1%)

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following tables present the Group's financial assets and liabilities that are measured at fair value.

31 March 2020	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments – energy	-	3.1	32.6	35.7
Derivative financial instruments – cross currency interest rate swaps	-	35.5	-	35.5
Derivative financial instruments – foreign exchange	-	1.6	-	1.6
Derivative financial instruments – interest rate	-	11.6	-	11.6
Total	**-**	**51.8**	**32.6**	**84.4**
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	0.3	14.9	15.2
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	114.1	-	114.1
Total	**-**	**114.4**	**14.9**	**129.3**

31 March 2019	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments – energy	-	0.3	170.6	170.9
Derivative financial instruments – cross currency interest rate swaps	-	2.9	-	2.9
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	0.7	-	0.7
Total	**-**	**3.9**	**170.6**	**174.5**
Liabilities per the statement of financial position				
Derivative financial instruments – energy	-	8.1	27.1	35.2
Derivative financial instruments – cross currency interest rate swaps	-	-	-	-
Derivative financial instruments – foreign exchange	-	-	-	-
Derivative financial instruments – interest rate	-	82.3	-	82.3
Total	**-**	**90.4**	**27.1**	**117.5**

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2020 (31 March 2019: none).

The following table reconciles the movements in level 3 Electricity price derivatives that are classified within level 3 of the fair value hierarchy because the assumed location factors which are used to adjust the forward price path are unobservable.

	2020 $Millions	2019 $Millions
Assets per the statement of financial position		
Opening balance	170.6	107.5
Foreign exchange movement on opening balance	0.8	(2.3)
Acquired as part of business combination	-	-
Gains and (losses) recognised in profit or loss	(106.0)	11.7
Gains and (losses) recognised in other comprehensive income	(32.8)	53.7
Closing balance	32.6	170.6
Total gains or (losses) for the year included in profit or loss for assets held at the end of the reporting year	(33.1)	53.4
Liabilities per the statement of financial position		
Opening balance	27.1	27.3
Foreign exchange movement on opening balance	(0.2)	(0.2)
Acquired as part of business combination	-	-
(Gains) and losses recognised in profit or loss	(11.2)	(4.1)
(Gains) and losses recognised in other comprehensive income	(0.8)	4.1
Sold as part of the disposal of a subsidiary	-	-
Closing balance	14.9	27.1
Total gains or (losses) for the year included in profit or loss for liabilities held at the end of the reporting year	3.6	(3.9)
Settlements during the year	18.6	24.9

22.5 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established an Audit and Risk Committee for Infratil and each of its significant subsidiaries and associates with responsibilities which include reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive, enterprise wide risk management framework. Management and Boards throughout the Group participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the relevant risks and the controls and treatments for those risks.

22.6 Capital Management

The Group's capital includes share capital, reserves, retained earnings and non-controlling interests of the Group. From time to time the Group purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the year the Group bought back 887,617 shares (2019: nil). The Company and the Group's borrowings are subject to certain compliance ratios in accordance with the facility agreements or the trust deed applicable to the borrowings.

The Group seeks to ensure that no more than 25% of its non-bank debt is maturing in any one year period, and to spread the maturities of its bank debt facilities between one and five years. Discussions on refinancing of facilities will normally commence at least six months before maturity. Facilities are maintained with A (2019: A) or above rated financial institutions, and with a minimum number of bank counterparties to ensure diversification. The Group manages its interest rate profile so as to minimise value volatility. This means having interest costs fixed for extended terms. At times when long rates appear to be sustainably high, the profile may be shortened, and when rates are low the profile may be lengthened.

23 Capital commitments

	2020 $Millions	2019 $Millions
Committed but not contracted for	5.8	37.2
Contracted but not provided for	500.4	544.1
Capital commitments	506.2	581.3

Capital commitments are primarily associated with the Dundonnell and Waipipi Wind Farms which total A$450.5 million as at 31 March 2020 (31 March 2020: A$470.1 million). See Note 7 for Infratil's commitments to ASIP and Clearvision Ventures.

24 Reconciliation of net surplus with cash flow from operating activities

	2020 $Millions	2019 $Millions
Net surplus for the year	484.2	52.4
(Add)/Less items classified as investing activity:		
(Gain)/Loss on investment realisations and impairments	(489.3)	36.7
Add items not involving cash flows:		
Movement in financial derivatives taken to the profit or loss	(6.2)	(0.3)
Decrease in deferred tax liability excluding transfers to reserves	(16.2)	34.3
Changes in fair value of investment properties	5.0	(4.8)
Equity accounted earnings of associate net of distributions received	(12.1)	(67.0)
Depreciation	146.0	171.7
Movement in provision for bad debts	6.0	2.2
Amortisation of intangibles	11.3	16.5
Other	19.0	5.6
Movements in working capital:		
Change in receivables	24.7	(83.4)
Change in inventories	1.2	0.2
Change in trade payables	51.2	5.7
Change in accruals and other liabilities	(108.9)	129.8
Change in current and deferred taxation	(15.9)	(22.7)
Net cash flow from operating activities	**100.0**	**276.9**

25 Key management personnel disclosures

Key management personnel have been defined as the Chief Executives and direct reports for the Group's operating subsidiaries (excluding non-executive Directors).

	2020 $Millions	2019 $Millions
Key management personnel remuneration comprised:		
Short-term employee benefits	15.4	14.3
Post employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	0.2	0.7
Share based payments	3.5	3.2
	19.1	18.2

Directors fees paid to directors of Infratil Limited and its subsidiaries during the year were $3.4 million (2019: $3.7 million).

26 Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr Bogoievski is a director of Infratil and is a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoievski also have beneficial interests in MCO.

Management and other fees paid by the Group (including associates) to MCIM, MCO or its related parties during the year were:

	Note	2020 $Millions	2019 $Millions
Management fees	27	37.5	24.9
International Portfolio Incentive fee	28	125.0	102.6
Executive secondment and consulting		-	-
Directors fees		2.0	2.2
Financial management, accounting, treasury, compliance and administrative services		1.3	1.4
Risk management reporting		-	-
Investment banking services		1.2	1.2
Total management and other fees		**167.0**	**132.3**

The above table includes $0.4 million paid by discontinued operations in the year ended 31 March 2020 (2019: $1.5 million).

At 31 March 2020 amounts owing to MCIM of $3.0 million (excluding GST) are included in trade creditors (2019: $3.6 million).

On 8 May 2017 the Company obtained a standing waiver from NZSX Listing Rule 9.2.1. The effect of the waiver is to waive the requirement for Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction with a Related Party to the extent required to allow Infratil to enter into transactions with co-investors that have also engaged an entity related to H.R.L. Morrison & Co Group LP for investment management or advisory services. The waiver is provided on the conditions specified in paragraph 2 of the waiver decision, which is available on Infratil's website: www.infratil.com/for-investors/announcements. As yet, no transaction has been entered into in reliance on this waiver.

MCO, or Employees of MCO received directors fees from the Company's subsidiaries or associated companies as follows:

	2020 $000's	2019 $000's
CDC Group Holdings Pty Ltd	157.9	160.7
Cullinan Holding Trust (ANU Student Accommodation)	7.2	53.6
Infratil Limited	112.0	103.7
Infratil Infrastructure Property Limited	45.0	60.0
Galileo Green Energy, LLC	-	-
New Zealand Bus Limited	73.1	175.5
Longroad Energy Holdings, LLC	183.6	168.9
Perth Energy Pty Limited	88.4	181.9
RA (Holdings) 2014 Pty Limited	243.5	235.7
Snapper Services Limited	12.7	49.2
Tilt Renewables Limited	447.3	407.1
Trustpower Limited	276.3	289.3
Vodafone New Zealand Limited	-	-
Wellington International Airport Limited	381.9	329.3
	2,028.9	2,214.9

27 Management fee to Morrison & Co Infrastructure Management Limited

The management fee to MCIM comprises a number of different components:
A New Zealand base management fee is paid on the 'New Zealand Company Value' at the rates of 1.125% per annum on New Zealand Company value up to $50 million, 1.0% per annum on the New Zealand Company Value between $50 million and $150 million, and 0.80% per annum on the New Zealand Company Value above $150 million. The New Zealand Company Value is:

- the Company's market capitalisation as defined in the management agreement (i.e. the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares and, Infratil Infrastructure bonds);
- plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments);
- minus the cost price of any non-Australasian investments; and,
- plus/minus an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

An international fund management fee is paid at the rate of 1.50% per annum on:

- the cost price of any non-Australasian investments; and,
- the book value of the debt in any wholly owned non-Australasian investments.

28 International Portfolio Incentive fee

International Investments are eligible for International Portfolio Incentive fees ('Incentive fees') under the Management Agreement between MCIM and Infratil. The Agreement allows for incentives to be payable for performance in excess of a minimum hurdle of 12% per annum in three separate areas:

- Initial Incentive fees;
- Annual Incentive fees; and,
- Realised Incentive fees.

To the extent that there are assets that meet these criterion, independent valuations are performed on the respective International Investments to determine whether any Incentive Fees are payable.

International Portfolio Initial Incentive Fee

International Investments become eligible for the Initial Incentive Fee assessment on the third balance date (31 March) that they have been held continuously by the Company. All International Investments that are acquired in any one financial year are grouped together for the purposes of the Initial Incentive Fee, and an Initial Incentive Fee is payable at 20% of the outperformance of those assets against a benchmark of 12% p.a. after tax, compounding.

The investments in ANU Purpose Built Student Accommodation, CDC Data Centres and Longroad Energy, and the demerger of Tilt Renewables (from Trustpower) all occurred in the 2017 financial year and were therefore eligible for the International Portfolio Initial Incentive fee assessment as at 31 March 2019. There are no International Investments eligible as at 31 March 2020.

Based on independent valuations obtained as at 31 March 2019, an Initial Incentive Fee of $102.6 million was payable to MCIM.

International Portfolio Annual Incentive Fee

Thereafter International Investments are grouped together, and an Annual Incentive Fee is payable at 20% of the outperformance of those assets against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost.

The Company's investments in CDC Data Centres, Longroad Energy, RetireAustralia, Tilt Renewables and ASIP are eligible for the International Portfolio Annual Incentive fee assessment as at 31 March 2020 (31 March 2019: ASIP, RetireAustralia and Perth Energy).

Based on independent valuations obtained as at 31 March 2020, an Annual Incentive Fee of $125.0 million is payable to MCIM. No Annual Incentive Fee was payable at 31 March 2019.

International Portfolio Realised Incentive Fee

Realised Incentive Fees are payable on the realised gains from the sale or other realisation of International Investments at 20% of the outperformance (since the last valuation date) against the higher of, a benchmark of 12% p.a. after tax, relative to the most recent 31 March valuation, or cost. No Realised Incentive Fees were payable as at 31 March 2019 or 31 March 2020.

International Portfolio incentive fees

	2020 $000's	2019 $000's
ANU Student Accommodation	-	13.6
ASIP	(0.8)	-
CDC Data Centres	105.5	65.3
Longroad Energy	6.1	21.2
RetireAustralia	(18.0)	-
Tilt Renewables	32.2	2.5
	125.0	102.6

All Incentive fees accrued in 2020 relate to the Annual Incentive Fee assessment. All Incentive fees accrued in 2019 related to the Initial Incentive Fee assessment.

Payment of Annual Incentive Fees

Any Annual Incentive Fee calculated in respect of a Financial Year is earned and paid in three annual instalments, with the second and third instalments only being earned and payable if, at each relevant assessment date, the fair value of the relevant asset (including distributions, if any) exceeds the greater of fair value or cost as at the 31 March for which the Incentive Fee was first calculated.

29 Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

Snowtown Wind Farm Stage 2 Pty Ltd, a wholly-owned subsidiary of Tilt Renewables, has been served with court proceedings on behalf of the Australian Energy Regulator ('AER') in relation to their investigations into the system black event which occurred in South Australia on 28 September 2016. Tilt Renewables will continue to engage with the AER in an endeavour to resolve this matter. As outlined in Note 11, Snowtown Wind Farm Stage 2 Pty Ltd has been subsequently sold as part of the Snowtown 2 wind farm sale in December 2019. Following this sale, should any potential future liabilities arise from these ongoing court proceedings, the liability will remain due and payable by Tilt Renewables.

There were no other contingent liabilities as at 31 March 2020.

30 Events after balance date

Dividend

On 28 May 2020, the Directors approved a partially imputed final dividend of 11.0 cents per share to holders of fully paid ordinary shares to be paid on 15 June 2020.

Tilt Renewables Capital Return

On 7 April 2020 Tilt Renewables announced its intention to return approximately A$260 million to its shareholders (Infratil's share is approximately A$169 million) by way of a Court approved scheme of arrangement. The timing of the buy-back is yet to be finalised but is expected to be completed in the six months to 30 September 2020.

Shareholder support for Wellington International Airport

On 20 May 2020 Infratil and Wellington City Council entered into a shareholder support agreement with Wellington International Airport to enable the airport to access to up to $75.0 million of additional funding by way of non-participating redeemable preference shares, if required. Infratil's contribution to this funding is proportional to its 66% ownership interest.

Shareholder support for RetireAustralia

On 12 May 2020 Infratil and consortium partner the New Zealand Superannuation Fund entered into a shareholder support agreement with RetireAustralia to enable RetireAustralia to access to up to A$20.0 million of additional equity funding, if required. Infratil's contribution to this funding is proportional to its 50% ownership interest.

KPMG

Independent Auditor's Report

To the shareholders of Infratil Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Infratil Limited (the 'company') and its subsidiaries (the 'group') on pages 1 to 53:

i. present fairly in all material respects the Group's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 March 2020;

— the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the group in relation to taxation services, audit of regulatory disclosures, other assurance engagements and due diligence services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the significance and risk profile of each investment it owns, the group's accounting processes and controls, and the industry in which the investments operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the component level by us, as the group engagement team, or component auditors operating under our instruction.

A full scope audit was performed on the most significant investments for the group using component materialities which were lower than group materiality. The component materiality took into account the size and the risk profile of each component.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those investments to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. We kept in regular communication with component audit teams throughout the year with phone calls, discussions and written instructions and ensured that the component audit teams had the appropriate skills and competencies which are needed for the audit. We reviewed the work undertaken by component auditors in order to ensure the quality and adequacy of their work.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $37 million, determined with reference to a benchmark of group total assets. We chose total assets given the asset intensive nature of the group's underlying investments and that this is a more stable and relevant measure than a profit measure. Materiality represents 0.5% of the selected benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

Key changes in the assessment of audit risks

COVID-19

The COVID-19 pandemic has led to increased uncertainty associated with key management judgements across the group, particularly in the valuation of property, plant and equipment and the carrying value of investment in associates. All forward looking assumptions are inherently more uncertain during these unprecedented times. While the key audit matters "Valuation of property, plant and equipment" and "Carrying value of investment in associates", detailed below, are consistent with last year, the underlying audit risk has increased which impacted the nature and extent of audit evidence that we had to gather. We also draw attention to Note 1 - *Accounting estimates and judgements* to the consolidated financial statements which describes the impact of the COVID-19 on the Group's consolidated balance sheet.

The key audit matter	How the matter was addressed in our audit
Acquisition of Vodafone New Zealand ('Vodafone')	
As disclosed in Note 6.1 of the financial statements, during the year the group acquired a 49.9% share of Vodafone. The investment into Vodafone has been accounted for as an investment in associate in the group financial statements. The risk of inappropriate classification of the Vodafone investment as an associate on acquisition is a key audit	Our audit procedures in relation to the classification of the Vodafone investment included examining the legal documents associated with the investment, to determine the key terms, including rights of the investors, terms of shareholders' agreements, governance structures and profit-sharing arrangements,

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The key audit matter	How the matter was addressed in our audit

matter as it can have a material effect on the group financial statements and involves judgement as to whether the group controls the investee.
 	
As part of the acquisition Management completed a process to allocate the purchase price to tangible assets, and separately identifiable intangible assets such as customer relationships and management rights. The allocation of the purchase price can have a significant impact on the current and future equity accounted earnings recorded by the group and involves estimation and judgement about the future performance of the business and discount rates applied to future cash flow forecasts.
 	
The key judgemental areas in the purchase price allocation related to fair value of property, plant and equipment and customer related intangible assets.
 	
The key assumptions included in the property, plant and equipment valuations were:
 	
— Replacement cost of each asset category
— Useful lives, depreciation profiles and residual values
 	
The key assumptions included in the customer related intangible asset valuation included:
 	
— Forecasted average revenue per user (ARPU)
— Forecast margins per customer
— Customer churn rates (attrition profile)
— The discount rate applied to the estimated future cash flows to determine a present-day value
	and then assessing these against the accounting standards to evaluate classification of the investment.
	
	Our procedures to assess the purchase price allocation included:
	
	— Assessing the completeness of the identifiable intangible assets on acquisition and whether identification and recognition of these was consistent with the requirements of the accounting standards.
	— Utilising valuation specialists to challenge the key assumptions and methodologies applied in the independent valuation of property, plant and equipment including:
	  — Comparing the replacement cost against internal benchmarks;
	  — Reconciling the asset listing utilised in the valuation against the underlying fixed asset register;
	  — Comparing the useful lives, depreciation profiles and residual values to our own expected range.
	— Utilising our valuation specialist to challenge the key assumptions and methodologies applied in the customer related intangible asset valuation including:
	  — Comparing the forecast ARPU and margin against historical ARPUs and margins achieved;
	  — Reviewing the appropriateness of the customer attrition profiles adopted and comparing these to historical attrition profiles;
	  — Using valuation specialists to assess the appropriateness of the discount rate applied to the estimated future cash flows;

Valuation of Property, Plant and Equipment

As disclosed in note 14 of the financial statements, the group has property, plant and equipment of $3,958 million (2019: $4,202 million), with renewable generation assets, land and civil works and buildings making up the majority of this balance. The group has a policy of recording classes of property, plant and equipment at cost less accumulated depreciation, or at valuation, with valuations undertaken at least every 5 years.

Renewable generation assets ($2,221 million) Valuation of renewable generation assets is considered to be a key audit matter due to both its magnitude and the judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodology used and the assumptions included within that methodology. Renewable generation assets include both hydro and wind generation assets.	Our procedures over the renewable generation asset valuations included: — Comparing the forward electricity price path used in the independent valuation to current externally derived market data and our independent estimate of the price path incorporating the near term impact of COVID-19; — Using valuation specialists to assess the appropriateness of the discount rate applied to the

The key audit matter	How the matter was addressed in our audit
A full revaluation of both hydro and wind generation assets was carried out as at 31 March 2020. The level of inherent valuation judgement has increased in the current year as a result of the COVID-19 pandemic which occurred before balance date, and particularly impacts forecasting of the forward electricity price path and the rate used to discount future cash flows. The assumptions included in the valuations that have the largest impact on fair value are: — New Zealand and Australian electricity forward price path forecasts; — Future generation volumes in New Zealand and Australia; — Discount rates applied to the estimated future cash flows to determine a present-day value; and — Forecast costs of operating the generation schemes.	estimated future cash flows by comparing this to rates used by other market participants. We also assessed whether the discount rate reflected the current market conditions including the impact of COVID-19; — Comparing forecast generation volumes and operating costs assumed in the independent valuation against actual realised volumes and operating costs incurred in the year to 31 March 2020; and — Assessing the appropriateness of forecast Avoided Cost of Transmission revenue included within the valuation, considering the assumptions applied by management and latest Electricity Authority announcements;

Land and civil works ($581.9 million) and Buildings ($542 million).
 	
Valuation of land and civil works and buildings, specifically in relation to airport assets, is considered to be a key audit matter due to the magnitude and judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgement relates to the valuation methodologies used and the assumptions included in each of those methodologies.
 	
In 2020, Management have considered, and sought, input from the independent valuers as to any changes to the key assumptions used in the valuation methodologies and whether these changes indicate that the property, plant and equipment is not held at fair value.
 	
The independent valuers have undertaken their valuations with reference to COVID-19 and the material uncertainty involved in assessing the fair value of the assets in the current economic environment.
 	
The assumptions that have the largest impact on the valuations are:
 	
— The potential value of the airport land if there was no airport on the site, primarily driven by weighted average cost of capital;
— The replacement cost of buildings including the main terminal building;
	Our procedures to assess the land and civil works and Buildings valuations included, amongst others:
	
	— Utilising valuation specialists to assess the changes in key judgemental assumptions which have the largest impact on the valuation. This included assessing:
	    — the impact of the material valuation uncertainty relating to COVID-19 identified by the independent valuers;
	    — changes to the weighted average cost of capital and discount rates against observable market data;
	    — changes in the cost of buildings and civil assets;
	    — changes in the value of underlying land prices with reference to observable market transactions and relevant indices; and
	    — the future cash flows against budgets, forecast passenger numbers and historical financial performance.
	— Comparing the valuation methodologies used by the valuer for the group, to the valuation methodologies used by other airports within New Zealand for comparability.
	— Comparing the carrying value of the airport assets to the estimated market value of the airport business with reference to observable market metrics.

The key audit matter	How the matter was addressed in our audit
— The replacement cost of civil assets including the runway, taxiways and roads; — The estimated future passenger numbers and resulting cash flows; and — Discount rates applied to the estimated future cash flows from the vehicle and accommodation assets.	
Carrying value of investment in associates	
The carrying value of the group's investment in associates as at 31 March 2020 was $1,962 million. Investments in associates contribute a significant portion of the group's net surplus and total assets. Given the significance of these investments to the group, we consider this to be a key audit matter. As part of its annual impairment assessment, the Group considered the potential impact of the COVID-19 pandemic on the carrying value of associates as at 31 March 2020.	Our procedures performed to assess the carrying value of associates included, amongst others: – Recalculating the share of profit from equity accounted investments using investee financial information; – Testing a sample of acquisitions made and distributions received from associates during the year; – Consideration of associate's performance to date with reference to the most recent audited financial statements and assessment of relevant indicators of impairment. As part of this impairment assessment, we specifically considered the impact of COVID-19 on the investments; and – Where valuation models have been used to support carrying value, we have utilised our valuation specialists to consider the discount rates and cash flow projections used within the models and the impact of COVID-19 on these valuation inputs.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the reports of the Chief Executive and the Chair, Infratil's summary financial information, and disclosures relating to strategy, corporate governance, Infratil's businesses and statutory information. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent

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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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards);
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning.

For and on behalf of

KPMG
Wellington

28 May 2020

Infratil Limited
Statement of Comprehensive Income
For the year ended 31 March 2020

	Notes	2020 $000	2019 $000
Dividends received from subsidiary companies		-	186,145
Subvention income		-	-
Operating revenue		42,468	30,265
Total revenue		**42,468**	**216,410**
Directors' fees		1,053	822
Other operating expenses		43,083	29,578
Total operating expenditure	4	44,136	**30,400**
Operating surplus/(loss) before financing, derivatives, realisations and impairments		(1,668)	186,010
Net gain/(loss) on foreign exchange and derivatives		3,105	4,421
Net realisations, revaluations and (impairments)		-	-
Financial income		122,722	62,497
Financial expenses		(69,228)	(66,721)
Net financing expense		53,494	(4,224)
Net surplus before taxation		**54,931**	**186,207**
Taxation expense	6	2,375	(5,155)
Net surplus for the year		**57,306**	**181,052**
Other comprehensive income, after tax			
Fair value movements in relation to executive share scheme		(913)	573
Total other comprehensive income after tax		**(913)**	**573**
Total comprehensive income for the year		**56,393**	**181,625**

The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Changes in Equity
For the year ended 31 March 2020

	Notes	Capital $000	Other reserves $000	Retained earnings $000	Total $000
Balance as at 1 April 2019		354,552	912	98,891	454,355
Total comprehensive income for the year					
Net surplus for the year		-	-	57,306	57,306
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	(912)	-	(912)
Total other comprehensive income		-	(912)	-	(912)
Total comprehensive income for the year		**-**	**(912)**	**57,306**	**56,394**
Contributions by and distributions to owners					
Share buyback		(3,725)	-	-	(3,725)
Shares issued		390,874	-	-	390,874
Shares issued under dividend reinvestment plan		5,032	-	-	5,032
Conversion of executive redeemable shares		883	-	-	883
Dividends to equity holders	3	-	-	(113,716)	(113,716)
Total contributions by and distributions to owners		393,063	-	(113,716)	279,347
Balance as at 31 March 2020		747,615	-	42,481	790,096

Statement of Changes in Equity
For the year ended 31 March 2019

	Notes	Capital $000	Other reserves $000	Retained earnings $000	Total $000
Balance as at 1 April 2018		354,552	339	12,916	367,807
Total comprehensive income for the year					
Net surplus for the year		-	-	181,052	181,052
Other comprehensive income after tax					
Fair value movements in relation to executive share scheme		-	573	-	573
Total other comprehensive income		-	573	-	573
Total comprehensive income for the year		**-**	**573**	**181,052**	**181,625**
Contributions by and distributions to owners					
Share buyback		-	-	-	-
Treasury Stock reissued under dividend reinvestment plan		-	-	-	-
Conversion of executive redeemable shares		-	-	-	-
Dividends to equity holders	3	-	-	(95,077)	(95,077)
Total contributions by and distributions to owners		-	-	(95,077)	(95,077)
Balance at 31 March 2019		354,552	912	98,891	454,355

The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Financial Position
As at 31 March 2020

	Notes	2020 $000	2019 $000
Cash and cash equivalents		-	-
Prepayments and sundry receivables		1,172	2,065
Advances to subsidiary companies	14	1,645,101	1,151,916
Current assets		1,646,273	**1,153,981**
Deferred tax	6	19,048	14,203
Investments	14	585,529	585,529
Non-current assets		604,577	**599,732**
Total assets		2,250,850	**1,753,713**
Bond interest payable		4,557	5,507
Accounts payable		4,049	4,069
Accruals and other liabilities		272	429
Infrastructure bonds	7	-	148,857
Derivative financial instruments	8	-	1,729
Loans from group companies	14	153,897	153,897
Total current liabilities		162,775	**314,488**
Infrastructure bonds	7	1,061,271	747,169
Perpetual Infratil Infrastructure bonds	7	231,917	231,534
Derivative financial instruments	8	4,791	6,167
Non-current liabilities		1,297,979	**984,870**
Attributable to shareholders of the Company		790,096	454,355
Total equity		790,096	**454,355**
Total equity and liabilities		2,250,850	**1,753,713**

Approved on behalf of the Board on 28 May 2020

Director

Director

The accompanying notes form part of these financial statements.

Infratil Limited
Statement of Cash Flows
For the year ended 31 March 2020

	Notes	2020 $000	2019 $000
Cash flows from operating activities			
Cash was provided from:			
Dividends received from subsidiary companies		-	186,145
Subvention income		-	-
Interest received		122,722	62,497
Operating revenue receipts		43,535	29,297
		166,257	277,939
Cash was dispersed to:			
Interest paid		(67,766)	(64,703)
Payments to suppliers		(44,493)	(31,043)
Taxation (paid) / refunded		(2,462)	(2,750)
		(114,721)	(98,496)
Net cash flows from operating activities	10	**51,536**	**179,443**
Cash flows from investing activities			
Cash was provided from:			
Net movement in subsidiary company loan		-	-
		-	-
Cash was dispersed to:			
Acquisition of shares in subsidiary		-	-
Cash outflow for group company loan		(494,092)	(215,330)
		(494,092)	(215,330)
Net cash flows from investing activities		**(494,092)**	**(215,330)**
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		396,784	-
Issue of bonds		316,441	246,249
		713,225	246,249
Cash was dispersed to:			
Repayment of bonds		(148,998)	(111,418)
Infrastructure bond issue expenses		(4,230)	(3,867)
Repurchase of shares		(3,725)	-
Dividends paid	3	(113,716)	(95,077)
		(270,669)	(210,362)
Net cash flows from financing activities		**442,556**	**35,887**
Net cash movement		-	-
Cash balances at beginning of year		-	-
Cash balances at year end		**-**	**-**

Note some cash flows above are directed through an intercompany account. The cashflow statement above has been prepared on the assumption that these transactions are equivalent to cash in order to present the total cashflows of the entity.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 March 2020

(1) Accounting policies

(A) Reporting Entity
Infratil Limited ('the Company') is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed on the NZX Main Board ('NZX') and Australian Securities Exchange ('ASX'), and is an FMC Reporting Entity in terms of Part 7 of the Financial Markets Conduct Act 2013.

(B) Basis of preparation
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') and comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable financial reporting standards as appropriate for profit-oriented entities. The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Company's functional currency, and is presented in $ thousands unless otherwise stated. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Comparative figures have been restated where appropriate to ensure consistency with the current period.

The financial statements comprise statements of the following: comprehensive income; financial position; changes in equity; cash flows; significant accounting policies; and the notes to those statements. The financial statements are prepared on the basis of historical cost, except financial derivatives valued in accordance with accounting policy (D).

Accounting estimates and judgements
The preparation of financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these financial statements are set out below.

Valuation of investments
Infratil completes an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment taking into account observable data on the investment, the fair value, the status or context of capital markets, its own view of investment value, and its long term intentions. Infratil notes the following matters which are specifically considered in terms of objective evidence of impairment of its investments, and whether there is a significant or prolonged decline from cost, which should be recorded as an impairment, and taken to profit and loss: any known loss events that have occurred since the initial recognition date of the investments, including its long term investment horizon, specific initiatives which reflect the strategic or influential nature of its existing investment position and internal valuations; and the state of financial markets. The assessment also requires judgements about the expected future performance and cash flows of the investment.

Accounting for income taxes
Preparation of the financial statements requires management to make estimates as to, amongst other things, the amount of tax that will ultimately be payable, the availability of losses to be carried forward and the amount of foreign tax credits that it will receive. Actual results may differ from these estimates as a result of reassessment by management and/or taxation authorities.

(C) Taxation
Income tax comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits or deferred tax liabilities will be available within the Company against which the asset can be utilised.

(D) Derivative financial instruments
When appropriate, the Company enters into agreements to manage its interest rate, foreign exchange, operating and investment risks. In accordance with the Company's risk management policies, the Company does not hold or issue derivative financial instruments for speculative purposes. However, certain derivatives do not qualify for hedge accounting and are required to be accounted for at fair value through profit or loss. Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event, recognition of any resultant gain or loss depends on the nature of the hedging relationship.

(E) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(F) Borrowings

Borrowings 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 profit and loss over the period of the borrowing using the effective interest rate. Fees and other costs incurred in arranging debt finance are capitalised and amortised over the term of the relevant debt facility.

(G) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 the functional currency at the beginning of the period, adjusted for interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

(H) Changes in accounting policies

The Company has adopted NZ IFRS 16 Leases ('NZ IFRS 16') from 1 April 2019.

NZ IFRS 16 replaces NZ IAS 17 Leases and removes the classification of leases as either operating leases or finance leases and consequently for the lessee, all leases (other than short term or low value leases) are recognised on the Consolidated Statement of Financial Position. The Company is not party to any lease contracts and therefore the adoption of this accounting standard has not had a material impact on the financial statements.

(I) Adoption status of relevant new financial reporting standards and interpretations

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the financial statements.

(2) Nature of business

The Company is the ultimate parent company of the Infratil Group, owning infrastructure businesses and investments in New Zealand, Australia, Europe and the United States. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Market Lane, Wellington, New Zealand.

(3) Infratil shares and dividends

Ordinary shares (fully paid)	2020 Shares	2019 Shares
Total authorised and issued capital at the beginning of the year	559,278,166	559,278,166
Movements during the year:		
New shares issued	99,992,228	-
New shares issued under dividend reinvestment plan	1,030,793	-
Treasury Stock reissued under dividend reinvestment plan	-	-
Conversion of executive redeemable shares	265,267	-
Share buyback	(887,617)	-
Total authorised and issued capital at the end of the year	659,678,837	559,278,166

During the year the Company issued new shares to support the acquisition of Vodafone New Zealand Limited, raising net proceeds after issue costs of $396.8 million via an institutional placement and an entitlement offer to existing shareholders. All fully paid ordinary shares have equal voting rights, have no par value and share equally in dividends and equity. At 31 March 2020 the Group held 1,662,617 shares as Treasury Stock (2019: 775,000).

Dividends paid on ordinary shares	2020 cents per share	2019 cents per share	2020 $000	2019 $000
Final dividend prior year *(paid 27 June 2019)*	11.00	10.75	72,526	60,122
Interim dividend current year *(paid 13 December 2019)*	6.25	6.25	41,212	34,955
Dividends paid on ordinary shares	17.25	17.00	113,738	95,077

Executive redeemable shares	2020 000	2019 000
Balance at the beginning of the year	433	433
Shares issued	-	-
Shares converted to ordinary shares	(265)	-
Shares cancelled	(168)	-
Balance at end of year	-	433

(4) Other operating expenses

		2020 $000	2019 $000
Fees paid to the Company auditor		209	204
Directors' fees		1,053	822
Administration and other corporate costs		5,931	5,423
Management fee (to related party Morrison & Co Infrastructure Management)	14	36,943	23,951
Total other operating expenses		44,136	30,400

Fees paid to the Company auditor	2020 $000	2019 $000
Audit and review of financial statements	194	204
Other assurance services	15	-
Taxation services	-	-
Other services	-	-
Total fees paid to the Company auditor	209	204

The audit fee includes the fees for both the annual audit of the Group and Company financial statements and the review of the interim financial statements. Other assurance services relate to agreed upon procedures.

(5) Net realisations and (impairments)

At 31 March 2020 the Company reviewed the carrying amounts of loans to Infratil Group companies to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset was estimated by reference to the counterparties' net asset position and ability to repay loans out of operating cash flows in order to determine the extent of any impairment loss. Management also considered the impact of the COVID-19 pandemic and forecasts for deteriorating global macroeconomic conditions as part of this assessment. As a result, the Company did not impair any loans to Infratil Group companies in 2020 (2019: nil). These balances are within the Infratil Wholly Owned Group to entities also controlled either directly or indirectly by Infratil Limited.

(6) Taxation

	2020 $000	2019 $000
Surplus before taxation	54,931	186,207
Taxation on the surplus for the period @ 28%	15,381	52,138
Plus/(less) taxation adjustments:		
Exempt dividends	-	(52,121)
Losses offset within Group	(14,662)	10,140
Timing differences not recognised	(3,085)	-
Over provision in prior years	(92)	190
Other permanent differences	83	(5,192)
Taxation expense	**(2,375)**	**5,155**
Current taxation	2,470	2,750
Deferred taxation	(4,845)	2,405
	(2,375)	**5,155**

There was no income tax recognised in other comprehensive income during the period (2019: nil)

Recognised deferred tax assets and liabilities

	Assets	
	2020 $000	2019 $000
Derivatives	1,341	2,211
Provisions	17,707	-
Tax losses carried forward	-	12,067
Deferred tax assets	19,048	14,278

	Liabilities	
	2020 $000	2019 $000
Other items	-	(75)
Deferred tax liabilities	-	(75)

	Net Assets/(Liabilities)	
	2020 $000	2019 $000
Property, plant and equipment		
Investment property		
Derivatives	1,341	2,211
Provisions	17,707	-
Tax losses carried forward	-	12,067
Other items	-	(75)
Net deferred tax assets/(liabilities)	19,048	14,203

Changes in temporary differences affecting tax expense

	Tax Expense		Other Comprehensive Income	
	2020 $000	2019 $000	2020 $000	2019 $000
Derivatives	(870)	(1,240)	-	-
Employee benefits	-	-	-	-
Customer base assets	-	-	-	-
Provisions	17,707	-	-	-
Tax losses carried forward	(12,067)	(1,240)	-	-
Other items	75	75	-	-
	4,845	(2,405)	-	-

(7) Infrastructure Bonds

	2020 $000	2019 $000
Balance at the beginning of the year	1,127,560	994,448
Issued during the year	316,441	246,249
Exchanged during the year	(29,326)	(51,050)
Matured during the year	(119,671)	(60,367)
Purchased by Infratil during the year	-	-
Bond issue costs capitalised during the year	(4,230)	(3,867)
Bond issue costs amortised during the year	2,414	2,147
Balance at the end of the year	1,293,188	1,127,560
Current	-	148,857
Non-current fixed coupon	939,636	747,169
Non-current variable coupon	121,635	-
Non-current perpetual variable coupon	231,917	231,534
Balance at the end of the year	1,293,188	1,127,560
Repayment terms and interest rates:		
IFT200 Maturing in November 2019, 6.75% p.a. fixed coupon rate	-	68,500
IFT090 Maturing in February 2020, 8.50% p.a. fixed coupon rate	-	80,498
IFT220 Maturing in June 2021, 4.90% p.a. fixed coupon rate	93,883	93,883
IFT190 Maturing in June 2022, 6.85% p.a. fixed coupon rate	93,696	93,696
IFT240 Maturing in December 2022, 5.65% p.a. fixed coupon rate	100,000	100,000
IFT210 Maturing in September 2023, 5.25% p.a. fixed coupon rate	122,104	122,104
IFT230 Maturing in June 2024, 5.50% p.a. fixed coupon rate	56,117	56,117
IFT260 Maturing in December 2024, 4.75% p.a. fixed coupon rate	100,000	100,000
IFT250 Maturing in June 2025, 6.15% p.a fixed coupon rate	43,413	43,413
IFT300 Maturing in March 2026, 3.35% p.a. fixed coupon rate	36,976	-
IFT 280 Maturing in December 2026, 3.35% p.a. fixed coupon rate	156,279	-
IFT270 Maturing in December 2028, 4.85% p.a. fixed coupon rate until 15 December 2023	146,249	146,249
IFTHC Maturing in December 2029, 3.50% p.a. variable coupon rate reset annually from 15 December 2020	123,186	-
IFTHA Perpetual Infratil infrastructure bonds	231,917	231,917
less: issue costs capitalised and amortised over term	(10,632)	(8,817)
Balance at the end of the year	1,293,188	1,127,560

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 231,916,600 (31 March 2019: 231,916,600) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2020 the coupon will be fixed at 2.67% per annum (2019: 3.55%). Thereafter the rate will be reset annually at 1.50% per annum over the then one year bank rate for quarterly payments, unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2019: nil) were repurchased by Infratil Limited during the period.

IFTHC bonds

The Company has 123,186,000 (31 March 2019: nil) IFTHCs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 December 2020 the coupon is fixed at 3.50% per annum (March 2019: nil). Thereafter the rate will be reset annually at 2.50% per annum over the then one year bank rate for quarterly payments.

IF270 bonds

The interest rate of the IFT270 bonds is fixed for the first five years and then reset on 15 December 2023 for a further five years. The interest rate for the IFT270 bonds for the period from (but excluding) 15 December 2023 until the maturity date will be the sum of the five year swap rate on 15 December 2023 plus a margin of 2.50% per annum.

Throughout the period the Company complied with all debt covenant requirements as imposed by the bond supervisor.

At 31 March 2020 the Infratil Infrastructure bonds (including PIIBs) had a fair value of $1,161.5 (31 March 2019: $1,104.4 million).

(8) Financial instruments

The Company has exposure to the following risks due to its business activities and financial policies:

- Credit risk
- Liquidity risk
- Market risk (interest rates and foreign exchange)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Company has developed a comprehensive, enterprise wide risk management framework. Management and Board participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Company.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk in the normal course of business including those arising from financial derivatives and transactions (including cash balances) with financial institutions. The Company has adopted a policy of only dealing with credit-worthy counterparties, as a means of mitigating the risk of financial loss from defaults. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and other organisations in the relevant industry. The Company's exposure and the credit ratings of counterparties are monitored. The carrying amounts of financial assets recognised in the Statement of Financial Position best represent the Company's maximum exposure to credit risk at the reporting date. No security is held on these amounts.

Liquidity risk

Liquidity risk is the risk that assets held by the Company cannot readily be converted to cash to meet the Company's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and make value investments, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The tables below analyses the financial liabilities into relevant maturity groupings based on the earliest possible contractual maturity date at the year end date. The amounts in the tables below are contractual undiscounted cash flows, which include interest through to maturity. Perpetual Infratil Infrastructure Bond cash flows have been determined by reference to the longest dated Infratil Bond maturity in the year 2029.

2020	Accounts payable, accruals and other liabilities	Infrastructure bonds	Perpetual Infratil Infrastructure bonds	Derivative financial instruments	Total
	$000	$000	$000	$000	$000
Balance sheet	158,218	1,065,828	231,917	4,791	1,460,754
Contractual cash flows	158,218	1,324,493	292,032	4,791	1,779,534
6 months or less	158,218	25,732	3,096	1,319	188,365
6 to 12 months	-	25,732	3,096	1,418	30,246
1 to 2 years	-	141,705	6,192	2,054	149,951
2 to 5 years	-	567,931	18,577	-	586,507
5 years +	-	563,394	261,071	-	824,465
2019					
Balance sheet	163,902	896,026	231,534	7,896	1,299,358
Contractual cash flows	163,902	1,122,247	311,846	7,896	1,605,890
6 months or less	163,902	26,072	4,117	2,568	196,659
6 to 12 months	-	172,481	4,117	1,539	178,136
1 to 2 years	-	40,678	8,233	2,386	51,298
2 to 5 years	-	496,606	24,699	1,403	522,708
5 years +	-	386,410	270,680	-	657,090

Market risk

Interest rates

Interest rate risk is the risk of interest rate volatility negatively affecting the Company's interest expense cash flow and earnings. The Company mitigates this risk by issuing borrowings at fixed interest rates or entering into Interest Rate Swaps to convert floating rate exposures to fixed rate exposure. Borrowings issued at fixed rates expose the Company to fair value interest rate risk which is managed by the interest rate profile and hedging.

	2020 $000	2019 $000
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps in place at year end	45,000	95,000
Fair value of interest rate swaps	(4,791)	(7,896)
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	-	50,000
Between 1 to 2 years	45,000	-
Between 2 to 5 years	-	45,000
Over 5 years	-	-

Interest rate sensitivity analysis

The following table shows the impact on post-tax profit and equity of a movement in bank interest rates of 100 basis points higher/lower with all other variables held constant.

	2020 $000	2019 $000
Profit or loss		
100 bp increase	960	248
100 bp decrease	(946)	(210)

There would be no material effect on equity.

Foreign currency

The Company has exposure to currency risk on the value of its assets and liabilities denominated in foreign currencies, future investment obligations and future income. Foreign currency obligations and income are recognised as soon as the flow of funds is likely to occur. Decisions on buying forward cover for likely foreign currency investments is subject to the Company's expectation of the fair value of the relevant exchange rate.

Foreign exchange sensitivity analysis

At 31 March 2020, if the New Zealand dollar had weakened/strengthened by 10 percent against foreign currencies, with all other variables held consistent, post-tax profit would not have been materially different. There would have been no material impact on balance sheet components.

Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements is their fair value, with the exception of bond debt held at amortised cost which have a fair value at 31 March 2020 of $1,161.5 million (31 March 2019: $1,104.4 million) compared to a carrying value of $1,293.2 million (31 March 2019: $1,127.6 million).

	2020 $000	2019 $000
Assets		
Derivative financial instruments - foreign exchange	-	-
Derivative financial instruments - interest rate	-	-
	-	-
Split as follows:		
Current	-	-
Non-current	-	-
	-	-
Liabilities		
Derivative financial instruments - foreign exchange	-	-
Derivative financial instruments - interest rate	4,791	7,896
	4,791	7,896
Split as follows:		
Current	-	1,729
Non-current	4,791	6,167
	4,791	7,896

Estimation of fair values

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

• The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

• The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.

• The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

• forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and

• discount rates.

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques.

All financial instruments measured at fair value in the statement of financial position are valued either directly (that is, using external available inputs) or indirectly (that is, derived from externally available inputs) and are classified as level 2 under NZ IFRS 7.

Valuation Input	***Source***
Interest rate forward price curve	Published market swap rates
Discount rate for valuing interest rate derivatives	Published market interest rates as applicable to the remaining life of the instrument.

Fair value hierarchy

The analysis of financial instruments carried at fair value, by valuation method is below. The different levels have been defined as follows:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (**level 1**)

• Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (**level 2**)

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (**level 3**).

The Company has interest rate swap derivatives that are classified as Level 2 and have a fair value liability of $4.8 million at 31 March 2020 (2019: $7.9 million).

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2020 (2019: none).

Capital management

The key factors in determining the Company's optimal capital structure are:

• Nature of its activities

• Quality and dependability of earnings/cash flows

• Capital needs over the forecast period

• Available sources of capital and relative cost

There were no changes to the Company's approach to capital management during the year.

The Company's capital includes share capital, reserves, and retained earnings. From time to time the Company purchases its own shares on the market with the timing of these purchases dependent on market prices, an assessment of value for shareholders and an available window to trade on the NZX. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. During the year 887,617 shares were bought back by the the Company (2019: none).

The Company seeks to ensure that no more than 25% of its Infrastructure bonds mature in any one year period, and to spread the maturities of its facilities. The Company manages its interest rate profile so as to minimise net value volatility. This means having interest costs fixed for extended terms. At times when long rates appear to be unsustainably high, the profile may be shortened, and when rates are low the profile may be lengthened.

(9) Investment in subsidiaries and associates

The significant investments of the Company and their activities are summarised below:

Subsidiaries	Holding 2020	Holding 2019	Principal activity	Country of incorporation
New Zealand				
Infratil 1998 Limited	100%	100%	Investment	New Zealand
Infratil 2016 Limited	100%	100%	Investment	New Zealand
Infratil 2018 Limited	100%	100%	Investment	New Zealand
Infratil 2019 Limited	100%	-	Investment	New Zealand
Infratil Energy Limited	100%	100%	Investment	New Zealand
Infratil Finance Limited	100%	100%	Finance	New Zealand
Infratil Gas Limited	100%	100%	Investment	New Zealand
Infratil Infrastructure Property Limited	100%	100%	Investment	New Zealand
Infratil Investments Limited	100%	100%	Investment	New Zealand
Infratil No 1 Limited	100%	100%	Investment	New Zealand
Infratil No 5 Limited	100%	100%	Investment	New Zealand
Infratil Outdoor Media Limited	100%	100%	Investment	New Zealand
Infratil PPP Limited	100%	100%	Investment	New Zealand
Infratil Renewables Limited	100%	100%	Investment	New Zealand
Infratil RV Limited	100%	100%	Investment	New Zealand
Infratil Ventures II Limited	100%	100%	Investment	New Zealand
Infratil Ventures Limited	100%	100%	Investment	New Zealand
NZ Airports Limited	100%	100%	Investment	New Zealand
Swift Transport Limited	100%	100%	Investment	New Zealand
Infratil Australia Limited	100%	100%	Investment	New Zealand

The financial year-end of all the significant subsidiaries is 31 March.

(10) Reconciliation of net surplus with cash flow from operating activities

	2020 $000	2019 $000
Net surplus for the year	57,306	181,052
Less items classified as investing activity:		
Loss/(profit) on investment realisations and impairments	-	-
Add items not involving cash flows:		
Movement in financial derivatives taken to the profit or loss	(3,105)	(4,427)
Unsettled share buybacks	-	-
Capitalisation of intercompany interest and charges	-	-
Amortisation of deferred bond issue costs	2,414	2,147
Movements in working capital		
Change in receivables	893	(968)
Change in trade payables	(20)	1,190
Change in accruals and other liabilities	(1,107)	(1,956)
Change in deferred tax and tax receivable	(4,845)	2,405
Net cash inflow from operating activities	**51,536**	**179,443**

(11) Share Scheme

Infratil Staff Share Purchase Scheme

In 2008 Infratil commenced a staff share purchase scheme ('the Staff Share Scheme'). Under the Staff Share Scheme participating employees have a beneficial title to the ordinary shares, which are held by a trustee company. Staff are provided a loan in respect of the shares which is repayable over a period of three years. Upon repayment of the loan and three years' service by the participating employee, the ordinary shares will transfer from the trustee company to the participating employee, and the shares become unrestricted. Other than in exceptional circumstances, the length of the retention period before the shares vest is three years during which time the ordinary shares cannot be sold or disposed of.

During the year 42,566 shares were transferred to employees under the scheme (2019: 47,770 shares).

Infratil Executive Redeemable Share Scheme

From time to time selected key eligible executives and senior managers of Infratil and certain of its subsidiaries are invited to participate in the Infratil Executive Redeemable Share Scheme ('Executive Scheme') to acquire Executive Redeemable Shares ('Executive Shares'). The Executive Shares have certain rights and conditions and cannot be traded and do not convert to ordinary shares until those conditions have been met. The Executive Shares confer no rights to receive dividends or other distributions or to vote. Executive Shares may be issued which will convert to ordinary shares after three years (other than in defined circumstances) provided that the issue price has been fully paid and vesting conditions have been met. The vesting conditions include share performance hurdles with minimum future share price targets which need to be achieved over the specified period. The number of shares that "vest" (or LTI bonus paid) is based on the share price performance over the relevant period of the Infratil ordinary shares. If the executive is still employed by the Group at the end of the specified period, provided the share performance hurdles are met the executive receives a long term incentive bonus ('LTI') which must be used to repay the outstanding issue price of the Executive Shares and the Executive Shares are then converted to fully paid ordinary shares of Infratil.

No new Infratil Executive Redeemable Shares were granted during the current or prior year.

On 31 May 2019, Infratil accelerated the entitlements of executives of Snapper Services Limited (Snapper) under the 2016 Infratil Executive Share Scheme pursuant to the Infratil Limited Executive Share Scheme Trust Deed dated 22 August 2008 (Trust Deed), to allow those executives the benefit of that Scheme on completion of the sale of Snapper. As a consequence of this, on 4 June 2019 Infratil converted 54,504 Executive Shares into Ordinary Shares.

On 17 June 2019, the 2016 Infratil Executive Redeemable Share Scheme matured having met certain share performance thresholds. Pursuant to this and the Infratil Limited Executive Share Scheme Trust Deed dated 22 August 2008 (the Trust Deed), on 19 July 2019 the Company converted 210,763 Executive Redeemable Shares into Ordinary Shares.

The remaining 167,733 Executive Redeemable Shares for which the performance hurdle was not meet pursuant to the Trust Deed were cancelled and therefore not converted to ordinary shares.

(12) Commitments

There are no outstanding commitments (2019: nil).

(13) Contingent liabilities

The Company and certain wholly owned subsidiaries are guarantors of the bank debt facilities of Infratil Finance Limited under a Deed of Negative Pledge, Guarantee and Subordination and the Company is a guarantor to certain obligations of subsidiary companies.

The Company has a contingent liability under the international fund management agreement with Morrison & Co International Limited in the event that the Group sells its international assets, or valuation of the assets exceeds the performance thresholds set out in the international fund management agreement.

The Company has agreed to guarantee certain obligations of Infratil Trustee Limited, a related party, that is the Trustee to the Infratil Staff Share Scheme. The amount of the guarantee is limited to the loans provided to the employees.

(14) Related parties

Certain Infratil Directors have relevant interests in a number of companies with which Infratil has transactions in the normal course of business. A number of key management personnel are also Directors of Group subsidiary companies and associates.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company and receives management fees in accordance with the applicable management agreement. MCIM is owned by H.R.L. Morrison & Co Group Limited Partnership ('MCO'). Mr M Bogoievski is a director of Infratil and is a director and Chief Executive Officer of MCO. Entities associated with Mr Bogoievski also have beneficial interests in MCO.

Note 9 identifies significant entities in which the Company has an interest. All of these are related parties of the Company. The Company has the following significant loans and investments to/from/in its subsidiaries:

	Interest income/(expense)		Intercompany	
Related Party	2020 $000	2019 $000	2020 $000	2019 $000
Advances				
Infratil Finance	122,714	62,489	1,645,101	1,151,010
Aotea Energy Holdings Limited	-	-	(153,897)	(153,897)
Investments in				
Infratil Investments Limited			87,665	87,665
Infratil 1998 Limited			12,000	12,000
Infratil Finance Limited			153,897	153,897
Infratil No. 1 Limited			78,024	78,024
Infratil PPP Limited			5,942	5,942
Infratil No. 5 Limited			248,001	248,001

Management and other fees paid by the Company to MCIM, MCO or its related parties during the year were:

	2020 $000	2019 $000
Management fees	36,943	23,951
Directors fees	112	104
Financial management, accounting, treasury, compliance and administrative services	1,250	1,258
Investment banking services	1,245	1,225
Total management and other fees	39,550	26,538

At 31 March 2020 amounts owing to MCIM of $2,806k (excluding GST) are included in trade creditors (2019: $3,150k).

(15) Management fee to Morrison & Co Infrastructure Management Limited ('MCIM')

The management fee to MCIM comprises a number of different components:

A New Zealand base management fee is paid on the "New Zealand Company Value" at the rates of 1.125% per annum on New Zealand Company value up to $50 million. 1.0% per annum on the New Zealand Company Value between $50 million and $150 million, and 0.80% per annum on the New Zealand Company Value above $150 million. The New Zealand Company Value is:

• the Company's market capitalisation as defined in the management agreement (i.e. the aggregated market value of the Company's listed securities, being ordinary shares, partly paid shares, infrastructure bonds and warrants):

• plus the Company and its wholly owned subsidiaries' net debt (excluding listed debt securities and the book value of the debt in any non-Australasian investments):

• minus the cost price of any non-Australasian investments: and

• plus/minus an adjustment for foreign exchange gains or losses related to non-New Zealand investments.

An international fund management fee is paid at the rate of 1.50% per annum on:

• the cost price of any non-Australasian investments: plus

• the book value of the debt in any wholly owned non-Australasian investments.

(16) Segment analysis

During the year, the Company operated in predominantly one business segment, that of investments.

Geographical segments

The Company operated in one geographical area, that of New Zealand. Certain subsidiaries of the Company invest in Australia, Europe and the United States.

(17) Events after balance date

Dividend

On 28 May 2020, the Directors approved a partially imputed final dividend of 11.0 cents per share to holders of fully paid ordinary shares to be paid on 15 June 2020.

There have been no other significant events subsequent to balance date.

KPMG

Independent Auditor's Report

To the shareholders of Infratil Limited

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Infratil Limited (the company) on pages 1 to 16:

i. present fairly in all material respects the company's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

— the statement of financial position as at 31 March 2020;

— the statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided other services to the company in relation to other assurance engagements and due diligence services. These matters not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

— the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards);

— implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning.

For and on behalf of

KPMG
Wellington

28 May 2020

Directory

Directors
Mark Tume (Chairman)
Marko Bogoievski
Alison Gerry
Paul Gough
Kirsty Mactaggart
Catherine Savage
Peter Springford

Company Secretary
Nick Lough

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NZX
NEW ZEALAND'S EXCHANGE

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Infratil Limited	
Reporting Period	12 months to 31 March 2020	
Previous Reporting Period	12 months to 31 March 2019	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$1,368,700	(5.1%)
Total Revenue	$1,560,300	(18.5%)
Net profit/(loss) from continuing operations	$508,800	690.1%
Total net profit/(loss)	$484,200	824.0%
Interim/Final Dividend		
Amount per Quoted Equity Security	$ 0.11000000	
Imputed amount per Quoted Equity Security	$0.02500000	
Record Date	8 June 2020	
Dividend Payment Date	15 June 2020	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$3.01	$2.68
A brief explanation of any of the figures above necessary to enable the figures to be understood	This Results announcement should be read in conjunction with the attached consolidated annual financial statements for the 12 months ended 31 March 2020 ("Annual Financial Statements"). More detailed commentary on the operations of the Group over the period has been provided in the form of the Infratil Annual Results Presentation 2020 and Annual Report 2020, which have been released alongside the Annual Financial Statements.	
Authority for this announcement		
Name of person authorised to make this announcement	Phillippa Harford, Chief Financial Officer	
Contact person for this announcement	Phillippa Harford, Chief Financial Officer	
Contact phone number	64 4 473 3663	
Contact email address	Phillippa.Harford@hrlmorrison.com	
Date of release through MAP	29 May 2020	

Audited financial statements accompany this announcement.

NZX
NEW ZEALAND'S EXCHANGE

Distribution Notice

Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	Infratil Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	IFT			
ISIN (If unknown, check on NZX website)	NZIFTE0003S3 / ASX IFT			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	8 June 2020			
Ex-Date (one business day before the Record Date)	5 June 2020			
Payment date (and allotment date for DRP)	15 June 2020			
Total monies associated with the distribution[1]	$72,564,672			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.13500000			
Total cash distribution[3]	$0.11000000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	$0.01134454			
Section 3: Imputation credits and Resident Withholding Tax[4]				
Is the distribution imputed	Partially imputed			
If fully or partially imputed, please state imputation rate as % applied	22.72727273%			
Imputation tax credits per financial product	$0.02500000			
Resident Withholding Tax per financial product	$0.01955000			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[4] The imputation credits plus the RWT amount is 33% of the gross distribution for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross distribution with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)		
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Phillippa Harford, Chief Financial Officer	
Contact person for this announcement	Phillippa Harford, Chief Financial Officer	
Contact phone number	64 4 473 3663	
Contact email address	Phillippa.Harford@hrlmorrison.com	
Date of release through MAP	29 May 2020	

29 May 2020

Infratil Limited (IFT): ASX Listing Rule 1.15.3

Infratil (an ASX Foreign Exempt Listing) confirms, for the purposes of ASX Listing Rule 1.15.3, that it has complied with and continues to comply with NZX Listing Rules of NZX Limited, which is its overseas home exchange.

Nick Lough
Company Secretary