

Generation Lessor Corporation

Financial report
for the year ended
30 June 2018



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To the Chair Generation Lessor Corporation

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the Schedule to the *Public Corporations Act 1993*, I have audited the financial report of the Generation Lessor Corporation for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Generation Lessor Corporation as at 30 June 2018, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, section 13(3) of the Schedule to the *Public Corporations Act 1993* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Generation Lessor Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Conduct for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial report

The directors of the Generation Lessor Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chair about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

23 August 2018

Generation Lessor Corporation

Financial Report

For the year ended 30 June 2018

Generation Lessor Corporation

Statement of Comprehensive Income For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Revenues from fees and charges	2	7,249	7,177
Interest revenues	3	48	187
Other income	4	4,800	2,916
Gain on disposal of property plant and equipment	13	-	98
Total Income		12,097	10,378
Expenses			
Supplies and services	6	499	488
Depreciation	12	449	2,696
Other expenses	7	4,814	176
Total Expenses		5,762	3,360
Revenues from SA Government			
Revenues from SA Government	5	200	200
Net result		6,535	7,218
Total Comprehensive result		6,535	7,218

The net result and total comprehensive result are attributable to the SA Government as owner

The above Statement should be read in conjunction with the accompanying notes

Generation Lessor Corporation

Statement of Financial Position As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	8	1,256	1,172
Receivables	9	12	6,547
Total current assets		1,268	7,719
Non-current assets			
Receivables	10	-	538
Property, plant and equipment	14	3,820	4,269
Total non-current assets		3,820	4,807
Total assets		5,088	12,526
Current liabilities			
Payables	11	27	14
Unearned income	15	-	6,455
Total current liabilities		27	6,469
Non-current liabilities			
Unearned income	15	-	538
Total non-current liabilities		-	538
Total liabilities		27	7,007
Net assets		5,061	5,519
Equity			
Contributed equity		24,539	24,539
Retained earnings		(22,058)	(21,600)
Asset revaluation surplus		2,580	2,580
Total equity		5,061	5,519
Contingent asset	19		
Contingent liability	20		

The total equity is attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Generation Lessor Corporation

Statement of Changes In Equity For the year ended 30 June 2018

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2016		24,539	2,580	(18,972)	8,147
Net Result for 2016-17		-	-	7,218	7,218
Total comprehensive result for 2016-17		-	-	7,218	7,218
Dividends to Treasurer SA	16	-	-	(9,846)	(9,846)
Balance at 30 June 2017		24,539	2,580	(21,600)	5,519
Net Result for 2017-18		-	-	6,535	6,535
Total comprehensive result for 2017-18		-	-	6,535	6,535
Dividends to Treasurer SA	16	-	-	(6,993)	(6,993)
Balance at 30 June 2018		24,539	2,580	(22,058)	5,061

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Generation Lessor Corporation

Statement of Cash Flows For the year ended 30 June 2018

	2018	2017
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash Outflows		
Payment for supplies and services	6	(435)
Net GST paid to the ATO		(10)
Payments to SA Government	7	(5,280)
Other payments		-
		(39,235)
Cash used in operations		(40,200)
Cash Inflows		
Interest received		48
Recoveries and Other Income	4	5,561
Cash generated from operations		3,661
Cash Flows from SA Government		
Receipts from SA Government	5	200
Cash generated from SA Government		200
Net cash provided/(used) by operating activities		84
Cash flows from investing activities		
Cash Inflows		
Proceeds from the sale of property, plant & equipment		-
Cash generated from investing activities		100
Cash flows from financing activities		
Cash Outflows		
Dividends paid to SA Government		-
Cash used in financing activities		(2,900)
Net increase/(decrease) in cash		84
Cash at the beginning of the period		1,172
Cash at the end of the period	8	1,172

The above statement should be read in conjunction with the accompanying notes

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

1 Basis of Financial Statements

Reporting Entity

Generation Lessor Corporation (Corporation) was established on 29 July 1999 as a subsidiary of the Treasurer of South Australia (Treasurer) under Regulations made pursuant to the *Public Corporations Act 1993*.

Pursuant to Ministerial Transfer Orders, dated 6 June 2000 and 8 September 2000 all the prescribed electricity assets consisting of certain generating plant and the land on which the generating plant is located, were transferred to the Corporation at book value.

On 1 July 2010, *The Public Corporations (Generation Lessor Corporation) Regulations 2010* came into operation to replace the expiring *Public Corporations (Generation Lessor Corporation) Regulations 1999*.

The Corporation is a subsidiary of the Treasurer of South Australia.

The principal activity of the Corporation is as lessor of the prescribed electricity assets which are in the nature of certain generation plant and the land upon which the generation plant is located.

Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with the Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Corporation has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Corporation is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Corporation for the period ending 30 June 2018.

Basis of preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Leases

(i) Prescribed electricity generation assets

All prescribed electricity assets consisting of generating plant and the land on which the generating plant is located were leased under finance leases for 100 years.

Lease rentals were fully prepaid by each lessee to the Treasurer. Prepaid lease rentals received in excess of the book value of the prescribed electricity assets are recognised as profit on the finance lease.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

(ii) Other assets

The Leigh Creek Township was leased under an operating lease of 20 years, effective 8 September 2000. The early surrender of the Township Lease was effective 31 December 2016. Effective from 1 January 2017, ownership of the Leigh Creek Township was transferred from the Corporation to relevant Government bodies.

The Leigh Creek Railway was leased to the Corporation by the then Minister for Transport and Urban Planning, was sub-leased under an operating lease of 20 years, effective 8 September 2000. The head lease and sub-lease were surrendered during 2017-18. The Railway was returned to the Department of Planning, Transport and Infrastructure control effective from 1 August 2017.

Taxation

Income tax equivalent

The Treasurer of South Australia has issued a determination pursuant to the Schedule to the Public Corporations Act 1993 whereby the Corporation is not subject to Commonwealth income tax equivalents for the period since incorporation.

Goods and services tax

Income, expenses and assets are recognised net of the amount of (GST) except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Land tax

The Corporation is liable to pay Land Tax in respect of its land holdings, but the Corporation received reimbursement from the lessees.

Receivables

Receivable from the Treasurer

Receivable from the Treasurer represents amounts owing from the Treasurer with respect to fully prepaid operating lease rentals received by the Treasurer in relation to the lease of the Leigh Creek Township and sub-lease of the Leigh Creek Railway.

The receivable from the Treasurer is reduced to the extent of dividends declared to the Treasurer by the Corporation, arising from the amortisation of the unearned income.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

Property, plant and equipment

Recognition

Land, plant and equipment, including buildings and leasehold property have been initially recorded at book values.

Revaluations

The Directors consider the value of land and buildings annually, with respect to inputs including Valuer General valuations.

In relation to Leigh Creek assets, independent advice was sought in June 2006 on the appropriate carrying value of the land and easements. The deprivation of access to the land for sale during the term of the lease has been considered to extinguish any opportunity to derive further value from the underlying land during the term of the lease. The value in use is therefore considered to represent the fair value.

An exemption from seeking valuation appraisals from a professionally qualified valuer as per the requirements of APF111 clause APS3.17 was sought and approved by the Treasurer in August 2014.

Disposal of revalued assets

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

Depreciation - Leigh Creek Township and Railway

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated on the book value as at the date of transfer to the Corporation, using the straight line method over their estimated useful lives (18 years). The method of depreciation is reviewed annually.

Unearned income

Unearned income represents fully prepaid operating lease rentals paid by the lessee in relation to the lease of Leigh Creek Township and sub-lease of the Leigh Creek Railway. Unearned income is amortised on a straight line basis over the period of the leases, and was fully amortised as at 30 June 2018.

Insurance

The Corporation has arranged, through the South Australian Government Financing Authority (SAFA) to insure all major risks of the Corporation. The excess payable under this arrangement varies depending on each class of insurance held.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
2 Revenues from fees and charges		
<i>Income from lease of assets</i>		
- Amortisation of deferred lease rental income	6,993	6,946
<i>Revenue from recovery of Land Tax</i>		
- Recovery of Land Tax	256	231
Total fees and charges	7,249	7,177

3 Interest revenues		
- Interest from entities within the SA Government	42	185
- Interest from entities external to the SA Government	6	2
Total Interest Received	48	187

4 Other income		
- Flinders Power Partnership additional consideration	4,800	2,900
- Other income	-	16
Total Other Income	4,800	2,916

5 Revenues from SA Government		
<i>Appropriations</i>		
- Administration	200	200
Total revenues from SA Government	200	200

Total revenues from Government consists of \$200,000 for operational funding. For further details on the expenditure associated with the operational funding refer to notes 6 and 7.

6 Supplies and services		
<i>Supplies and services provided by entities within the SA Government</i>		
- Insurance	14	15
- Management fees	100	30
- Legal fees	-	16
- Land Tax	264	307
Total supplies and services - SA Government entities	378	368

<i>Supplies and services provided by entities external to the SA Government</i>		
- Consultants	121	120
Total supplies and services - Non SA Government entities	121	120

Total Supplies and Services	499	488
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The number and dollar amount of consultancies paid/payable (included in supplies and services expenses) that fell within the following bands:

	2018		2017
	No	\$'000	No
		\$'000	
- Below \$10,000	-	-	4
- Above \$10,000	2	121	1
Total paid/payable to the consultants engaged	2	121	5

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
7 Other expenses		
Other expenses paid/payable to entities within the SA Government		
- Audit fees	13	(8)
	13	(8)
Other expenses paid/payable to entities external to the SA Government		
- Maintenance	-	31
- Other costs	1	153
- Head lease surrender additional consideration	4,800	-
	4,801	184
Total other expenses	4,814	176
8 Cash and cash equivalents		
- Cash (non SA Government)	54	32
- Short-term deposit with SAFA	1,202	1,140
Total cash and cash equivalents	1,256	1,172
Cash is measured at nominal amounts. Short-term deposits are lodged with SAFA and are at-call.		
9 Receivables		
Current		
- GST receivable	10	10
- Interest receivable	2	2
- Receivable from the Treasurer	-	6,455
- Receivable from SAFA	-	80
Total current receivables	12	6,547
10 Receivables		
Non-current		
- Receivable from the Treasurer	-	538
Total non-current receivable	-	538
11 Payables		
Current		
- Accrued expenses	27	14
Total Current Payables	27	14
12 Depreciation		
- Leigh Creek Railway	449	430
- Leigh Creek Township	-	2,266
Total depreciation	449	2,696

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
13 Gain from disposal of Property, plant and equipment		
Leigh Creek Township:		
- Proceeds from disposal	-	100
- Less net book value of assets disposed	-	(2)
Total net Gain from disposal of Property, plant and equipment	-	98
14 Property, plant and equipment		
Torrens Island		
<i>Network land and easements</i>		
- At Fair Value	3,150	3,150
<i>Non generation land and easements</i>		
- At Fair Value	670	670
	3,820	3,820
Leigh Creek Railway infrastructure		
- At Fair Value	-	6,256
- Accumulated depreciation	-	(5,807)
	-	449
Leigh Creek Township		
- At Fair Value	-	-
- Accumulated depreciation	-	-
	-	-
Total Property, plant and equipment	3,820	4,269
Reconciliations		
Torrens Island		
<i>Network Land and Easements</i>		
- Carrying amount at beginning of year	3,150	3,150
- Carrying amount at end of year	3,150	3,150
<i>Non-generation land and infrastructure not leased</i>		
- Carrying amount at beginning of year	670	670
- Carrying amount at end of year	670	670
Leigh Creek Railway infrastructure		
Leigh Creek Railway infrastructure		
- Carrying amount at beginning of year	449	879
- Depreciation	(449)	(430)
- Carrying amount at end of year	-	449
Leigh Creek Township		
Leigh Creek Township		
- Carrying amount at beginning of year	-	2,268
- Disposals	-	(2)
- Depreciation	-	(2,266)
- Carrying amount at end of year	-	-

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

Leigh Creek Railway early surrender

During 2017-18, the Corporation and Flinders Power agreed to an earlier surrender of the Leigh Creek Railway Sub-Lease (Sub-Lease) effective from 31 July 2017. The Corporation also agreed with the then Minister for Transport and Infrastructure for an earlier surrender of the Head Lease effective from 31 July 2017.

In consideration for an earlier surrender of the Sub-Lease, the Corporation received \$4.8 million (excluding GST) from Flinders Power. The Corporation subsequently paid \$4.8 million (excluding GST) to the Minister for the early surrender of the Head Lease.

The Corporation has had no involvement with the Railway from 1 August 2017, with the Department of Planning, Transport and Infrastructure being the government agency responsible for the management of the Railway from this date.

Leigh Creek Township early surrender

During 2016-17, the Corporation and Flinders Power Partnership agreed to an earlier surrender of the township lease effective from 31 December 2016. In consideration for an earlier surrender of the township lease, the Corporation received \$2.9 million from Flinders Power Partnership.

Effective from 1 January 2017, ownership of the Leigh Creek Township was transferred from the Corporation to:

- the then Minister for Transport and Infrastructure in relation to the township's residential and commercial assets;
- SA Water in relation to the township's water and wastewater assets; and
- the Outback Communities Authority in relation to the township's municipal assets.

The Corporation has had no involvement with the operation of the township since 1 January 2017.

Valuation of Land

The sub-lease of the Leigh Creek Railway has a lease life of 18 years. The proceeds of the lease were all received in advance. Independent advice was sought in June 2006 on the appropriate carrying value of the land and easements. The deprivation of access to the land during the term of the lease has been considered to extinguish any opportunity to derive further value from the underlying land during the term of the lease.

Non-generation land and easements were at the value set by the Valuer General as at 1 January 2018.

	2018	2017
	\$'000	\$'000
15 Unearned Income		
Unearned income		
- Total prepaid lease rentals	81,164	81,164
- Less: accumulated amortisation	(81,164)	(74,171)
Total unearned income	-	6,993
- Current	-	6,455
- Non-current	-	538
Total unearned income	-	6,993

Unearned income represented the fully prepaid lease rentals received on the operating lease of the Leigh Creek Township and sub-lease of the Leigh Creek Railway. Unearned income was amortised over the 18-year life of the lease, from 8 September 2000, on a straight line basis, reflecting the discount rate associated with the prepayment. Unearned Income was fully amortised in 2017-18 upon surrender of the Leigh Creek Railway Sub-lease.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
16 Dividends		
Dividends during the year		
- Non cash dividend	6,993	6,946
- Cash dividend	-	2,900
Total dividends	6,993	9,846

The non-cash dividend relating to the financial year 2017-18 of \$6,992,842.79 (2016-17 \$6,945,804.58) was provided to the Treasurer and was settled against the Treasurer's receivable. The non-cash dividend was declared by the Board on 23 May 2018. No cash dividend was declared for 2017-18 (2016-17 \$2,899,999.00).

17 Directors remuneration

Members during the 2018 financial year were:

Terry Evans - Chairman

* Heather Elaine Watts - Non Executive Director (Appointed 20 February 2017)

* Andrew Charles Blaskett - Non Executive Director and Deputy Chair (Resigned 4 May 2018)

	2018	2017
	(Number)	(Number)
Number of directors of the Corporation whose total income falls within the following bands:		
\$1 - \$9,999	1	1
Total number of members	1	1

The total remuneration received by directors was \$1,000.

* In accordance with the Premier and Cabinet Circular no. 016, government employees did not receive any remuneration for director duties during the financial year.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

18 Related party transactions

Related parties of the Corporation include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Key Management Personnel

Key management personnel of the Corporation include the Minister and members of the board who have responsibility for the strategic direction and management of the Corporation.

Remuneration of Key Management Personnel is all short term as disclosed in note 17.

Transactions of directors and director-related entities

There were no transactions between the Corporation and director related entities.

Other related entities

SAFA provides management and insurance services to the Corporation. Additionally, the Corporation has dealings with other Government instrumentalities. All dealings are in the ordinary course of business and on normal trading terms.

Controlling entity

The Corporation is a subsidiary of the Treasurer of South Australia.

19 Contingent asset

The various lease agreements make provision for the potential sale of these assets in the future, to the lessee, if the Corporation obtains lawful right to sell its right, title and interest in the assets. If this right is not obtained or the lessee's option to purchase is not exercised the prescribed network assets will be returned to the Corporation or its nominee at the end of the lease term. Although at that time an asset will be recognised, no amount has been recognised in the Statement of Financial Position as the realisation of the benefits of this asset is dependent upon a qualifying event occurring.

In the event that the lessees default under their respective leases, they are obliged to return the asset to the Corporation. Although at that time an asset will be recognised, no amount has been recognised in the Statement of Financial Position as the likelihood of default eventuating is remote.

Under the terms of the Generating Plant and Unit Leases and the Land Leases certain costs of the Corporation that are associated with the operation of the generation plants and units and generation land are able to be reimbursed from the lessees or on charged directly to the lessees.

20 Contingent liability

In the unlikely event that the Corporation defaults under the leases with respect to its legal entitlement to grant the leases, the Corporation is obliged to refund the net present value (as at the termination date) of so much of the post termination date rent obligations as were discharged by the prepaid rents.

No amount has been recognised as the likelihood of the Corporation defaulting is remote.

Generation Lessor Corporation

Notes to and forming part of the Financial Statements For the year ended 30 June 2018

21 Segment information

The Corporation operates as lessor of prescribed electricity assets in South Australia.

The Corporation also holds and leases assets ancillary to generation assets in South Australia.

22 Economic dependency

The Corporation is an instrumentality of the Crown under the *Crown Proceedings Act 1992*. Accordingly where a final judgement is given against it, a Minister or agency of the Crown may be directed by the Governor to satisfy that judgement. Such a direction constitutes sufficient authority for the appropriation of the money necessary to satisfy the judgement from the General Revenue of the State of South Australia or from the funds of the Corporation. To this extent the Corporation has the benefit of an implicit guarantee from the State.

23 Events after balance date

As required under the respective lease agreements, Flinders Power is currently undertaking dismantling and remediation works at the Northern and Playford Power Stations sites at Port Augusta. At conclusion of the works, the land will be transferred from Generation Lessor Corporation to Flinders Power in accordance with the terms of the leasing agreements.

The financial effect of the transaction will be a recognition of nominal revenues in consideration of the transfer of ownership of land to Flinders Power.

Transfer is expected to occur during the 2018-19 financial year.

Generation Lessor Corporation

CERTIFICATION OF THE FINANCIAL REPORT

I certify that:

- the attached General Purpose Financial Report for Generation Lessor Corporation:
 - is in accordance with the accounts and records of the Corporation;
 - complies with the relevant Treasurer's instructions;
 - complies with relevant accounting standards; and
 - presents a true and fair view of the financial position of the Corporation at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Corporation over its financial reporting and its preparation of the financial report has been effective throughout the financial year.

Signed in accordance with a resolution of the Directors.



Terry Evans
CHAIR

Dated at Adelaide this 22 day of August 2018.