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To the Chair of the Board of Directors State Owned Generators Leasing Company Pty Ltd

Opinion

I have audited the financial report of the State Owned Generators Leasing Company Pty Ltd (the company) for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2025 and its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certification from the Chair and the Chief Financial Officer, South Australian Government Financing Authority (SAFA).

Basis for opinion

I conducted the audit in accordance with 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 company in accordance with the auditor independence requirements of the *Corporations Act 2001*. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the State Owned Generators Leasing Company Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information is the Directors' Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine 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.

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

Auditor's responsibilities for the audit of the financial report

As permitted by section 33(3) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the company for the financial year ended 30 June 2025.

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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- 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 of the Board of Directors 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 'D. O'Donohue', with a long horizontal flourish extending to the right.

Daniel O'Donohue
Deputy Auditor-General

18 September 2025

State Owned
Generators Leasing Co Pty Ltd
Financial Statements
for the year ended
30 June 2025

State Owned Generators Leasing Co Pty Ltd Certification of the Financial Statements

I certify that:

- the attached General Purpose Financial Report for State Owned Generators Leasing Co Pty Ltd:
 - is in accordance with the *Corporations Act 2001 (Cth)*;
 - is in accordance with the accounts and records of State Owned Generators Leasing Co;
 - complies with the relevant Treasurer's Instructions;
 - complies with Australian accounting standards; and
 - presents a true and fair view of the financial position of State Owned Generators Leasing Co at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by State Owned Generators Leasing Co over its financial reporting and its preparation of the financial report has been effective throughout the financial year.
- In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

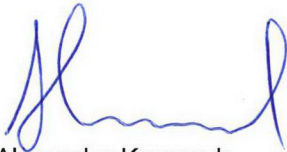
Signed in accordance with a resolution of the Directors.



Tim Burfield
Chair

Date:

15 SEPTEMBER 2025



Alexander Kromwyk
Chief Financial Officer, SAFA

Date:

15 September 2025

State Owned Generators Leasing Co Pty Ltd
Statement of Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Revenue	6	10,527	10,490
Gain on revaluation	11	-	30,565
Total Income		10,527	41,055
Expenses			
Depreciation	11	(7,353)	(5,953)
Other expenses	7	(255)	(281)
Total Expenses		(7,608)	(6,234)
Profit before income tax equivalents		2,919	34,821
Income Tax Equivalent Expense with SA Government	8	(875)	(10,447)
Profit after income tax equivalents		2,044	24,374
Other comprehensive income		-	-
Total comprehensive result		2,044	24,374

The accompanying notes form part of these financial statements. The operating profit and total comprehensive result are attributable to the Treasurer as owner.

State Owned Generators Leasing Co Pty Ltd
Statement of Financial Position
As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current Assets			
Cash and cash equivalents	9	18,191	20,116
Receivables	10	334	297
Total Current Assets		18,525	20,413
Non-Current Assets			
Receivables	10	6,102	4,437
Property, plant and equipment	11	153,185	160,538
Total Non-Current Assets		159,287	164,975
Total Assets		177,812	185,388
Current Liabilities			
Payables and other liabilities	12	1,640	11,260
Total Liabilities		1,640	11,260
Net Assets		176,172	174,128
Equity			
Issued share capital	13	226,200	226,200
Accumulated losses		(50,028)	(52,072)
Total Equity		176,172	174,128

The accompanying notes form part of these financial statements. Total equity is attributable to the Treasurer as owner.

State Owned Generators Leasing Co Pty Ltd
Statement of Changes in Equity
For the year ended 30 June 2025

		Issued Share Capital	Accumulated losses	Total Equity
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2023		226,200	(74,280)	151,920
Profit after income tax equivalents 2023-24		-	24,374	24,374
Total comprehensive result for 2023-24		-	24,374	24,374
Dividend Paid 2023-24	16	-	(2,166)	(2,166)
Balance as at 30 June 2024		226,200	(52,072)	174,128
Profit after income tax equivalents 2024-25		-	2,044	2,044
Total comprehensive result for 2024-25		-	2,044	2,044
Balance as at 30 June 2025	13	226,200	(50,028)	176,172

The accompanying notes form part of these financial statements. Total equity is attributable to the Treasurer as owner.

State Owned Generators Leasing Co Pty Ltd
Statement of Cash Flows
For the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Cash flows from operating activities			
Lease rent receipts		8,585	9,248
Interest received		1,042	753
Other receipts		10	0
GST paid to the ATO		(774)	(760)
Payments to suppliers		(311)	(346)
Income Tax Equivalent		(10,477)	(928)
Net Cashflow from operating activities	14	(1,925)	7,967
Cash Flows from Financing Activities			
Dividend paid to Government	16	-	(2,166)
Net Cash outflows from Financing Activities		-	(2,166)
Net increase in cash and cash equivalents		(1,925)	5,801
Cash and cash equivalents at beginning of the year		20,116	14,315
Cash and cash equivalents at end of the year	9	18,191	20,116

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

State Owned Generators Leasing Co Pty Ltd
Notes to the Financial Statements
For the year ended 30 June 2025

1 Objectives

State Owned Generators Leasing Co Pty Ltd (SOGLC) was incorporated on 30 January 2020 under the *Corporations Act 2001 (Cth)*. SOGLC's registered address is Level 5, State Administration Centre, 200 Victoria Square, Adelaide, South Australia 5000.

As per its constitution, the objectives of SOGLC are:

- a) To be the lessor under a lease granted in respect of the generators by a lease agreement.
- b) To be a party to an instrument related to a lease referred to in paragraph (a) above or related to the subject matter of such a lease.
- c) To be the operator of the generators on expiration or sooner termination of such a lease.
- d) To hold the generators as owner or lessor for the purposes of a function referred to above.
- e) To carry out other functions conferred on the company by the Treasurer.
- f) To do anything necessary or expedient to be done for the purposes of a function referred to above.
- g) To do anything necessary or expedient to be done to ensure that the generators are appropriately operated and maintained and are available for use in the National Electricity Market.

SOGLC does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of SOGLC.

2 Material accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- a. Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*;
- b. Australian Accounting Standards; and
- c. *Corporations Act 2001 (Cth)*

SOGLC is a for-profit entity for the purpose of preparing the financial statements. Where the Treasurer's Instructions are more prescriptive than the equivalent Australian Accounting Standards, SOGLC has applied the Treasurer's Instructions in the application of accounting frameworks

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Zero represents amounts less than five hundred dollars, whilst a dash represents a nil balance.

The financial statements have been prepared on a historical cost basis unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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

(c) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs is included in equity attributable to the owner of the entity.

(d) Property, Plant and Equipment

Initial recognition

SOGLC acquired nine generator sets and ancillary equipment from the Department for Energy and Mining (DEM) for consideration of \$217,200,000. This acquisition was treated as a capital purchase of Property, Plant and Equipment (PP&E) and recorded at the DEM carrying amount.

These assets were initially recorded at cost plus any incidental costs involved with the acquisition.

Measurement after recognition

PP&E is subsequently measured at fair value.

The fair value of PP&E is determined using the most appropriate valuation technique in the circumstances and for which sufficient data is available to measure fair value.

A change in valuation technique is appropriate if the change results in a measurement that is more representative of fair value in the circumstances. Such changes are considered to be a change in accounting estimate.

Revaluations are to be undertaken, as a minimum, every six years. If at any time management considers that the carrying amount of the asset materially differs from its fair value, then the asset will be revalued, regardless of when the last valuation took place.

An independent valuation of PP&E owned by SOGLC was performed at 30 June 2024 by GHD Pty Ltd, an independent engineering and consulting firm based in Adelaide, with experience in providing asset valuations in the power, oil and gas industry. The revaluation resulted in an increment of \$30,565,004. This was recognised as a gain on revaluation in the 2023-24 profit or loss given SOGLC had previously recognised a revaluation decrement expense of \$62,228,130 in 2021-22. Fair value of PP&E has been determined using the depreciated cost approach.

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amounts of the assets and the net amounts were restated to the revalued amounts of the asset.

The valuation was based on market data for the replacement cost of the assets, the AUD/USD exchange rate at balance date and the total running time of the assets.

The carrying amount of SOGLC's PP&E assets had the assets been carried under the cost model would be \$185,475,000.

There was no indication of impairment for PP&E owned by SOGLC as at 30 June 2025. No impairment loss or reversal of impairment loss was recognised in 2024-25.

Fair Value Hierarchy

SOGLC classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

SOGLC's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2025 and 2024, SOGLC had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

SOGLC categorises its PP&E assets at 30 June 2025 as level 3.

Estimates of asset condition are a significant unobservable input for the valuation of SOGLC assets. Since initially being commissioned in 2017, SOGLC's turbine assets have been running at levels lower than what is considered to be the standard operating capacity that such industrial equipment is practically designed for.

Given the assets have been used well below industry standards, the assets were assessed as meeting a higher standard of condition than for other comparable assets. This impacted the 30 June 2024 valuation by \$21,189,600.

Depreciation

Following the independent valuation, the assets are depreciated on a straight line basis, based on the life of the leases, which reflects the remaining economic useful life of the assets.

(e) Leases

SOGLC retains a substantial amount of the risk and rewards incidental to ownership of the leased assets. Accordingly, the Iberdrola Australia and Port Adelaide Energy leases have been classified and recorded as an operating lease.

Lease income is recognised on a straight-line basis over the period of the lease.

(f) Taxation

SOGLC is not subject to income tax in accordance with section 24AM of the *Income Tax Assessment Act 1936 (Cth)*.

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, SOGLC is required to pay the Treasurer an income tax equivalent amount. The income tax liability is based on the Taxation Equivalent Regime (TER) which applies the accounting profits method. This requires SOGLC to apply the corporate income tax rate to the net profit. The current income tax equivalent liability relates to the income tax expense outstanding for the current period. Under the TER, no deferred tax asset is applicable when losses have been incurred.

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

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

(g) Revenue

The main income source is the rent of leased generators to the lessees.

Refer to Note 2(e) - Leases for further information regarding the recognition of the income.

(h) Receivables

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Current

Lease Receivables

As lease income is recognised on a straight-line basis over the period of the lease (reflecting the pattern in which the benefit from the use of the generators is diminished), where the pattern doesn't match the amount invoiced, a non-current receivable is recognised for the difference. Lease receivables that are to be realised as part of the normal operating cycle have been classified as current.

Other

Amounts due from customers for goods sold or services performed in the ordinary course of business. Those due for settlement within the next operating cycle have been classified as current.

(i) Payables and other liabilities

These amounts represent liabilities for goods and services provided by the suppliers prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 15 days of receiving the invoice. Trade and other liabilities that are due to be settled within 12 months after the end of the reporting period or for which SOGLC has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

(j) Dividends

The Directors may declare a dividend up to the value of the current year's surplus, provided the distribution does not materially prejudice SOGLC's ability to pay creditors and has positive net assets. Dividends are paid in arrears by the discretion of the board.

3 Critical estimates and judgements

Property, Plant and Equipment

An external revaluation of the generator sets and associated plant and equipment was undertaken as at 30 June 2024. There was no indication of impairment for PP&E owned by SOGLC at 30 June 2025.

Refer to Note 2(d) for further information.

4 Leases

SOGLC has the following operating lease arrangements:

Asset	Lessee	Term	Expiry
4 generators and associated assets	Iberdrola Australia	25 years	30 October 2045
5 generators and associated assets	Port Adelaide Energy	25 years	20 September 2046

On 26 August 2019, the Government of South Australia approved the 25 year lease of certain electricity generating sets (Generators) located at Lonsdale and Elizabeth to Iberdrola Australia (formerly Infigen Energy) and Port Adelaide Energy (formerly Nexif Energy), with the Treasurer executing Agreements to Lease contracts with the two companies on 28 August 2019.

In order to facilitate the lease agreements, ownership of the Generators was transferred from the Minister for Energy and Mining (Minister) to the Treasurer and then from the Treasurer to SOGLC on 30 June 2020. The Generators were transferred from the Minister to the Treasurer and then from the Treasurer to SOGLC via proclamation under section 7(1)b of the *Administrative Arrangements Act 1994* with an effective date of 30 June 2020.

The Lease Agreement with Iberdrola Australia was executed on 1 November 2020 for a 25 year term. Iberdrola Australia subsequently relocated the Generators to a site at Bolivar.

The Lease Agreement with Port Adelaide Energy was executed on 21 September 2021 for a 25 year term. Port Adelaide Energy subsequently relocated the Generators to a site at Snapper Point.

The main source of income for SOGLC is derived from the rent income by leasing out the Generators to Iberdrola Australia and Port Adelaide Energy. Lease rental income is recognised on either a variable or straight-line bases over the period of the lease. Lease rentals are adjusted by CPI periodically in accordance with the terms and conditions of the respective leases.

The annual lease rental income for 2024-25 was \$9,486,000, of which \$4,185,241 related to variable lease repayments.

The maturity analysis of the lease rent receipts is as follows:

Lease	Year 1	Year 2	Year 3	Year 4	Year 5	Years > 5
Total	9,416	9,989	10,543	10,866	11,482	230,475

The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

Both Lease Agreements contain mitigation of risk provisions for SOGLC, in the event of default by the lessee. These include, but not limited to:

- Finance compensation,
- The right to take possession of all plant and equipment, including modifications made.

In addition, on finalisation of the lease, where the lessee does not seek an agreed extension, SOGLC may take possession of all plant and equipment, including modifications made.

5 Related party transactions

SOGLC has one shareholder, the Treasurer of South Australia. The Government of South Australia is the ultimate controlling party.

Significant transactions with the South Australian Government are identifiable throughout this report. In addition, transactions with public authorities include audit fees paid/payable to the Audit Office of South Australia (\$14,200), amounts paid/payable to DEM (\$60,000) and amounts paid/payable to the South Australian Government Financing Authority (\$180,851).

(a) Key Management Personnel

Key management personnel of the SOGLC include the Treasurer and the company's Directors.

The following persons held authority and responsibility for planning, directing and controlling the activities of SOGLC directly or indirectly during the financial year:

Mr T Burfield	Chair
Dr P Heithersay	Non-Executive Director
Ms L Butler	Non-Executive Director (from 04 July 2024)
Ms M Garrett	Non-Executive Director (from 04 July 2024)

All directors of SOGLC are Government employees. In accordance with the Department of the Premier and Cabinet Circular PC016, government employees did not receive any remuneration for director duties during the financial year.

(b) Transactions of director and director-related entities

There were no transactions between SOGLC and Director-related entities in 2024-25.

6 Revenue	2025	2024
	\$'000	\$'000
Lease rent income	9,486	9,701
Interest income	1,041	789
Total revenue	10,527	10,490

7 Other expenses	2025	2024
	\$'000	\$'000
Management and advisory fees	160	180
Insurance	81	72
Audit fees	14	14
Consultants	-	8
Legal Fees	0	6
Registry Fees	0	1
Total other expenses	255	281

Audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$14,200 (\$13,900). No other services were provided by the Audit Office of South Australia.

Expenditure - SA Business and Non-SA Business

SOGLC did not have any expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18) in 2024-25.

8	Income tax equivalent expense	2025	2024
		\$'000	\$'000
	The income tax equivalent expense on pre-tax accounting profit reconciles to the income tax equivalent expense in the financial statements as follows;		
	Profit/(loss) before income tax	2,919	34,821
	Income tax equivalent expense/(credit) at 30%	875	10,447
	Income tax equivalent expense with SA Government	(875)	(10,447)
9	Cash and cash equivalents	2025	2024
		\$'000	\$'000
	Current Assets		
	Cash at bank	18,191	20,116
	Total cash and cash equivalents	18,191	20,116
10	Receivables	2025	2024
		\$'000	\$'000
	Current assets		
	Lease receivables	244	193
	Other	90	104
	Total current receivables	334	297
	Non-current assets		
	Lease receivables	6,102	4,437
	Total non-current receivables	6,102	4,437
11	Property, plant and equipment	2025	2024
		\$'000	\$'000
	Property, plant and equipment at fair value	160,538	160,538
	Accumulated depreciation	(7,353)	-
	Total property, plant and equipment	153,185	160,538
	Reconciliation	2025	2024
		\$'000	\$'000
	Carrying amount at the beginning of the period	160,538	135,926
	Gain on revaluation	-	30,565
	Depreciation expense	(7,353)	(5,953)
	Carrying amount at the end of the period	153,185	160,538
12	Payables and other liabilities	2025	2024
		\$'000	\$'000
	Current Liabilities		
	Income tax equivalent	845	10,447
	Lease rental received in advance	505	493
	Other payables and accrued expense	290	320
	Total payables and other liabilities	1,640	11,260

13 Equity	Number of shares	Total \$'000
30 June 2024		
Balance as at 30 June 2023	113,100,001	226,200
Balance as at 30 June 2024	113,100,001	226,200
Accumulated losses		(52,072)
Total equity		174,128
30 June 2025		
Balance as at 30 June 2024	113,100,001	226,200
Balance as at 30 June 2025	113,100,001	226,200
Accumulated losses		(50,028)
Total equity		176,172

The Treasurer is the sole shareholder of SOGLC.

14 Reconciliation of Profit/(Loss) with net cashflow from operating activities

	2025 \$'000	2024 \$'000
Profit for the period	2,044	24,374
Non cash items		
Depreciation	7,353	5,953
Gain on revaluation	-	(30,565)
Movement in operating assets and liabilities		
Change in receivables	(1,702)	(1,819)
Change in payables	(9,620)	10,024
Change in remediation provision	-	-
Net cash flows from operating activities	(1,925)	7,967

15 Contingent liability

(a) Under its lease agreement with Iberdrola Australia, SOGLC is required to fund certain essential upgrade works to the generators in the event that any modification, upgrades or additional equipment is required in order for the lessee to achieve unconditional registration of the generators under the National Electricity Rules, and/or for the lessee to obtain a generation licence from the Essential Services Commission of South Australia. The maximum amount SOGLC could be liable for is \$8,000,000. SOGLC will own any part installed on the generators by the lessee as part of an essential upgrade and those parts will become subject to the lease.

(b) Port Adelaide Energy has entered into gas connection and electricity transmission connection agreements in relation to the operation of its Snapper Point power station. In circumstances where Port Adelaide Energy defaults under the connection agreements and that default is not rectified within the appropriate cure periods, SOGLC has the option of either paying termination amounts under those agreements or taking a novation of those agreements from Port Adelaide Energy.

16 Dividend

The board elected to not pay a dividend to the Treasurer based on SOGLC's 2023-24 results, therefore no dividend was paid in 2024-25.

17 Events subsequent to balance date

No event has arisen since 30 June 2025 that would be likely to materially affect the operations or the state of affairs of SOGLC.