

Annual Report 2021/2022



**Ara
Ake**

Future
Energy
Development



Ara Ake Annual Report 2021/2022

Contents

A message from our Chair and Chief Executive	4
Ara Ake Challenges	5
EDB Energy Innovation Challenge	5
Innovation Demonstration and Testbeds	6
Multiple Trading Relationships	6
Emrod	8
Connector, Facilitator, Research and Insights	10
Total Cost of Ownership Tool	10
Energy Innovation Fund Navigator	11
Offshore Future Energy Forum	11
Performance 2022-2023	12
Independent Auditors Report	13
Approval of Financial Report	16
Statement of Service Performance	17
Statement of Financial Performance	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cashflows	23
Statement of Accounting Policies	24
Notes to the Financial Statements	29

Message from the Chair and Chief Executive

AS WE REFLECT ON THE YEAR THAT HAS BEEN, ARA AKE HAS MADE GREAT PROGRESS WITH A FOCUS ON BUILDING MOMENTUM WITH PROJECT DELIVERY, COMPLETING THE FOUNDATION WORK, INCLUDING ESTABLISHING OUR CORE TEAM, AND DEVELOPING PARTNERSHIPS.



We are now operating out of our new premises at 8 Young Street, New Plymouth, working alongside other New Zealand energy innovators and plan to attract more innovators to work in our shared space to create an energy innovation hub.

As Aotearoa New Zealand's future energy centre, our kaupapa is focused on accelerating the demonstration and commercialisation of low emissions energy solutions, which can limit the impacts of climate change on our motu.

We have developed three strategic priorities that align with our mandate, which are:

- **Ara Ake Challenges** - collaborate with industry and communities to understand common challenges in transitioning to a low emissions future and seek global solutions.
- **Innovation Demonstration and Testbeds** - work with a wide range of stakeholders to support the testing and piloting of energy innovation.
- **Connector, Facilitator, Research and Insights** - connect organisations, communities, industry and innovators; facilitate discussion, projects and other activities to support energy innovation; share knowledge, learnings from projects, research and insights on energy innovation.

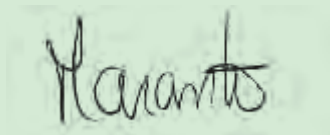
Work to fulfil these priorities is well underway and has seen us create new and useful tools for energy innovators, as well as significantly improve the collaboration between various government agencies.

The year ahead is set to be another exciting year for us with a portfolio of projects underway and many in the pipeline. We move forward with a focus on work that will have the greatest impact on Aotearoa New Zealand's journey to decarbonisation and ensure that no one is left behind. Everyone has an important role to play in our nation's transition to a sustainable future, and we're confident that together, we can achieve great things.

Ngā manaakitanga,



Rob Campbell
Chair – Ara Ake
rob@tutanekai.com



Cristiano Marantes
Chief Executive – Ara Ake
cristiano.marantes@araake.co.nz



“Our partnership with Ara Ake enables New Zealand’s energy sector to have access to some of the world’s most innovative climate-positive start-ups,” says

Elemental Excelerator’s Head of Corporate Partnerships, Saritha Peruri.

Ara Ake Challenges

EDB Energy Innovation Challenge

The Electricity Distribution Business (EDB) Energy Innovation Challenge is one of our flagship initiatives aiming to collaboratively agree, define, and articulate the problems faced by energy industry stakeholders as they transition to a low emissions energy future, and then seek, test and pilot innovative solutions to these problems.

EDBs are specifically seeking pilot-ready technologies that can:

- Forecast, visualise, and integrate the network impact of decarbonisation demand growth, DERs, and flexibility services into asset management, planning, and operations
- Expedite DER connection process, particularly network impact assessment
- Optimise visibility, management, and forecasting of peak demand and network constraints.

Additionally, it is key that the energy transition doesn’t leave anyone behind. This initiative is about innovative commercialisation, where a coalition of EDBs and

Ara Ake scan and engage with innovators, who have potential solutions to the defined problems, or who are active in the technology area. The project will leverage our partnership with US-based Elemental Excelerator to undertake a global innovation scan. A workshop was held in June to identify the EDBs challenges, and an innovation pitch event is scheduled for November 2022, with demonstration and pilot to follow.

The expected impacts from this initiative include the following:

- Demonstrated success in a collaborative approach to industry/customer problem definition
- Expanded and leveraged international networks
- Showcasing and demonstration of global and/or national innovators
- Innovations selected and pilots initiated
- Global and/or national innovations piloted on New Zealand EDB networks
- Accelerated uptake of emission lowering energy innovation across New Zealand EDBs.

Innovation Demonstration and Testbeds

It is widely accepted that the ability for energy innovations to be demonstrated at scale and in a real-world environment is a major step on their pathway to commercialisation. As a (predominately) technology taker, New Zealand needs to ensure that proven global energy solutions can be quickly adopted and adapted to our regulatory, technical, commercial and cultural environments. Ara Ake has been piloting a number of interventions in this space, and we have developed partnerships with global organisations to support and deploy testbeds and energy innovation demonstration initiatives. Ara Ake is now well positioned to develop a number of testbeds and energy innovation demonstration initiatives in partnership with key stakeholders.

Multiple Trading Relationships

Ara Ake is facilitating a Multiple Trading Relationships (MTR) pilot that aims to introduce more competition in the energy sector, making electricity cheaper for customers, helping reduce energy hardship and allowing for greater uptake of low emissions energy technology, such as solar.

The MTR pilot aims to provide customers with options to contract with more than one energy retailer at a single location. With support from the Electricity Authority, Ara Ake is coordinating a pilot, to determine if it is sufficiently valuable to justify a permanent change to the Electricity Industry Participation Code (the Code)

Since its launch in October 2021, the MTR pilot has attracted significant local and international interest. One of the most important opportunities of MTR is to reduce energy hardship through the sharing of excess solar energy.





In May 2022, Ara Ake launched its first project under this pilot supporting Hawke's Bay farmers, Greg and Liz Wilson, to utilise surplus electricity from their solar installations to power all of their connection points on the farm and Liz's mother's house in a different location.

Electricity Retailers, Our Energy and Flick Electric, are providing the services to progress the off-market demonstration.

After only 3 months of launching this pilot, Greg and Liz have experienced the following benefits:

- a 3% reduction in electricity prices.
- they now have one combined invoice, instead of six separate invoices for each electricity point, reducing the administration for them.
- Liz's mother doesn't pay anything for her electricity.

“It's great to get a real-world demonstration underway and we hope this is the beginning of a more accessible model for local and community energy trading. There are many opportunities to explore this innovative concept further, and we look forward to working with Ara Ake on these so we can enable our communities to have a sustainable future.”

John Campbell, Founder – Our Energy

Ara Ake is also partnering with Kāinga Ora to run a pilot which allows them to share the benefits of excess electricity from Kāinga Ora-owned rooftop solar with tenants whose buildings don't have rooftop solar. This pilot has a strong focus on reducing energy hardship.



Emrod

Emrod is an Auckland-based energy innovator re-imagining the movement of energy and overcoming the limitations of power line infrastructure with their long-distance wireless power beaming solution.

Emrod has developed a technology to unlock the utility of long-range wireless power beaming for commercial purposes. Their system is designed to safely send large amounts of power across long distances. After delivering a successful proof of concept system, Emrod developed a larger demonstration system which they have tested in an indoor environment. They are now ready to demonstrate it in an outdoor and 'real world' environment.

Ara Ake has been supporting Emrod since 2021 and sponsored the testing of the power beaming solution in an outdoor setting located in Taranaki. Following the testing the system has been transported to Germany, for a demonstration with the European Space Agency and Airbus. Emrod will return to Taranaki for further outdoor testing in 2023.

Powerco are also supporting Emrod to test their technology in an off-grid environment, with the long-term objective of using Emrod's system as a technology to complement their existing infrastructure.

The wireless technology aims to:

- Improve network resilience and prevent power outages
- Make renewable energy more accessible and efficient
- Empower communities by offering those most in need access to sustainable energy.

“We are thrilled to have Ara Ake as a partner for Emrod’s first field deployment, alongside our industry partner, Powerco. Emrod’s system is a first of its kind wireless power transfer solution poised to transform the energy industry. Our progress is underpinned by the willingness of industry and government partners to come on board early to support the development and demonstration of this technology. Ara Ake has played an important role in supporting the demonstration of Emrod’s system in the field.

As well as providing financial support, Ara Ake helped with some of the requirements for making the deployment successful, including finding the location, and facilitated relationships to set up our next milestone. We value their commitment to driving forward energy innovation from New Zealand and the resources they have available to ensure our project is successful.”

Greg Kushnir – Emrod’s Founder & CEO



Connector, Facilitator, Research & Insights

Total Cost of Ownership Tool

Ara Ake has launched a free tool to help long-distance heavy freight companies and the public sector better understand the options for decarbonising their road fleet.

The tool takes a 'total cost of ownership' (TCO) approach to calculating the cost of road freight movements. This means rather than just looking at the upfront cost of buying different types of vehicles, it estimates the relative costs of using different vehicles powered by different fuels (including green hydrogen, battery electric vehicles, drop-in and conventional biodiesels, standard diesel internal combustion engine vehicles, and the most recently added diesel/hydrogen blended fuel option) for a given freight trip. It is intended to be a flexible tool for interested parties to determine what needs to be true for a vehicle and fuel combination to be the lowest-cost option.

The TCO comparison tool is being widely used across the relevant stakeholders (e.g. Freightways, Contact Energy and H.W. Richardson Group) and the feedback to date has been very positive.

The tool incorporates a set of inbuilt assumptions – based on publicly available information – such as vehicle capital costs, the cost of various fuels including electricity, the loads the vehicles carry, driver wages, maintenance, and road user charges. It allows users to run their own scenarios and input their own data, enabling the tool to incorporate commercially sensitive data not yet in the public domain.

“We are looking forward to using this tool, as it is very useful to determine our best emissions reduction pathways for our heavy vehicle fleets and enhance strategic business decisions.”

Michael Claydon, Freightways' General Manager of Safety





Energy Innovation Fund Navigator

The Ara Ake Energy Innovation Fund Navigator is a centralised portal where energy innovators and other stakeholders can search for relevant services, funding and financing options they can apply for. The interactive system lists all funds and services available in Aotearoa for energy innovation, from research and development to deployment in market.



Offshore Future Energy Forum

In November 2021, Ara Ake and partners Venture Taranaki, hosted the Offshore Future Energy Forum which brought together national and international experts to explore new offshore energy potential.

The Forum brought together twenty-nine New Zealand and international speakers, with a diverse range of expertise to present ideas about the future development and research opportunities in the blue economy field. Topics included offshore wind renewable energy, legislative frameworks, green hydrogen, energy storage, ocean wave energy and iwi perspectives. Over 140 online and in-person attendees participated in the event.

The themes from the Forum centred on New Zealand's drive to decarbonise its economy, its large offshore marine energy resource, the availability of overseas and indigenous technology to transform this energy, the established skills and infrastructure that can assist global know-how and capital to enable increased local energy production and exports, as well as other advanced products/manufacturing, via Power to X. To progress these opportunities and ultimately transition to a low emissions future, there must be supporting regulations and legislation.

At this event, the Energy and Resources Minister, Hon Megan Woods, announced that the New Zealand Government will be working on the regulatory settings for potential offshore renewable energy.

Since the Forum, the interest and number of offshore wind developers has increased substantially, and we have partnered with Copenhagen Infrastructure Partners and New Zealand Trade and Enterprise on a capability mapping study.



Performance 2021-2022



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARA AKE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ara Ake Limited ("the company"), which comprise the entity information on page 15, the statement of service performance on pages 17 to 19, and the financial statements on pages 20 to 36. The complete set of financial statements comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

- the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2022, in accordance with the Company's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)") and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standards (NZ AS) 1 The Audit of Service Performance information (NZ). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to audit services, BDO provides other services in the areas of advisory. We have no relationship with or interests in the Company.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements and statement of service performance in accordance with PBE Standards RDR, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of the Company 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 Statements

Our objectives are 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 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Taranaki
New Plymouth
New Zealand
1 September 2022

Entity information

Ara Ake Limited

For the year ended 30 June 2022

'Who are we?', 'Why do we exist?'

The company was established to lead and facilitate the development of low-emissions energy innovation and technology in New Zealand. This is the company's second year of operation.

Legal Name of Entity

Ara Ake Limited

Entity Type and Legal Basis

Company

Registration Number

8043029

Entity's Purpose or Mission

To reduce the time, cost and risk associated with the development and commercialisation of energy innovation in Aotearoa by fostering a new energy ecosystem and leveraging national and global knowledge, as New Zealand transitions to a low emissions future.

Entity Structure

The company is owned by 15 shareholders. Each entity owns 1 Ordinary share.

The shareholders are:

Taranaki Chamber of Commerce Incorporated
Independent Electricity Generators Association
Victoria University of Wellington
Aotearoa Wave and Tidal Energy Association
Incorporated
Bioenergy Association of New Zealand Incorporated
BusinessNZ
Carbon and Energy Professionals New Zealand
Incorporated
Electricity Networks Association Incorporated
Engineering Taranaki Incorporated
Gas Association of New Zealand Incorporated
Kiwi Innovation Network Limited
National Energy Research Institute

New Zealand Geothermal Association Incorporated
New Zealand Wind Energy Association Incorporated
The Liquefied Petroleum Gas Association of New
Zealand Incorporated

The Directors are:

R J Campbell (Chair)

E J Trout (Deputy Chair)

W J Edwards

R J Shera

B T Ropitini - Appointed 20/09/2021

L M Anderson (Emerging Director) - Appointed
02/05/2022

L A McMurchy - Resigned 31/08/2021

Main Sources of Entity's Cash and Resources

Set monthly funding from the Ministry of Business, Innovation and Employment.

Entity's Reliance on Volunteers and Donated Goods or Services

None

Physical Address

8 Young Street, New Plymouth, New Zealand, 4310

Postal Address

PO Box 270, New Plymouth, New Zealand, 4340

Approval of financial report

Ara Ake Limited

For the year ended 30 June 2022

The Directors are pleased to present the approved financial report including the historical financial statements of Ara Ake Limited for year ended 30 June 2022.

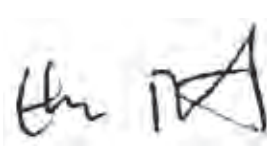
APPROVED



RJ Campbell

Director

Date: 01/09/2022



EJ Trout

Director

Date: 01/09/2022

Statement of service performance

Ara Ake Limited

For the year ended 30 June 2022

Ara Ake Limited Purpose

The purpose of Ara Ake Limited (“Ara Ake”) as stated in the Funding Agreement between Ministry of Business, Innovation and Employment (MBIE) and Ara Ake is as follows:

To foster a new energy eco-system, leveraging national and global knowledge to bridge the innovation “valley of death” by reducing the time, cost and risk associated with the development and commercialisation of energy innovation, as New Zealand transitions to a low-emissions future

Year Two (FY22) Key Activities

The following are the overarching goals set by MBIE for Year Two (FY22).

A. Centre Establishment

Context for results

The MBIE Work Programme for the ‘build’ phase of Ara Ake’s establishment required the continued building of the core team and assessment of internal and external resourcing requirements; growing the service offering, continued development of the digital platform supporting the operating model and services.

Results

A number of key roles were recruited over the year to meet the resourcing needs of Ara Ake. These included: General Manager, Head of Commercialisation, Project Manager, Finance Manager, Office Administrator and Research and Insights Analyst.

External resources have been used as required including human resources support, legal and accounting expertise.

The service offering for Ara Ake was confirmed and is now available on the website. Ara Ake’s service offerings include:

- Funding access assistance
- Project support
- Facilitate access to demonstration pilot infrastructure
- Connect and foster trusting and enduring relationships with energy innovation stakeholders
- Independent advisor

- Matching industry needs with energy innovation solutions
- Energy innovation policy, research and insights.

Ara Ake’s website was refreshed and continues to evolve and be updated to reflect the services and activities of the organisation. The website is supported by an integrated CRM system.

B. Business Model and Work Programme

The MBIE Work Programme also required Ara Ake’s business model/strategy implementation and delivery to be underway; progress being made on the specific activities set out in the agreed work programme; and development of the Year Three detailed Work Programme KPIs and budget.

Results

The key strategic initiatives for Ara Ake were approved by the Board:

- (I) Mapping the energy innovation ecosystem in Aotearoa.** The focus of this initiative is to gather the relevant information and insights required to map the energy innovation ecosystem in Aotearoa.
- (II) Delivery of a suite of ‘pathways to commercialisation’ services.** The focus of this initiative is to develop and offer ‘pathways to commercialisation’ services to energy innovators who have a solution reasonably proven in terms of technology development. The services provided would facilitate the demonstration of those solutions in Aotearoa.
- (III) Create and share new energy knowledge and insights.** The focus of this initiative is to conduct research into areas of new energy innovation that are of strategic importance for the energy system of Aotearoa and to identify and share global and local new energy insights and best practices.

A sample of projects initiated and/or completed in the Year Two Work Programmes are described below, grouped by strategic initiative.

- (I) Mapping the energy innovation ecosystem in Aotearoa**

The **Energy Innovation Ecosystem Map** was developed to help innovators understand what agencies are active at what stage of the innovation journey.

The **Energy Innovation Fund Navigator** was developed to help innovators identify potential sources of funding and support. The navigator is available on Ara Ake's website.

The **Ara Ake Forum** is held monthly and brings together government agencies involved in energy to share insights and encourage collaboration.

(II) Delivery of a suite of 'pathways to commercialisation' services

- The **Multiple Trading Relationships (MTR) Pilot** has made good progress over the year as it trials multi-trading relationships between consumers and their energy suppliers. Ara Ake is working with a number of organisations on trial projects around New Zealand as part of the pilot.
- Ara Ake is investigating whether an MTR scenario could enable the sharing of solar energy among **Kāinga Ora** housing tenants.
- Ara Ake has supported **Emrod** to demonstrate its wireless transmission technology in Europe and New Zealand.
- Ara Ake has been supporting **Wegaw** to explore the trialling of satellite technology to support optimised forecasting for hydro-generation.
- Ara Ake established a formal partnership with Singapore-based **EcoLabs** to help realise testbed opportunities. The first of these is focused on the campus buildings of the Western Institute of Training and Technology.
- The **Electricity Distribution Business (EDB) Challenge** is underway, working directly with EDBs to identify challenges they face in the transition to a low-emissions future and helping to source innovative solutions to address these challenges.

(III) Create and share new energy knowledge and insights

- A report on **Carbon Capture Utilisation and Storage (CCUS)** was prepared and published and has encouraged discussion of the role of CCUS in the transition to a low-emissions future.
- Ara Ake developed an interactive **Total Cost of Ownership (TCO)** calculator to help heavy transport operators understand the costs of different fuel/energy options for their fleet.
- A webinar on **Biogas** opportunities was hosted by Ara Ake, connecting innovators, businesses and regulators to discuss opportunities in this space, including the potential for a testbed.

- Ara Ake is working with EECA to collaborate on an **energy industry best practices playbook**.
- Preparation of a **community energy How-to Guide** is also underway.
- Ara Ake is an active member of **FlexForum**, exploring ways to integrate distributed energy resources into New Zealand's electricity system.

C. Relationship Building and Connecting the Ecosystem

The MBIE Work Programme requires continued development of national and international relationships to build and connect the ecosystem.

Results

Ara Ake has developed many **new relationships across the national and international energy ecosystem**, including: EcoLabs, EnergyLabs, Google X, Eureka Network and ADENE (PT), Climate Robotics; UbiQD; Overlay, Auckland Unlimited Innovation Hub, Energy Education Trust, New Zealand Product Accelerator, Hamilton Jet, Copenhagen Offshore Partners, Emerson, Schlumberger, Taka Solar, Summerset, Lincoln Energy Farm, Victorian State Government, Fuso, Alpine Energy, Southern Institute of Technology, Enterprise Europe Network, Inno Energy; Reactwell, Intellihub, Mitsui, Geoexchange, Hot Lime Labs, Accel, efuel Pacific, University of Waikato, Massey Ventures, Climate Venture Capital Fund, Rabobank, Unison, Pledgeme.

Ara Ake has also **attended / presented at the following events**: Net Zero Emissions workshop, Energy Resources Aotearoa Panel, Decarbonising the Transport System Conference, Taranaki Energy Forum, Cleantech Partnerships Forum, Partnering for a Sustainable Transport Supply Chain, Downstream 2022, BusinessNZ Energy Council "Great Debate", Murihiku Regeneration workshop, ENA Network Transformation Roadmap, Carbon Energy Professionals Conference, Energy Excellence Awards, Young Energy Professionals Network, Ecolabs / WITT partnership event, Techweek "Back to the Energy Future" panel discussion, 7th Annual Global Conference on Energy Efficiency, Powerup Start Up.

Ara Ake has **hosted the following events**: Offshore Future Energy Forum, Ara Ake Forum (monthly forum for Government agencies involved in energy innovation), MTR workshop, TCO workshop, Taranaki Biogas webinar, Taranaki Energy Group connector events, University of Waikato connector event, EDB Challenge problem definition workshop.

D. Business Opportunities

The MBIE Work Programme requires the ongoing development and enhancement of a pipeline of projects, supporting a portfolio approach. In Year Two, initial projects should be underway and new projects being assessed for further development.

Results

A **Stakeholder Engagement Plan** has been developed to clearly articulate the engagement framework and process Ara Ake will use to engage with stakeholders. It sets the direction, objectives and approach for planning and developing communication, marketing activities, tools and channels for building meaningful relationships, connecting and informing the energy ecosystem. All of which will build awareness and a greater understanding locally, nationally and globally about the purpose and mission of Ara Ake and ultimately support the transition to a low emissions future for Aotearoa.

An **Opportunities Assessment Framework** has been developed to ensure that opportunities are assessed in a fair and consistent manner and to align with Ara Ake's purpose and other relevant considerations, including giving effect to the principles of Te Tiriti. An opportunities pipeline workflow has been developed.

The Board has approved the **work programme and associated budget for 2022/23**. The work programme and relevant KPIs have been agreed with MBIE.

IP management

IP is being actively managed and forms a key consideration for the assessment and implementation of any new opportunity. Appropriate IP protections are included in relevant legal agreements.

Comparative information

Comparative information has not been provided for the prior year due to the changes in goals for Year Two. If readers/stakeholders would like further information, please refer to the Statement of Service Performance included in the company's 2021 Annual Report.

Statement of financial performance

Ara Ake Limited

For the year ended 30 June 2022

	NOTES	2022	2021
REVENUE			
Government grants	2	3,091,656	2,687,145
Revenue from providing goods or services	1	24,184	-
Interest, dividends and other investment revenue	1	20,124	-
Other revenue	1	80,013	-
Total Revenue		3,215,976	2,687,145
EXPENSES			
Depreciation and amortisation		76,410	36,046
Employee benefit costs	3	1,075,480	769,791
Operating expenses	3	1,819,416	1,455,137
Total Expenses		2,971,306	2,260,974
Surplus/(Deficit) for the Year		244,670	426,170
INCOME TAX EXPENSE			
Income Tax Expense	4	(45,085)	-
Surplus after tax		289,755	426,170
SURPLUS ATTRIBUTABLE TO:			
Owners of the entity		289,755	426,170
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE ATTRIBUTABLE TO:			
Owners of the entity		289,755	426,170

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Statement of financial position

Ara Ake Limited

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
ASSETS			
Current assets			
Bank accounts and cash	5	12,274,129	6,804,218
Debtors and prepayments		46,579	-
Tax refund	4	7,488	-
Total Current assets		12,328,196	6,804,218
Non-current assets			
Property, plant and equipment	6	244,517	29,737
Intangible assets	7	33,936	29,561
Deferred tax asset	4	45,085	-
Total Non-current assets		323,538	59,298
Total Assets		12,651,733	6,863,516
LIABILITIES			
Current liabilities			
Credit cards		7,146	4,126
Payables (from exchange transactions)	8	80,344	130,210
GST Payable		168,222	177,877
Employee benefit liabilities	9	64,167	217,576
Non-exchange revenue received in advance	2	11,615,900	5,907,556
Total Current liabilities		11,935,779	6,437,346
Non-current liabilities			
Hire Purchase - Vodafone		29	-
Total Non-current liabilities		29	-
Total Liabilities		11,935,808	6,437,346
NET ASSETS		715,925	426,170
EQUITY			
Contributed equity	10	-	-
Accumulated comprehensive revenue and expenditure		715,925	426,170
Total Equity		715,925	426,170

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Statement of changes in equity

Ara Ake Limited

For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	426,170	-
Total comprehensive revenue and expenditure for the period	289,755	426,170
Total Equity	715,925	426,170

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Statement of cash flows

Ara Ake Limited

For the year ended 30 June 2022

	NOTES	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government funding		8,800,000	8,395,905
Receipts from customers		100,231	-
Payments to suppliers and employees		(3,136,259)	(1,767,922)
GST		(14,215)	190,556
Total Cash Flows from Operating Activities		5,749,758	6,818,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest, dividends and other investment receipts		20,124	-
Purchase of property, plant and equipment		(292,482)	(14,322)
Tax paid		(7,488)	-
Total Cash Flows from Investing Activities		(279,847)	(14,322)
NET INCREASE/(DECREASE) IN CASH		5,469,911	6,804,218
BANK ACCOUNTS AND CASH			
Opening cash		6,804,218	-
Net change in cash for period		5,469,911	6,804,218
Closing cash		12,274,129	6,804,218

The above statement should be read in conjunction with the notes to and forming part of the financial statements.

Statement of Accounting Policies

Ara Ake Limited

For the year ended 30 June 2022

1. Statement of Accounting Policies

1.1 Reporting entity

These financial statements are for Ara Ake Limited (the 'Company'). Ara Ake is a company registered under the New Zealand Companies Act 1993.

In adopting its constitution, the Company has met the requirements to be a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013 and the Companies Act 1993.

The financial statements were authorised for issue by the Directors on 1 September 2022.

2. Summary of significant accounting policies

2.1 Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). The Company applies Tier 2 PBE Standards and disclosure concessions under the Reduced Disclosure Regime ("PBE Standards RDR"). The Company is eligible to report in accordance with Tier 2 PBE Standards RDR because it does not have public accountability and it is not large.

Going concern

Management and the Directors are not aware of any material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis and no additional disclosures are made in the financial statements.

At balance date the country continues to be in the COVID-19 Protection Framework (traffic lights) at Orange. At the Orange traffic light setting, COVID-19 is in the community, with risks to vulnerable people and pressure on the health system. National and International travel is open and there are no capacity limits or distancing requirements.

Management and the Directors have assessed the likely impact of Covid-19 on the Company and have concluded that, for the 12 months from the date of signing the financial statements, Covid -19 will not impact the ability of the Company to continue

operating. That conclusion has been reached because, to date, the pandemic has had limited impact on the operations of the Company.

Measurement base

The financial statements have been prepared on a historical cost basis, except as otherwise indicated below.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$). The functional currency of the Company is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies in the period. Accounting policies have been applied consistently throughout the period.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

2.2 Revenue

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefits will flow to the company and is measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the company's revenue streams must also be met before revenue is recognised.

Revenue from non-exchange transactions

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Revenue streams defined as non-exchange are the Ministry of Business, Innovation and Employment (MBIE) funding agreement as well as other grants and donations and items of revenue that are not included under exchange transactions.

Grants and donations

The recognition of non-exchange revenue from grants and donations depends on the nature of any stipulations attached to the grants received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Company to return the funds received if they are not utilised in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Company to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Grants received by Ara Ake Limited from MBIE are the primary source of funding and have been granted in accordance with terms agreed between the two parties for the establishment of the National New Energy Development Centre. Grant income is recognised as revenue when the requirements under the agreement have been met. Any grant income for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Services In-Kind

There is no financial recognition of support given in the form of donated services, labour or goods included in the financial statements.

Interest

Income from interest is recognised when the entity's right to payment is established, and the amount can be reliably measured.

Goods and services

Income from providing good and services is recognised when the good or service has been provided and payment is receivable.

Leases

Income from leases is recognised when payment is due.

2.3 Cash and cash equivalents

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

2.4 Property, plant and equipment

Property, plant, and equipment consists of the following asset classes: computer equipment, office equipment, leasehold improvements and IT.

(i) Additions

Property, plant and equipment are initially recognised at cost. The cost of an item of property, plant, and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

(ii) Subsequent expenditure

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

(iii) Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

(iv) Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives and is recognised in surplus or deficit.

The estimated useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset depreciated	Estimated useful life	Depreciation rates
Computer equipment	3 years	40%
Office equipment	3-12 years	8.5%-30%
Leasehold improvements	10-14 years	7.5%-13.5%
IT	1-3 years	40%-100%

Subsequent to initial recognition, property, plant and equipment is measured using the cost model.

2.5 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company. Operating lease payments are recognized as an other expense in surplus or deficit on a straight-line basis over the lease term.

2.6 Intangible assets

Intangible assets are initially recorded at cost.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses and are reviewed annually for impairment losses. Amortisation of intangible assets is provided on a straight-line basis that will write off the cost of the intangible asset to estimated residual value over their useful lives.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset. All other expenditure is recognised in surplus or deficit.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Digital platform costs	2.5 years	40%

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.7 Trade and other payables

Short-term creditors and other payables are recorded at their face value.

2.8 Employee entitlements

(i) Short-term employee entitlements

Short-term employee benefit liabilities are recognised when the company has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted

basis and expensed in the period in which the employment services are provided.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

2.9 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of financial performance.

Current tax is the expected tax payable or receivable on the taxable surplus or deficit for the period, using tax rates enacted at the reporting date.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority on either, the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

2.10 Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

2.11 Financial instruments

The Company initially recognises financial instruments when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies financial assets into the following categories:

- loans and receivables

The Company classifies financial liabilities into the following categories:

- amortised cost

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies below:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents represent highly liquid investment that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised costs comprise payables (from exchange transactions).

Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets classified as loans and receivables

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual trade receivables that are known to be uncollectible are written off when identified, along with associated allowances. Loans, together with associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

3. Critical accounting estimates and judgements

(a) Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

(b) Critical judgements

Revenue recognition – non-exchange revenue

Management have applied critical judgements in assessing the funding revenue recognised as revenue in the statement of financial performance in respect of determining when the requirements under the agreement with MBIE have been met. Any funding for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled. Refer to note 1.

(c) Statement of Service Performance

In preparing the Statement of Service Performance for the period the entity has made a number of significant judgements about which information to present, based on an assessment of what information would be most appropriate and meaningful to users when assessing performance against the entity's objectives. This was a challenge given it is the entity's first year of operation. The decisions about which service performance information to present are consistent with the information presented in the Ministry of Business, Innovation and Employment (MBIE) Annual Report.

The judgements that had the most significant effect on the non-financial information presented related to the selection of information about what the entity has done in the period the "key activities" as reported (and the selection of performance measures for each key activity identified). This included the appropriateness of including comparative information in relation to the previous year.

The selection of key activities has been based on the Work Programme that the entity is required to deliver to MBIE in Year Two and as a result three key strategic initiatives were identified that would best illustrate what the entity has done in pursuit of its objective.

The entity decided to base its service performance measures around the outcome of the key activities that had been set by MBIE, because this information is already retained for reporting to MBIE and for internal reporting purposes.

The performance measures are designed to inform:

- the entity's effectiveness and progress in meeting the MBIE's agreed work programme for Year Two of Ara Ake Limited;
- the entity's effectiveness in initiating the key strategic initiatives under the Business Model and Work Programme;
- the entity's commitment to building relationships, connecting the ecosystem and fostering business opportunities to establish relationships with energy innovators across the world.

Outputs and outcomes are aggregated from information contained in the monthly reporting to MBIE.

Notes to the financial statements

Ara Ake Limited

For the year ended 30 June 2022

1. Analysis of revenue

	2022	2021
Revenue from non-exchange transactions		
Core MBIE Funding	3,091,656	2,687,145
Total Revenue from non-exchange transactions	3,091,656	2,687,145
Revenue from providing goods or services		
Co-facilitation/Sponsorship - Workshop & Events	24,184	-
Total Revenue from providing goods or services	24,184	-
Interest, dividends and other investment revenue		
Interest income	20,124	-
Total Interest, dividends and other investment revenue	20,124	-
Other revenue		
Lease income	80,013	-
Total Other revenue	80,013	-

2. Non-exchange revenue received in advance

	2022	2021
Opening balance	5,907,556	-
Revenue received during the period	8,800,000	8,594,700
Revenue recognised in the statement of financial performance on completion of contractual obligations	(3,091,656)	(2,687,145)
Revenue for which contractual obligations were not complete at 30 June 2022	11,615,900	5,907,556

Government Grants - Ministry of Business, Innovation and Employment (MBIE)

The Company receives grants from MBIE to accelerate the development and commercialisation of energy innovation to support the transition to a low-emissions future in Aotearoa.

This liability relates to funding received in advance by the Company from MBIE. The contractual obligations deliverable by the Company as required in the contract were either not completed as at 30 June 2022 or not due to be completed until future financial periods.

3. Analysis of expenses

	2022	2021
Surplus before income tax includes the following specific expenses:		
Governance costs	25,876	18,914
ICT expenses	52,749	19,363
Insurance	54,190	50,950
Accounting services	14,826	79,233
Taxation services	15,725	52,342
Professional services	863,564	499,905
Legal fees	36,237	123,423
Recruitment and training	35,391	131,564
Travel and accommodation	35,554	20,895
Rental and lease expenses	146,359	29,216
Vehicle expenses	16,773	13,836
Directors' remuneration (note 14)	257,778	298,000
Fees to auditors in respect of audit services	38,000	15,000
Fees to auditors in respect of other services	14,498	5,000
Volunteer and employee related costs		
Salaries and wages	1,045,703	557,411
Pension costs - defined contribution plan	29,777	16,240
Other short term employee benefits	-	196,139
Total Volunteer and employee related costs	1,075,480	769,791

4. Income tax

	2022	2021
Tax expense		
Current tax	-	-
Deferred tax	(45,084)	-
Total Tax expense	(45,084)	-
Surplus before tax	244,670	426,170
Tax at 28%	68,508	119,328
Plus / (less) tax effect of:	-	-
Permanent differences	(41,915)	(194,064)
Available tax losses not previously recognised	(71,677)	71,677
Temporary differences not recognised	-	3,059
Tax expense	(45,084)	(0)
Tax refund due	7,488	-

5. Cash and cash equivalents

	2022	2021
Cash at bank and in hand	12,274,129	6,804,218
Total Cash and cash equivalents	6,804,218	6,804,218

6. Property, plant and equipment

Cost or valuation	Computer Equipment	IT	Leasehold Improvements	Office Equipment	Total
	\$	\$	\$	\$	\$
Opening cost at 1 July 2021	42,242	-	-	6,427	48,669
Additions	17,440	15,352	174,485	55,655	262,932
Closing cost at 30 June 2022	59,682	15,352	174,485	62,082	311,601
Accumulated Depreciation					
Opening accumulated depreciation at 1 July 2021	17,475	-	-	1,457	18,932
Less current year depreciation	19,934	5,122	9,934	13,162	48,152
Closing accumulated depreciation at 30 June 2022	37,409	5,122	9,934	14,619	67,084
Opening net book value at 1 July 2021	24,767	-	-	4,970	29,737
Closing net book value at 30 June 2022	22,273	10,230	164,551	47,463	244,517

7. Intangible assets

Cost or valuation	Digital platform \$
Opening cost at 1 July 2021	46,675
Additions	32,632
Closing cost at 30 June 2022	79,307
Accumulated amortisation	
Opening accumulated amortisation at 1 July 2021	17,114
Less current year amortisation	28,257
Closing accumulated amortisation at 30 June 2022	45,371
Opening net book value at 1 July 2021	29,561
Closing net book value at 30 June 2022	33,936

8. Payables (from exchange transactions)

	2022	2021
Trade payables	(64,590)	(98,477)
Accrued expenses	(15,754)	(31,733)
Total Payables (from exchange transactions)	(80,344)	(130,210)

9. Employee benefit liabilities

	2022	2021
Short-term employee benefits	(64,167)	(21,437)
Termination benefits	-	(196,139)
Total Employee benefit liabilities	(64,167)	(217,576)

10. Equity

The company has the following ordinary shares:

Ordinary shares

	2022	2021
Unpaid shares	15	15

The ordinary shares have a par value of \$1 per share. At 30 June 2022, all shares remained unpaid. Each shareholder holds one share in the Company. Under the Constitution, the shareholders derive no benefit.

11. Financial instruments

The company holds the following financial instruments

Financial instruments

	2022	2021
Financial assets		
Loans and receivables		
Cash and cash equivalents	12,274,129	6,804,218
Prepayments	41,271	-
Accounts Receivable	5,307	-
Total Loans and receivables	12,320,707	6,804,218
Total Financial assets	12,320,707	6,804,218
Financial liabilities		
Liabilities at amortised cost		
Payables (from exchange transactions)	(64,590)	(98,477)
Credit Cards	(7,146)	(4,126)
Total Liabilities at amortised cost	(71,736)	(102,603)
Total Financial liabilities	(71,736)	(102,603)

12. Capital commitments and operating leases

Capital commitments

	2022	2021
As at 30 June 2022 the company had no capital commitments	-	-

Commitment to lease property, plant and equipment

	2022	2021
The Company leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:	-	-
Not later than one year	158,432	147,905
Later than one year and not later than five years	4,164	160,880
Total Commitment to lease property, plant and equipment	162,596	308,785

The company has entered into operating leases for the land and buildings and a vehicle.

Land and buildings at 8 Young Street, New Plymouth

- Rights of renewal - two rights of renewal of three years each
- Contingent rent - nil
- Restrictions - nil

Vehicle - Tesla Model 3

- Rights of renewal - nil
- Contingentrent - nil
- Restrictions - nil

13. Contingent liabilities and guarantees

There is a guarantee of \$15,000 relating to the ASB Travel Card. It expires on 31 August 2022. There are no other contingent liabilities or guarantees as at 30 June 2022 (Last year - nil).

14. Related party transactions - key management personnel remuneration

The Company classified its key management personnel into the following categories:

- Directors (of the governing body)
- Executive Officer
- Operating Officers

Members of the governing body are paid an annual fee, with additional payments given to respective directors for appointment as Chairman and Deputy Chair, and for additional services in their capacity as a director. Executive Officers and Operating Officers are employees of the Company, on normal employment terms. The Director's remuneration for the year is presented below:

Campbell Robert	Chair	80,000
Trout Elena	Deputy Chair	60,000
Edwards William		40,000
Ropitini Brian	Appointed 20.9.2021	31,111
Shera Richard		40,000
McMurchy Lovina	Resigned 31.8.2021	6,667
		257,778

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full time-equivalents' (FTE's) in each class of key management personnel is presented below:

As at 30 June 2022	Remuneration	Number of Individuals	FTE
Directors	\$257,778	5	-
Executive officers	\$779,583	4	3.8
Operating officers	\$394,813	5	4.5

As at 30 June 2021	Remuneration	Number of Individuals	FTE
Directors	\$298,000	5	-
Executive officers	\$238,654	-	1
Operating officers	\$167,604	-	4

Employee Remuneration

The following number of employees of the Company received remuneration in excess of \$100,000 during the period in their capacity as employees:

Band	Number of employees 2022	Number of employees 2021
\$150,000 - \$159,999	0	1
\$160,000 - \$169,999	1	1
\$270,000 - \$279,999	1	1

15. Transactions with related parties

Receipts

	2022	2021
Hiringa Energy - The partner of Caroline Gunn, a staff member works at Hiringa Energy - not in an ownership/director role	65,820	-
Total Receipts	65,820	-

Payments

	2022	2021
Auckland University of Technology - Rob Campbell, Board Chair, is an AUT Chancellor	15,785	-
Lowndes Jordan - Rick Shera, a Board member, is a Lowndes Jordan partner	135	-
Mana Consulting NZ Ltd - Brian Ropitini, a Board member, is the Owner/Director. (NOTE: Work was undertaken before he became a board member)	3,334	-
Our Energy - Rob Cambell, Board Chair, is a shareholder and his son owns the company	54,000	-
Taranaki Chamber of Commerce - The wife of Jonathan Young, a staff member, works at TCC - not in an ownership/director role	5,779	-
Tui Ora Ltd - Will Edwards, Board member, is a Director	9,875	-
Western Institute of Technology - Jonathan Young, a staff member, is the Editor of their monthly 'Energy Education' newsletter	525	-
Pacific Advisors - Lovina McMurchy, former Board Member, is the Director/ Shareholder	33,333	-
New Zealand Wind Energy Association Inc - A shareholder	-	5,000
Business NZ - A shareholder	-	810
Total Payments	122,766	5,810

16. Related party – register of board interests

New interests since 1 July 2021

Rob Campbell

Te Whatu Ora

Elena Trout

Hāpaitia Ltd

Waihanga Ara Rau Construction and Infrastructure Council

Citycare Ltd

Te Rahui Herenga Waka

Will Edwards

Te Kura mai i tawhiti – documenting a Māori community engaged approach to intergenerational research

Te Puni Kōkiri Long-term Insights Briefing Reference Group

ESR Māori Data Leadership Group

Hāwera New School Establishment Board

Te Paepae o Aotea

Papatapu Papakainga Research Project – Principal Investigator

Rick Shera

None

Brian Ropitini

Wells Group

Taranaki Health Foundation Trust

Te Hanataua Ahu Whenua Trust

Mana Consulting NZ Ltd

Obsolescence Clothing Ltd

JR & BT Investments Ltd

Taranaki Regional Skills Leadership Group

Loren Anderson (Emerging Director)

EHL/ Azura

17. Events after the balance date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report.

18. Ability to continue operating

The entity will continue to operate for the foreseeable future.





**Ara
Ake**

Future
Energy
Development

Address: 8 Young Street, New Plymouth 4310

Email: info@araake.co.nz

www.araake.co.nz