

Notes to the Consolidated Financial Statements

For the year ended 30 June 2019

13. Investments in associates and joint ventures

	2019 \$m	2018 \$m
Investments in associates - unlisted	-	-
Investments in joint ventures - unlisted	150	100
Total investments in associates and joint ventures	150	100

Reconciliation of movements in investments in associates and joint ventures

	2019 \$m	2018 \$m
Balance at beginning of financial year	100	80
Additions ¹	60	28
Impairment loss recognised in profit or loss	-	(20)
Share of profits after income tax	33	39
Dividends received	(27)	(40)
Other	(16)	13
Balance at end of financial year	150	100

1. During the year, AGL made \$60 million of capital contributions to the Powering Australian Renewables Fund in accordance with the terms of the Investor Agreement and Commitment Deed.

Principal activities	Ownership interest		Carrying value		
	2019 %	2018 %	2019 \$m	2018 \$m	
Associates					
CSM Energy Limited ¹	Coal mine methane gas extraction	-	35	-	-
Matter Technology Ltd	Energy management services	20	19.9	-	-
Solar Analytics Pty Ltd ²	Solar PV monitoring	31.2	37.2	-	-
Sunverge Energy Inc ³	Energy storage and management services	15.6	22	-	-
Joint ventures					
ActewAGL Retail Partnership	Gas and electricity retailer	50	50	50	45
Energy Infrastructure Management Pty Ltd	Pipeline management services	50	50	4	2
Central Queensland Pipeline Pty Ltd	Gas pipeline development	50	50	-	-
Powering Australian Renewables Fund	Development and owner of renewable energy generation projects	20	20	96	53
Total investments in associates and joint ventures				150	100

1. CSM Energy was dissolved and deregistered on 22 April 2019.

2. During the year, Solar Analytics completed a capital raise in which AGL did not partake. As a result AGL's ownership interest was diluted by 6%.

3. During the year, Sunverge Energy completed a capital raise in which AGL did not partake. As a result AGL's ownership interest was diluted by 6.4%, and no longer has significant influence.

All the above entities are incorporated and operate in Australia except for Sunverge Energy Inc, which is incorporated and predominantly operating in the USA.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2019

13. Investments in associates and joint ventures (cont.)

Aggregate information of joint ventures that are not individually material

	2019 \$m	2018 \$m
Current assets	546	336
Non-current assets	1,221	831
Total assets	1,767	1,167
Current liabilities	223	210
Non-current liabilities	1,043	597
Total liabilities	1,266	807
Net assets	501	360
Revenue	1,037	852
Expenses	(966)	(774)
AGL's share of joint ventures' profit	33	39

Commitments and contingent liabilities

AGL's share of commitments and contingent liabilities of associates and joint ventures are disclosed in Notes 24(b) and 25 respectively.

ACCOUNTING POLICY

Investments in equity accounted investees

AGL's interests in equity accounted investees comprise interests in associates and joint ventures. Associates are those entities in which AGL has significant influence, but not control, over the financial and operating policies of the entity. A joint venture is an arrangement in which AGL has joint control and AGL has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise AGL's share of the profit or loss and other comprehensive income of the associates and joint ventures.

An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Unrealised gains on transactions between AGL and an associate or a joint venture are eliminated to the extent of AGL's interest in the associate or joint venture. Unrealised losses are also eliminated, but only to the extent that there is no evidence of an impairment.