EXHIBIT C-1

"Annual Reports," *provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.*

Prior to November 13, 2012, Viridian Energy PA, LLC ("Viridian") was a privately held company, and did not publish an annual report to shareholders. As of November 13, 2012, Viridian's ultimate parent entity, Crius Energy Trust, a publicly-traded entity traded on the Toronto Stock Exchange, under the ticker symbol "KWH.UN". Although the Crius Energy Trust is required to file regular disclosures, it has not yet filed an Annual Report to its Shareholders. Please see the Crius Energy Trust website ("Trust Website") for a listing of recent filings, at http://www.criusenergytrust.ca. The most recent relevant filings, as stated on the aforementioned website are: (1) Audited Consolidated Financial Statements (September 7, 2012 – December 31, 2012), (2) Interim Condensed Consolidated Financial Statements for the Period Ended June 30, 2013, and (3) Management's Discussion and Analysis – August 7, 2013, all attached here as Exhibit C-1 for your convenience (and also available at the Trust Website).

crius

ENERGY TRUST

CRIUS ENERGY TRUST

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE PERIOD FROM INCEPTION
ON SEPTEMBER 7, 2012 TO DECEMBER 31, 2012

CRIUS ENERGY TRUST

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period from inception on September 7, 2012 to December 31, 2012

INDEX TO FINANCIAL STATEMENTS

Ernst & Young LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103-1506
Tel: +1 860 247 3100
Fax: +1 860 725 6040
www.ey.com

Independent Auditor's Report

Directors of Crius Energy Administrator Inc., as administrator of Crius Energy Trust

We have audited the accompanying consolidated financial statements of Crius Energy Trust (the "Trust"), which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from inception on September 7, 2012 to December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Crius Energy Trust as at December 31, 2012, and its financial performance and its cash flows for the period from inception on September 7, 2012 to December 31, 2012 in accordance with International Financial Reporting Standards.

Hartford, Connecticut
March 28, 2013

/s/ Ernst & Young LLP

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of U.S. dollars)

	Notes	December 31, 2012
ASSETS		
Current		
Cash and cash equivalents		$30,301
Restricted cash and cash equivalents		65
Collateral deposits		984
Accounts receivable	8	56,197
Income tax receivable	13	4,864
Other current financial assets	12	241
Other current assets		1,105
		93,757
Property and equipment	9	953
Intangible assets	10	116,945
Deferred tax assets	13	2,855
Other assets		175
Goodwill		235,150
		$449,835
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Trade and other payable		$49,718
Distribution payable	14	1,327
Other current financial liabilities	12	2,610
		53,655
Long-term		
Deferred tax liabilities	13	44,317
Other long-term liabilities		1,519
Non-controlling interest	7	258,611
		304,447
Unitholders' Equity		
Trust capital	14	90,300
Accumulated earnings		2,760
Accumulated cash distributions	14	(1,327)
Total Unitholder's Equity		91,733
		$449,835
Commitments	22	

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in thousands of U.S. dollars)

	Notes	For the period from inception on September 7, 2012 to December 31, 2012
Revenue		**$56,260**
Cost of sales		**44,416**
Gross margin		**11,844**
Expenses		
Selling expenses		3,396
General and administrative expenses		4,960
Depreciation and amortization	9, 10	5,170
		13,526
Operating loss		**(1,682)**
Other (expenses) income		
Finance costs		(746)
Change in fair value of derivative instruments	12	(2,386)
Change in fair value of non-controlling interest		4,469
Loss before income taxes		(345)
Benefit from income taxes	13	(3,105)
Net income and total comprehensive income		**$2,760**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from inception on September 7, 2012 to December 31, 2012
(in thousands of U.S. dollars, except unit amounts)

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings	Accumulated Cash Distributions	Total
Issued on initial organization – Sept 7, 2012	14	1	$-	$-	$-	$-
Repurchase of initial Trust units	14	(1)	-	-	-	-
Issuance of Trust units	14	10,000,000	99,612	-	-	99,612
Trust unit issuance costs	14	-	(11,587)	-	-	(11,587)
Distribution to unitholders	14	-	-	-	(1,327)	(1,327)
Tax benefit related to stock options	17	-	2,275	-	-	2,275
Net income and total comprehensive income		-	-	2,760	-	2,760
		10,000,000	**$90,300**	**$2,760**	**$(1,327)**	**$91,733**

See accompanying notes to the consolidated financial statements.

CRIUS ENERGY TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of U.S. dollars)

	Notes	For the period from inception on September 7, 2012 to December 31, 2012
Net outflow of cash related to the following activities		
Operating		
Net income		$2,760
Add (deduct) items not affecting cash		
Depreciation of property and equipment	9	42
Amortization of intangible assets	10	5,128
Change in fair value of derivative instruments	12	2,386
Change in fair value of non-controlling interest	12	(4,469)
Bad debt expense		64
Finance costs, non-cash		11
Provision for income taxes	13	(3,354)
		2,568
Net change in operating assets and liabilities	16	(12,327)
		(9,759)
Investing		
Acquisition of Crius Energy, LLC, net of cash acquired	7	(47,877)
Purchase of intangible assets	10	(18)
Purchase of property and equipment	9	(71)
		(47,966)
Financing		
Proceeds from issuance of Trust units	14	99,612
Trust units issue costs	14	(11,587)
		88,025
Net cash inflow		30,301
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period		**$30,301**
Supplemental cash flow information		
Interest paid		$735
Income taxes paid		$1,579

See accompanying notes to the consolidated financial statements.

1. NATURE AND ORGANIZATION

Crius Energy Trust (the "Trust") is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust has been established to provide investors with a distribution-producing investment through its acquisition (the "Acquisition") of an approximate 26.8% ownership interest in Crius Energy, LLC (the "CE"), a Delaware limited liability company, by its indirect wholly-owned subsidiary, Crius Energy Corporation, concurrently with the sale by the Trust of 10,000,000 trust units of the Trust at a price of C$10 per Unit pursuant to an initial public offering (the "Offering") that closed on November 13, 2012. There was no other activity in the Trust from inception on September 7, 2012 until the initial public offering was completed on November 13, 2012.

The Trust is administered by Crius Energy Administrator ("the Administrator"), pursuant to the Administration Agreement dated September 7, 2012 between Computershare Trust Company, as Trustee of the Trust and the Administrator. The Board of Directors of the Administrator therefore performs the majority of the oversight and governance role for the Trust. The Administrator is not a subsidiary of the Trust but meets the accounting definition of a special purpose entity and accordingly, the Administrator has been consolidated based on the principles set out in SIC 12 Consolidation – Special Purpose Entities.

The Trust is domiciled at: 3400, One First Canadian Place, P.O. Box 130, 100 King Street West, Toronto, Ontario, Canada M5X 1A4

The following is a summary of the entities directly or indirectly wholly owned by the Trust:

- Crius Energy Holdings Inc., was incorporated under the Business Corporations Act (Ontario) on October 23, 2012. The Trust is the sole shareholder of Crius Energy Holdings Inc. Crius Energy Holdings Inc. was incorporated for the purpose of forming, acquiring and holding all of the issued and outstanding shares in, Crius Energy Corporation.

- Crius Energy Corporation was incorporated under the Delaware General Corporation Law on October 26, 2012. Crius Energy Corporation was incorporated for the purpose of acquiring a controlling 26.8% interest in Crius Energy LLC.

- Crius Energy Commercial Trust was established as an unincorporated open-ended limited purpose trust under the laws of the Province of Ontario on November 7, 2012. Crius Energy Commercial Trust was established for the purpose of acquiring and holding debt of the Trust's other subsidiary, Crius Energy Corporation, following the closing of the Offering of trust units of the Trust.

The following are the operating subsidiaries that the Trust, through its indirect wholly owned subsidiary Crius Energy Corporation, holds a 26.8% ownership interest in: Crius Energy, LLC, Crius Energy Management, LLC, Regional Energy Holdings, Inc., Viridian Energy, LLC, Viridian Energy PA, LLC, Viridian Energy NY, LLC, Cincinnati Bell Energy LLC, FairPoint Energy LLC, Viridian Network LLC, FTR Energy Services LLC, Public Power, LLC (a CT entity), Public Power LLC (a PA entity), Public Power Energy, LLC, Public Power & Utility of NY, Inc., Public Power & Utility of New Jersey, Inc. and Public Power & Utility of Maryland, Inc.

2. OPERATIONS

The Trust's business primarily involves the sale of electricity and natural gas to residential and commercial customers under variable-priced and fixed-price contracts. The Trust, through its subsidiaries, markets electricity and natural gas, and derives its gross margin from the difference between the price at which it sells the commodities to its customers and the price at which it purchases the associated volumes from its supplier.

Through its licensed operating subsidiaries, the Trust provides retail electricity to its customers in the Connecticut, Delaware, District of Columbia, Illinois, Massachusetts, Maine, Maryland, New Hampshire, New Jersey, New York, Ohio and Pennsylvania markets and provides retail natural gas to its customers in the New Jersey, New York, Ohio and Pennsylvania markets. In addition to the states in which it currently operates, its subsidiaries are also licensed, certified, or otherwise qualified by applicable state agencies to supply retail natural gas in District of Columbia, Indiana and Virginia.

3. BASIS OF PRESENTATION

Basis of presentation and adoption of IFRS

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are presented in U.S. dollars, the functional currency of the Trust and all subsidiaries, and all values are rounded to the nearest thousands. The consolidated financial statements are prepared on a going concern basis under the historical cost convention except for the accounting for the acquisition and for certain financial assets and liabilities which are stated at fair value.

These consolidated financial statements have been prepared for the period from inception on September 7, 2012 to December 31, 2012. The opening balance sheet of the Trust on September 7, 2012 consisted of cash of $10 and one trust unit with the issue price of $10 and there was no other activity until the initial public offering was completed on November 13, 2012.

Principles of consolidation

The consolidated financial statements include the financial statement of the Trust and entities controlled by the Trust including subsidiaries as at December 31, 2012, and include all the subsidiaries and entities over which the Trust has power to govern the financial and operating policies for and are consolidated from the date of acquisition and control, and continue to be consolidated until the date that such control ceases. All intercompany balances, income, expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consists of cash with financial institutions and includes highly liquid investments with original maturities of three months or less. At any time, cash in banks may exceed federally insured limits.

Restricted cash and cash equivalents

Restricted cash and cash equivalents are pledged as collateral for energy purchase and other obligations as required under the Trust's energy supplier agreement with Macquarie Energy LLC (note 11).

Collateral deposits

Collateral deposits represent cash which is posted with State regulatory entities, independent system operators ("ISO"), local distribution companies ("LDCs"), or other counterparties as collateral for assurance bonds, required collateral in order to operate in certain markets or for other financial assurance programs and are classified as current based on the duration and nature of the deposit requirements.

Accounts receivable

The Trust delivers electricity to its customers through LDCs, many of which guarantee amounts due from customers for consumed electricity. Accounts receivable primarily represents amounts due for electricity consumed by customers net of an allowance for estimated amounts that will not be collected from customers.

Credit risk and allowance for doubtful accounts

The Trust primarily operates in LDC markets which have purchase of receivables ("POR") programs in place under which the LDCs assume the credit risk associated with the customer billings. Consequently, in these markets, the Trust's exposure to credit risk concentration is limited primarily to those LDCs that collect and remit receivables to the Trust. The Trust's customers are individually insignificant and geographically dispersed. The Trust regularly monitors the financial condition of each such LDC and currently believes that its susceptibility to an individually significant write-off as a result of concentrations of customer accounts receivable with those LDCs is remote.

In other markets, the Trust operates under either limited recourse POR or non-POR programs. In these markets, certain receivables are billed and collected by the Trust. The Trust bears the credit risk on these accounts and records an appropriate allowance for doubtful accounts to reflect any losses due to non-payment by customers. The Trust maintains an allowance for doubtful accounts, which represents management's estimates of losses inherent in the accounts receivable balance based on known troubled accounts, historical experience, account aging and other current available information.

Property and equipment

Property and equipment are recognized at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, to bring the asset to a working condition for its intended use. The commencement date for capitalization of costs occurs when the Trust first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Depreciation commences when the assets are available for use and is recognized on a straight-line basis to depreciate the cost of these assets to their estimated residual value over their estimated useful lives. Maintenance and repairs are charged to expense as incurred. When significant parts of an item included in fixed assets have different useful lives, they are accounted for as separate components of the asset and depreciated over their estimated useful life on a straight-line basis.

Estimated useful lives are as follows:

Asset category	Depreciation method	Useful life
Office furniture and equipment	Straight line	3-5 years
Computer hardware	Straight line	3 years
Leasehold improvements	Straight line	4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in operating results in the period the item is derecognized.

Goodwill

Goodwill is measured as the excess of the cost of the business combination over the net fair value of the identifiable assets acquired and liabilities assumed including non-controlling interest. Any negative difference is recognized as a gain directly in the consolidated statement of comprehensive loss. If the fair values of the assets, liabilities and non-controlling interest can only be calculated on a provisional basis, the business combination is recognized using provisional values. Any adjustments resulting from the completion of the measurement process are recognized within 12 months of the date of acquisition.

Goodwill is considered to have an indefinite useful life and is not amortized, but rather will be tested annually for impairment. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

Intangible assets

Intangible assets are initially recognized at fair value with subsequent additions measured at cost and are reflected net of any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization method and useful life of an intangible asset with a finite useful life is reviewed at least once annually. Changes in the expected life or pattern of consumption of future economic benefits are accounted for by changing the amortization period or method, as appropriate, and treated as a change in accounting estimate and recorded on a prospective basis. The amortization expense related to intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in depreciation and amortization expense.

Intangible assets primarily consist of purchased customer relationships, a non-compete agreement, sales network, exclusive marketing relationships and computer related software.

Gains and losses arising from the de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statement of comprehensive income when the asset is de-recognized.

Asset category	Amortization method	Useful life
Customer relationships	Straight line	3 years
Non-compete agreement	Straight line	2 years
Sales network	Straight line	7 years
Exclusive marketing relationships	Straight line	3 years
Computer software	Straight line	3 years

Impairment of non-financial assets

At each statement of financial position date, the Trust reviews the carrying amounts of its finite life non-financial assets, including property and equipment and intangibles to determine whether there is any indication of impairment.

For the purposes of reviewing finite life non-financial assets for impairment, asset groups are reviewed at their lowest level for which identifiable cash inflows are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("CGU").

If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the CGU to which the asset belongs is tested for impairment. Corporate assets are tested for impairment at the minimum collection of CGUs to which the corporate asset can be allocated reasonably and consistently.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. Impairment losses are recognized in profit and loss in the period in which they occur. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Trust estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss will only be reversed if there will be a change in the assumptions used to determine the asset's recoverable amount since the time the impairment loss was recognized. Where impairment subsequently reverses, the carrying amount of the asset is increased to the extent that the carrying value of the underlying asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized. Impairment reversals are recognized in profit and loss in the period in which they occur.

Goodwill is tested for impairment annually as at October 1 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill can not be reversed in future periods.

Trust issuance costs

The Trust has included all costs incurred related to the initial public offering of the Trust in "trust unit issuance costs". Included in these costs are all cash costs related to the filing of the prospectus and the initial public offering of the units.

Provisions

Provisions are recognized to the extent that we determine it is probable that the Trust will be required to settle a present obligation (legal or constructive) and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Finance Costs

Finance costs are primarily incurred on the Trust's Supplier Agreement and are expensed in the period in which they are incurred (note 11).

Contingencies

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized accordingly.

Unit-Based Compensation

The Trust has a Restricted Trust Unit Plan ("RTUP") and Phantom Unit Rights Plan ("PURP"), both as described in note 17. No grants have been made under these plans as of December 31, 2012.

Income taxes

The Trust follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the effect of any temporary difference between the carrying amount of an asset or liability reported in the consolidated financial statements and its respective tax basis, using substantively enacted income tax rates. Deferred income tax balances are adjusted to reflect changes in substantively enacted income tax rates expected to apply when assets are realized or liabilities are settled, with adjustments being recognized in the period in which the change occurs. Deferred income tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Trust intends to settle on a net basis.

The Trust is a taxable entity under the Income Tax Act (Canada) ("Tax Act") and is currently taxable only on income that is not distributed or distributable to the unitholders. The Trust distributes all of its taxable income to its unitholders and expects to continue to distribute all of its taxable income to unitholders. The Trust will at no time be a specified investment flow-through entity ("SIFT") as defined in the Tax Act. Investment restrictions contained in the formation documents provide that the Trust and its subsidiaries will only invest in entities that qualify as a "portfolio investment entity" and will not hold any "non-portfolio property" or "taxable Canadian property", each as defined in the Tax Act. It also qualifies as a "mutual fund trust" within the meaning of the Tax Act and will not be subject to the limit on non-resident ownership in the Tax Act as it will not own any "taxable Canadian property" as defined in the Tax Act.

Energy sales

Revenue is recognized based on consumption. Sales of energy are billed based upon information received from the local utilities. The billing cycles for customers do not coincide with the accounting periods used for financial reporting purposes. Energy that has been consumed by a customer, but not yet billed to that customer, is estimated on an accrual basis and included in revenue during the period in which it was consumed. Such estimates are refined in subsequent periods upon obtaining customer billing information from the utilities. Changes in these estimates are reflected in revenue in the period they are refined.

The Trust's operations are seasonal. Electricity consumption is typically highest during the summer months (July and August) due to cooling demand and winter months (January and February) due to heating demand. Natural gas consumption is typically highest during the months of October through March due to heating demand.

Cost of sales

Direct energy costs are recognized concurrently with the related energy sales. Direct energy costs include the commodity cost of purchased electricity or natural gas, costs associated with energy delivery, fees incurred from various energy related service providers, the cost of renewable energy certificates and fees and charges from ISOs and LDCs. The Trust estimates and accrues for these fees based on invoices, activity levels, preliminary settlements and other available information. Final determination and settlements of these charges may take several months following the month of delivery and are adjusted as information becomes available.

Fee revenue

Fee revenue primarily consists of sign-up fees and other monthly fees received from the Trust's independent contractor sales associates in the network marketing sales channel. The sign-up fees component of fee revenue is recognized over the one year term of the agreement with the individual contractor and the monthly fees are recognized on a monthly basis.

Collection of sales tax

Sales tax is added to customer bills in certain markets served by the Trust. Sales tax collected from customers on behalf of governmental entities is recorded on a net basis. Such amounts are excluded from the Trust's revenue and are recorded in trade and other payables on the consolidated statement of financial position until they are remitted to the appropriate governmental entities.

Financial instruments

Financial assets and liabilities are recognized when the Trust becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire, or if the Trust transfers the control or substantially all the risks and rewards of ownership of the financial asset to another party. Financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled.

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit or loss," "loans and receivables," "available-for-sale," "held-to-maturity" or "financial liabilities measured at amortized cost."

Financial assets and financial liabilities classified as fair value through profit or loss are either classified as held for trading or financial liabilities measured at fair value with changes in those fair values recognized in profit or loss.

Financial assets classified as loans and receivables, financial assets and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method of amortization.

All derivative instruments are classified as held for trading.

The Trust's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Derivative contracts	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Collateral deposits	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Notes payable and bank debt	Other financial liabilities	Amortized cost
Non-controlling interest	Other financial liabilities	Fair value
Other liabilities	Other financial liabilities	Amortized cost

The Trust has not classified any financial assets as available-for-sale or held to maturity.

Fair values are determined based on the quoted market values where available from active markets. If the financial asset is not traded in an active market, the Trust establishes the fair value through valuation techniques taking into account external market inputs where possible.

Gains and losses on fair value of derivative instruments are recognized in profit and loss in the period in which they are incurred.

Transaction costs are capitalized to the carrying amount of the instrument and amortized using the effective interest method, other than those related to financial instruments measured at fair value through profit and loss, which are expensed as incurred.

Impairment of financial instruments

Financial assets, other than those classified as fair value through profit or loss, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized the previously recognized impairment loss is reversed through profit and loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Comprehensive income (loss)

The Trust is required to report total comprehensive income (loss) and its components in the financial statements. The Trust has no items impacting other comprehensive income (loss) and, accordingly, the Trust's net income equals total comprehensive income.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires the use of estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

Revenue recognition

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust based on the number of units of energy consumed but not yet billed, based on estimates using usage data available, multiplied by the current customer average sales price per unit.

Accounts receivable

The Trust reviews its accounts receivables at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Fair value of financial instruments

Determining the value of derivative instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets and discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment

In assessing the value of intangible assets or non-financial assets for potential impairment, assumptions are made regarding future cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible assets.

Deferred taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income realized, including the usage of tax-planning strategies.

Useful life of property and equipment and intangible assets

The amortization method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Trust.

Acquisition accounting

Management uses judgment to determine whether an acquisition qualifies as an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in an asset purchase are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

Classification of Trust units as equity

Trust units issued by the Trust give the holder the right to put the units back to the issuer in exchange for cash. IAS32 "Financial Instruments: Presentation" establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust units as equity because the Trust units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

6. FUTURE ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that are issued but not yet effective up to the date of issuances of the Trust's financial statements are listed below.

The IASB amended IFRS 7 "Financial Instruments: Disclosure" and IAS 32 "Financial Instruments: Presentation" to enhance disclosure requirements and clarify the requirements for the offsetting of financial assets and liabilities. The amendments are effective for years beginning on or after January 1, 2013 and January 1, 2014, respectively. The disclosure amendments are required to be adopted retrospectively for periods beginning January 1, 2013. These amendments will require minimal disclosure changes in the Trust's financial statements.

The IASB issued IFRS 9 "Financial Instruments: Classifications and Measurements" as the first step in its project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

The IASB amended IFRS 9 "Financial Instruments: Classifications and Measurements" and IFRS 7 "Financial Instruments: Disclosures" which includes added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. In December 2011, the IASB issued an amendment that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. The Trust has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

The IASB issued IFRS 10 "Consolidated Financial Statements" to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The standard is required to be adopted for periods beginning January 1, 2013. IFRS 10 will have no impact on the Trust's financial statements on adoption as the current consolidation method adheres to this standard.

The IASB issued IFRS 11 "Joint Arrangements" to replace IAS 31 Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 will be applied starting January 1, 2013. IFRS 11 will have no impact on the Trust's financial statements on adoption as the Trust and subsidiaries are not parties to any joint arrangements.

The IASB issued IFRS 12 Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The standard is required to be adopted for periods beginning January 1, 2013. IFRS 12 will have no impact on the Trust's financial statements.

The IAS issued IFRS 13 "Fair Value Measurement" as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 will be applied starting January 1, 2013. IFRS 13 will require minimal disclosure changes in the Trust's financial statements.

The IASB reissued IAS 27 "Separate Financial Statements", to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Trust prepares separate financial statements. IFRS 27 is effective for years beginning on or after April 1, 2013. These amendments will have no impact on the Trust's financial statements.

The IASB amended IAS 28 "Investments in Associates and Joint Ventures" as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Trust when there is joint control or significant influence over an investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not include control or joint control of those policy decisions. When it has been determined that the Trust has an interest in a joint venture, the Trust will recognize an investment and will account for it using the equity method in accordance with IAS 28. IAS 28 is effective for years beginning on or after April 1, 2013. IFRS 28 will have no impact on the Company's financial statements on adoption as the Company has no associates or joint ventures that will be accounted for under the equity method.

7. ACQUISITION

On November 13, 2012 concurrent with the initial public offering of the Trust, the Trust, through its indirectly owned subsidiary, Crius Energy Corporation, acquired a 26.8% interest in CE. This 26.8% interest represents a controlling interest in CE due to the governance arrangements. This acquisition was accounted for using the acquisition method of accounting. The purchase price represents the cash payable by Crius Energy Corporation to the non-controlling interest for the acquisition of their ownership interests in CE's operating subsidiaries at the time of the acquisition. The purchase price was paid in full in cash on November 13, 2012 with a portion of the proceeds from the initial public offering of the Trust. The Trust allocated the purchase price of \$64,125 to the identifiable assets and liabilities based on their preliminary fair values at the date of acquisition, as follows.

Net assets acquired:	$
Cash and cash equivalents	16,248
Accounts receivable	48,472
Trade and other payables	(54,565)
Other net assets	3,345
Customer relationships	76,000
Sales network	19,300
Exclusive marketing partnerships	24,947
Non-compete agreements	1,469
Goodwill	235,150
Deferred tax liability, net	(43,161)
Non-controlling interest	(263,080)
Total purchase price	**\$64,125**

The above listed assets and liabilities were measured at their preliminary fair value on the date of the acquisition. The purchase price allocation is considered preliminary, and as a result, it may be adjusted during the 12 month period following the acquisition, in accordance with IFRS 3.

If the acquisition had occurred at the date of inception on September 7, 2012, the estimate of revenues from operations for the current reporting period is \$124,443. The estimate of net income (loss) for the same period had the acquisition occurred at the date of inception is impracticable to calculate.

The goodwill includes benefits such as the value of assembled workforce and synergies which do not meet the criteria for recognition as intangible assets under IAS 38. Goodwill that is deductible for income tax purposes is \$24,556. The deferred tax liability comprises the tax effect of the amortization for tax purposes of the above-mentioned intangible assets acquired. Non-controlling interest represents the ownership in CE by the non-controlling unit holders and is classified as a liability (Note 14). The fair value of the non-controlling interest is measured by applying a discount to the publicly traded unit price of the Trust. The fair value of Accounts receivable acquired was \$48,472, and the gross contractual amounts receivable was \$49,703, with the difference of \$1,231 being amounts not expected to be collected.

8. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31, 2012
Accounts receivable	\$56,261
Less: allowance for doubtful accounts	(64)
	\$56,197

9. PROPERTY AND EQUIPMENT

2012	Computer hardware	Office furniture and equipment	Leasehold improvements	Total
Cost				
Balance as at September 7, 2012	$—	$—	$—	$—
Additions	232	252	511	995
Balance as at December 31, 2012	232	252	511	995
Accumulated depreciation				
Balance as at September 7, 2012	(—)	(—)	(—)	(—)
Depreciation	(18)	(6)	(18)	(42)
Balance as at December 31, 2012	(18)	(6)	(18)	(42)
Net book value — December 31, 2012	**$214**	**$246**	**$493**	**$953**

Additions in the period include the effect of the CE acquisition (Note 7).

10. INTANGIBLE ASSETS

2012	Computer software	Customer relationships	Non-compete agreements	Sales network	Exclusive marketing relationships	Total
Cost						
Balance as at September 7, 2012	$—	$—	$—	$—	$—	$—
Additions	357	76,000	1,469	19,300	24,947	122,073
Balance as at December 31, 2012	357	76,000	1,469	19,300	24,947	122,073
Accumulated amortization						
Balance as at September 7, 2012	(—)	(—)	(—)	(—)	(—)	(—)
Amortization	(43)	(3,511)	(98)	(367)	(1,109)	(5,128)
Balance as at December 31, 2012	(43)	(3,511)	(98)	(367)	(1,109)	(5,128)
Net book value — December 31, 2012	**$314**	**$72,489**	**$1,371**	**18,933**	**23,838**	**$116,945**

Additions in the period include the effect of the CE acquisition (Note 7).

At December 31, 2012, the remaining amortization period is 2 to 7 years.

11. FINANCING

Macquarie Energy Supplier Agreement

In September 2012, CE and its operating subsidiaries entered into several agreements (the "Supplier Agreement") with Macquarie Energy LLC ("Macquarie Energy") for the exclusive supply of the Trust's wholesale energy needs and hedging requirements for a term ending in October 2017. Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each ISO, and the LDCs serving the Trust's customers are directed to remit all customer payments into a designated restricted bank account, (the "Lockbox"), whereby the funds in that account are used to pay Macquarie Energy for the energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable and all other assets of CE.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following delivery of the energy. The credit extended under the Supplier Agreement was limited to an overall exposure limit of $200,000 subject to certain standard financial covenants, and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables and natural gas inventory. CE incurs a volumetric fee based on the wholesale energy delivered, which is included in finance costs in the statement of comprehensive income.

The facility includes a working capital facility with a sub-limit of $25,000 under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR.

As at December 31, 2012, Macquarie Energy had extended trade credit to CE totaling $28,115 under this Supplier Agreement. At December 31, 2012, there were letters of credit issued totaling $4,318, and no cash advances drawn under the working capital facility. During the period from inception at September 7, 2012 to December 31, 2012, total energy purchases totaled $42,554 and interest expense under the working capital facility totaled $61. As at December 31, 2012, the aggregate availability under the credit facility was $12,683.

12. FINANCIAL INSTRUMENTS

Fair value

Fair value is the estimated amount that the Trust would pay or receive to dispose of financial instruments in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Management has estimated the fair value of financial instruments using a method that employs market forward curves that are either directly sourced from third parties or are developed internally based on third party market data. These curves can be volatile thus leading to volatility in the mark to market with no impact to cash flows. The fair value of the non-controlling interest is measured by applying a discount to the publicly traded unit price of the Trust.

The Trust's activities expose it to a variety of market risks, principally from fluctuating commodity and currency prices. The Trust has established risk management policies and procedures designed to reduce the potentially adverse effects of price volatility on operating results and distributions. The Trust's risk management activities include the use of derivative instruments such as swaps and options. The Trust maintains commodity and currency price risk management strategies that use derivative instruments, within approved risk tolerances to minimize significant, unanticipated fluctuations in earnings or distributions caused by market price volatility.

The following table illustrates unrealized losses related to the Trust's derivative financial instruments classified as held-for-trading and recorded in the consolidated statement of comprehensive income:

	For the period from inception on September 7, 2012 to December 31, 2012
Fixed-for-floating electricity swaps	$(2,023)
Fixed-for-floating gas swaps	(329)
Foreign exchange options	(34)
Change in fair value of derivative instruments	**$(2,386)**

The following table summarizes the fair value of the financial assets and liabilities recorded in the consolidated balance sheet at December 31, 2012:

	Other current financial assets	Other current financial liabilities
Foreign exchange options	$241	$—
Fixed-for-floating electricity swaps	—	(2,262)
Fixed-for-floating gas swaps	—	(348)
	$241	**$(2,610)**

The following table summarizes financial instruments which are classified as held-for-trading as at December 31, 2012:

	Notional Volume	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value (unfavorable)	Notional Value
Fixed-for-floating electricity swaps	1-139 MWh	937,016 MWh	1-18 months	$31.10 to $89.75	$(2,262)	46,593
Fixed-for-floating gas swaps	10,000-140,000 Mmbtu	992,500 Mmbtu	1-3 months	$3.37 to $3.94	$(348)	3,678

	Notional Value	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value (unfavorable)
Foreign exchange options	US$12,307 CS12,294	US$12,307 C$12,294	1-12 months	C$0.999 per US$1	US$241

Fair value ("FV") hierarchy

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted, unadjusted market prices. The Trust values its cash and cash equivalents, restricted cash, collateral deposits, accounts receivable, trade and other payable and distribution payable under level 1.

Level 2

Fair value measurements that require inputs other than quoted prices in Level 1, either directly or indirectly, are classified as Level 2 in the FV hierarchy. This could include the use of statistical techniques to derive the FV curve from observable market prices. However, in order to be classified under Level 2, inputs must be substantially observable in the market. Derivative assets and liabilities included in Level 2 are valued using multiple prices quoted by market participants other than exchanges, industry pooling, and other inputs that are derived principally from, or collaboratively by, observable market data.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy. The Trust's policy is to recognize transfers in and out as at the end of the reporting period.

During the period from inception on September 7, 2012 to December 31, 2012 there were no significant transfers between levels.

The following table illustrates the classification of financial assets/(liabilities) in the FV hierarchy as at December 31, 2012:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$30,301	$—	$—	**$30,301**
Restricted cash and cash equivalents	65	—	—	**65**
Collateral deposits	984	—	—	**984**
Accounts receivable	56,197	—	—	**56,197**
Income tax receivable	4,864	—	—	**4,864**
Other current financial assets	—	241	—	**241**
Other current assets	1,105	—	—	**1,105**
Financial liabilities				
Trade and other payables	(49,718)	—	—	**(49,718)**
Distribution payable	(1,327)	—	—	**(1,327)**
Non-controlling interest	—	—	(258,611)	**(258,611)**
Other current financial liabilities	—	(2,610)	—	**(2,610)**
Other long-term liabilities	(1,519)	—	—	**(1,519)**

Changes in Level 3 financial liabilities during the period were as follows:

	Non-controlling interest
Liability as at November 13, 2012	$263,080
Changes in fair value	(4,469)
Liability at December 31, 2012	**$258,611**

Classification of financial assets and liabilities

As at December 31, 2012, the carrying amounts of the financial assets and liabilities, except for derivative assets and liabilities and non-controlling interest, approximated their fair value. The derivative assets and liabilities and non-controlling interest are recorded at fair value.

Management of risks arising from financial instruments

The risks associated with the Trust's financial instruments are as follows:

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity price risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

The fair values of the Trust's financial instruments are significantly influenced by the variability of forward spot prices for electricity and natural gas. Period to period changes in forward spot prices could cause significant changes in the mark to market valuation ("MTM valuation") of these contracts, as shown below:

	Electricity	
Percentage change in the forward spot price at December 31, 2012	**Percent change in MTM Valuation**	**Dollar change in MTM Valuation**
+/– 1%	+/– 19.6%	+/– $443
+/– 5%	+/– 98.0%	+/– $2,217
+/– 10%	+/– 196.0%	+/– $4,433

	Gas	
Percentage change in the forward spot price at December 31, 2012	**Percent change in MTM Valuation**	**Dollar change in MTM Valuation**
+/– 1%	+/– 7.7%	+/– $28
+/– 5%	+/– 28.4%	+/– $101
+/– 10%	+/– 54.2%	+/– $194

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. The Trust has letters of credit and cash advances outstanding of $4,318 under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. In the period from inception on September 7, 2012 to December 31, 2012 the impact of a 1% increase (decrease) in the interest rate on these balances would have not had a material impact on Finance costs in the consolidated statement of comprehensive income.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in United States dollars, however, its distributions and publicly listed units are denominated in Canadian dollars. The Trust mitigates its exposure to currency rate movements by entering into currency derivative hedging products including options and swaps. Period to period changes in forward spot prices could cause significant changes in the mark to market valuation ("MTM valuation") of these contracts, as shown below:

Percentage change in the forward spot price at December 31, 2012	Percent change in MTM Valuation	Dollar change in MTM Valuation
+/- 1%	+ 36.2%/-29.5%	+ $87/-$71
+/- 5%	+ 210.5%/-81.0%	+ $507/-$195
+/- 10%	+ 453.6%/-93.9%	+ $1,093/-$226

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

In Maine, Massachusetts, New Hampshire, District of Columbia, certain Ohio markets and New Jersey, the Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. If a significant number of customers were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust.

For the remaining markets, the LDCs provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at December 31, 2012, the customer credit risk exposure amount of $15,724 represents the risk related to the Trust's accounts receivable from Maine, Massachusetts, New Hampshire, District of Columbia, certain Ohio markets and New Jersey and the accounts receivable aging for these markets are as follows:

	Current	1-30 days	31-60 days	Over 60 days	Total
Accounts receivable	$11,184	$1,925	$985	$1,630	$15,724
	$11,184	$1,925	$985	$1,630	$15,724

A reconciliation of the beginning and ending amounts of the Trust's allowance for doubtful accounts is as follows:

	December 31, 2012
Balance at the beginning of the period	$—
Additional amounts provided for during the period	64
Balance at December 31, 2012	**$64**

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing contracted supply at prevailing market rates, thus impacting the related customer margin. Counterparty risk is limited to Macquarie Energy for all wholesale supply positions. However, the failure of the counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

As at December 31, 2012, the maximum counterparty credit risk exposure amounted to $241, representing the risk relating to its derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring cash flow forecasts for the next 12 months to ensure adequate and efficient use of cash resources and credit facilities.

The following are the contractual maturities of the Trust's financial liabilities as at December 31, 2012:

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$49,718	$49,718	$49,718	$—	$—
Operating leases	—	4,011	1,271	2,740	—
Derivative instruments	2,610	2,610	2,610	—	—
Distribution payable	1,327	1,327	1,327	—	—
Other long term liabilities	1,519	1,070	—	1,070	—
	$55,174	**$58,736**	**$54,926**	**$3,810**	**$—**

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

13. INCOME TAXES

The major components of the provision for income taxes, which relates to the Trust's U.S. subsidiaries, for the period from inception on September 7, 2012 to December 31, 2012 are:

	December 31, 2012
Current income tax:	
Current income tax charge	$249
Deferred income tax:	
Origination and reversal of temporary differences	(3,354)
Total tax expense	**$(3,105)**

Reconciliation of effective tax rate

The benefit for income taxes represents an effective tax rate different than the combined federal and state statutory tax rate as follows:

	For the period from inception on September 7, 2012 to December 31, 2012
Loss before income taxes	$(345)
Federal income tax (at 34.0%)	(117)
State income tax	(439)
Impact of permanent differences	
Change in fair value of non-controlling interest	(1,519)
Other permanent items	(1,030)
Total benefit for income taxes	**$(3,105)**

Other permanent items principally represent income of CE that is attributed directly to the non-controlling unitholders of CE. Under United States partnership taxation rules CE is not a taxable entity and its taxable income/(loss) flows through to its partners who are then taxed on their allocable share of the partnership income tax/(benefit).

Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are attributed to the following:

	December 31, 2012
Deferred tax assets:	
Change in fair value of derivative instruments	$672
Allowance for doubtful accounts	337
Interest expense	342
Depreciation and amortization	649
Renewable energy certificates	842
Incentive compensation	8
Other	5
Total deferred tax assets	2,855
Deferred tax liabilities:	
Intangible	(44,213)
Goodwill	(99)
Other	(5)
Total deferred tax liabilities	(44,317)
Total net deferred tax liabilities	**$(41,462)**

Movement in deferred tax balances

	Balance December 31, 2012
Change in fair value of derivative instruments	$625
Stock based compensation	(315)
Allowance for doubtful accounts	26
Incentive compensation	(36)
Renewable energy certificates	109
Interest expense	342
Intangibles	1,254
Goodwill	(99)
Depreciation and amortization	493
Other	2
Total net deferred tax assets	**$2,401**

14. TRUST CAPITAL

Initial public offering

On November 2, 2012, the Trust filed a final prospectus relating to the initial public offering of its Units. The closing date of this initial public offering was November 13, 2012 and the Trust received gross proceeds from the offering of $99,612 and incurred issue costs of $11,587.

On closing, through an indirectly wholly owned subsidiary, Crius Energy Corporation, the Trust purchased an approximate 26.8% ownership interest in Crius Energy, LLC (the "CE Interest") for $88,025, with $64,125 being paid to former non-controlling members of CE and with $23,900 being retained for general corporate purposes and to fund future acquisitions.

Authorized

The beneficial interests in the Trust are represented and constituted by one class of units. An unlimited number of common voting trust units may be issued pursuant to the Trust Indenture. Each unit represents an equal, undivided beneficial interest in the net assets of the Trust, and all units rank equally and rateably with all other units. Each unit entitles the holder to one vote at all meetings of unitholders. Unitholders are entitled to receive non-cumulative distributions from the Trust if, as, and when declared by the Trust.

Trust units are redeemable at any time or from time to time on demand by the Unitholders thereof. Upon delivery to the Trust, the holder is entitled to receive a price per unit (the "Redemption Price") equal to the lesser of: (i) 90% of the volume-weighted average trading price of a unit during the last 10 consecutive trading days; and (ii) 100% of the volume-weighted average trading price of a unit on the redemption date. The aggregate Redemption Price payable by the Trust in respect of any units tendered for redemption during any month shall be satisfied by cheque drawn on a Canadian chartered bank or trust in lawful money of Canada payable to the Unitholders who exercised the right of redemption, on or before the end of the calendar month following the calendar month in which the units were tendered for redemption; provided that Unitholders shall not be entitled to receive cash upon the redemption of their Units if the total amount payable by the Trust in respect of such units and all other units tendered for redemption in the same month exceeds $100,000. If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in the immediately preceding paragraph, then the Redemption Price for each Unit tendered for redemption shall be equal to the fair market value of a Unit as determined by the Trustee, in its discretion, and shall, subject to all necessary regulatory approvals, be paid and satisfied by way of a distribution in specie of Trust Property, other than certain specified Trust assets as determined by the Trustee in its discretion. To the extent that the Trust does not hold Trust Property, other than the above mentioned specified Trust assets, having a sufficient amount outstanding to effect payment in full of the in specie Redemption Price, the Trust may affect such payment by issuing Redemption Notes, being unsecured subordinated promissory notes of the Trust. It is anticipated that the redemption right will not be the primary mechanism for Unitholders to dispose of their Units.

Trust Units Outstanding

	Number of Units	$
Issuance on initial formation – September 7, 2012	1	$—
Repurchase of initial Trust units	(1)	—
Trust units issued pursuant to public offering	10,000,000	99,612
Trust unit issuance costs	—	(11,587)
	10,000,000	**$88,025**

On November 13, 2012, as part of the initial public offering, 10 million units were issued at a price of C$10.00 per unit, and with these funds, the Trust acquired a 26.8% membership interest in CE through an indirect wholly-owned subsidiary.

Distributions

During the period from inception on September 7, 2012 to December 31, 2012, the Trust declared distributions to unitholders totaling $1,327 representing $0.1327 (C$0.1326) per unit in December 2012, which were paid out on January 15, 2013.

Offer to Purchase CE Units from Excess Cash

In each fiscal year commencing with the 2019 fiscal year, the Trust is required make an offer ("Liquidating Offer"), on or before the 90th day of such fiscal year, to purchase the maximum number of membership units of the non-controlling interest that may be purchased out of Excess Cash (as defined below), at a price per unit equal to the Liquidity Offer Purchase Price (as defined below). If, in any year, a Liquidity Offer is made by the Trust for all or a portion of the membership units held by the non-controlling interest and any non-controlling interest refuses to accept such Liquidity Offer with respect to any of the member's membership units that are subject to the Liquidity Offer (the "Non-Tendered Membership Units"), the Trust is not required to make a further Liquidity Offer for any of the member's Non-Tendered Membership Units in any subsequent year. For these purposes, "Excess Cash" means an amount, as of the end of the immediately preceding fiscal year of the Trust, determined by the Trust's board of directors, in its sole and absolute discretion, which is not required to be retained in order to permit the Trust to make distributions (including future distributions) at the then current level of distributions and which is in excess of any other reasonable reserves established by the Trust's board of directors for any proper purpose. The "Liquidity Offer Purchase Price" per membership unit means, in respect of a Liquidity Offer made in any fiscal year of the Trust, an amount equal to (i) five times the Trust's consolidated cash flow for the immediately preceding fiscal year, plus the Trust's cash and cash equivalents on a consolidated basis as of the end of such preceding fiscal year, minus the Trust's debt as of the end of such preceding fiscal year, divided by (ii) the number of outstanding membership units as of the date of such Liquidity Offer.

Right to Acquire Membership Units

If at any time Crius Energy Corporation and its affiliates hold more than 80% of the membership units in CE then outstanding, the Trust has the right, exercisable at its option, to purchase all, but not less than all, of the outstanding membership units held by persons other than Crius Energy Corporation and its affiliates, at a price per membership unit equal to the greater of (i) the fair market value of the membership unit, determined by the Trust's board of directors in good faith, and (ii) the highest price paid by Crius Energy Corporation or any of its affiliates for any membership unit purchased during the 90-day period preceding the date notice of the Trust's intention to exercise its right is mailed.

Offer to Purchase Membership Units Upon Trust Change of Control

Within 30 days following the occurrence of a Trust Change of Control (as defined below), the Trust or Crius Energy Corporation is required to make an offer to purchase all of the membership units of each non-controlling interest at a price per membership unit equal to the Change of Control Purchase Price (as defined below). For these purposes, a "Trust Change of Control" means the occurrence of any of the following: (i) the adoption by the Trust of a plan relating to the liquidation or dissolution of the Trust; (ii) the consummation of any transaction (including, without limitation, any merger, consolidation or amalgamation) the result of which is that any person becomes the beneficial owner, directly or indirectly, of more than 50% of the Units of the Trust; (iii) the first day on which a majority of the members of the board of directors of the Administrator are not continuing directors; or (iv) the first day on which the Trust does not own, directly or indirectly through other wholly-owned subsidiaries, all of the outstanding equity interests in Crius Energy Corporation.

The "Change of Control Purchase Price" per membership unit is equal to (i) 6.5 times the Trust's consolidated cash flow for the preceding fiscal year (subject to certain adjustments in the event the Trust has made a material acquisition or disposition during that period), plus the amount of the Trust's cash and cash equivalents on a consolidated basis as of the preceding fiscal quarter, minus the amount of debt as of the end of the preceding fiscal quarter, divided by (ii) the number of outstanding membership units; provided that if the non-controlling interests, in the aggregate, own less than 20% of the outstanding membership units, the Change of Control Purchase Price per membership unit shall be the fair market value of a membership unit as determined by the Trust's board of directors in good faith.

Non-controlling interest

Due to the redeemable nature of the non-controlling interest in CE arising from the Liquidity Offer and Trust Change of Control provisions outlined above, the non-controlling interest is classified as a Long-term liability on the consolidated statement of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income.

15. INCOME PER UNIT

	December 31, 2012
Net income and total comprehensive income	2,760
Weighted average number of units outstanding	4,210,526
Basic and diluted income per unit	**($0.66)**

Basic income per unit is calculated by dividing the net income and total comprehensive income by the weighted average number of units outstanding during the period from inception on September 7, 2012 to December 31, 2012.

16. CONSOLIDATED STATEMENT OF CASH FLOWS

The inflows (outflows) of net change in operating assets and liabilities, excluding the effects of the acquisition of CE LLC, is as follows:

	December 31, 2012
Accounts receivable	$(7,789)
Restricted cash	(65)
Collateral deposits	518
Other current assets	1,092
Other assets	162
Trade and other payables	(6,048)
Other long-term liabilities	1,390
Income tax payable	(1,587)
	$(12,327)

17. UNIT BASED COMPENSATION

Restricted Trust Unit Plan

Under the Trust's Restricted Trust Unit Plan ("RTUP"), restricted trust units ("RTUs") may be granted by the board of the Administrator, or an appointed committee thereof (the "RTUP Administrator") to directors, officers, employees or direct or indirect service providers ("Participants") of the Trust. The number of Units reserved for issuance pursuant to the redemption of RTUs granted under the RTUP and pursuant to all other security based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTUP. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTUP. The vesting of RTUs is determined by the RTUP Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 20th of the third calendar year following the service year in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "Grant Date"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date. For the period from inception on September 7, 2012 to December 31, 2012, no RTUs were granted under the RTUP.

Phantom Unit Plan

CE adopted a cash settled Phantom Unit Right Plan ("PURP") for the benefit of directors, officers or employees or direct or indirect service providers of the CE resident in the United States the ("U.S. Participants"). The purpose of the PURP is to provide incentive bonus compensation based on the appreciation in value of the Trust units and distributions payable in respect of these units, thereby providing additional incentive for continued efforts in promoting the growth and success of the Trust and in attracting and retaining management personnel in the United States. The PURP mirrors the material terms of the RTUP with the exception that Phantom Unit Rights ("PURs") may only be settled with cash payments by CE. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. For the period from inception on September 7, 2012 to December 31, 2012, no PURs were granted under the PURP.

18. EMPLOYEE BENEFITS

Employee benefit expense

	For the period from inception on September 7, 2012 to December 31, 2012
Salaries and other short term benefits	$1,530
	$1,530

Compensation of key management personnel

The Trust's key management personnel are comprised of the Board of Directors and members of the executive team of the Trust. Compensation of key management personnel that is directly attributable to the Trust is as follows:

	For the period from inception on September 7, 2012 to December 31, 2012
Wages, salaries and other short-term employee benefits	$549
Directors fees	75
Post-employment benefits	5
	$629

19. RELATED PARTY TRANSACTIONS

CE entered into a transition services agreement for professional services with a related party during the year for an initial period of 6 months, with the option to extend the agreement for an additional 6 months. As at December 31, 2012, included in Trade and other payables is a payable balance in the amount of $24. For the period from inception on September 7, 2012 to December 31, 2012, included in General and administrative expense are charges in the amount of $78 related to this agreement. CE has given notice to the related party that it will not extend the agreement subsequent to the initial 6 month term.

CE has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp which is a unitholder in CE. Both Macquarie entities are part of the same group (note 11).

20. CAPITAL DISCLOSURES

For capital management purposes, the Trust considers its capital structure to include unitholders' equity, non-controlling interest, working capital and availability under the Supplier Agreement. The Trust's principal objectives in managing capital are:

- ensure sufficient liquidity to adequately fund the ongoing operations of the business;
- provide flexibility to take advantage of contract and growth opportunities that are expected to provide satisfactory returns to unitholders;
- maintain a strong capital base so as to maintain investor, creditor and market confidence;
- provide returns and generate predicable cash flow for distributions to unitholders;
- comply with financial covenants required under its financing arrangements.

The Trust manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management. The Trust is not subject to externally imposed capital requirements other than standard covenants in the Supplier Agreement (Note 11). At December 31, 2012 all these covenants have been met.

21. REPORTABLE BUSINESS SEGMENTS

The Trust operates in the following reportable business segments: electricity marketing, natural gas marketing and other, which represents fee revenue from network marketing. Management evaluates the performance of its business segments based on gross margin. The following table presents the Trust's results by business segment.

	For the period from inception on September 7, 2012 to December 31, 2012
Revenue	
Electricity	$52,968
Natural gas	2,779
Other	513
	56,260
Cost of sales	
Electricity	41,505
Natural gas	2,911
	44,416
Gross margin	
Electricity	11,463
Natural gas	(132)
Other	513
	11,844
Expenses	
Selling expenses	3,396
General and administrative expenses	4,960
Depreciation and amortization	5,170
Operating loss	**(1,682)**
Finance costs	(746)
Change in fair value of derivative instruments	(2,386)
Change in fair value of non-controlling interest	4,469
Loss before income taxes	**(345)**
Benefit for income taxes	(3,105)
Net income and total comprehensive income	**$ 2,760**

Capital expenditures, assets and liabilities are not allocated by segment.

Geographic information

All of the Trust's revenues from external customers and assets are located in the United States of America. The Trust does not have any key customers. For the period from inception on September 7, 2012 to December 31, 2012, the Trust operated in three states which together comprise 70.9% of revenue, two of which comprised 30.3% and 27.7%, respectively.

22. COMMITMENTS

Surety bonds

As at December 31, 2012, the Trust has surety bonds issued of $7,109 to the various state regulatory commissions and LDCs.

Operating leases

The Trust leases its office facilities under non-cancelable operating leases which contain fixed escalation clauses and is subject to extension at the option of the Trust. The Trust takes into account escalation clauses when determining the amount of future minimum lease payments. All future minimum lease payments are recognized on a straight-line basis over the minimum lease term. For the period from inception on

September 7, 2012 to December 31, 2012, rent expense under its operating leases of $68 was incurred and these costs are included in the consolidated statement of comprehensive income and the associated deferred rent liability is included within other long-term liabilities on the consolidated statement of financial position.

Employee defined contribution plan

The Trust has a 401(k) retirement plan in which substantially all full-time employees may participate. The Trust matches employee contributions up to a maximum of 4% of each participant's annual salary. During the period ended December 31, 2012, employer contributions totaled $15.

Regulatory proceedings

The Trust is an independent energy marketer of retail electricity and natural gas to residential and commercial customers across numerous states. Market rules and regulations locally, regionally and state to state change periodically. These changes will likely have an impact on the Trust's business; some may be material and others may not. Some changes may lead to new or enhanced business opportunities, some changes may result in a negative impact on the Trust's business. As such, there is no way to impute an exact effect through a cost benefit analysis, because there are many variables. The regulatory process does allow for some participation, and the Trust engages in that participation, however, such participation provides no assurance as to the outcome of such proceedings. The Trust does not expect proceedings to have a material adverse effect on the Trust's financial condition or results of operations.

Litigation and other claims

The Trust is involved in various disputes and litigation. In the opinion of management, the resolution of these disputes against the Trust will not have a material effect on the consolidated results of operations, cash flows or financial position of the Trust.

23. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue on March 28, 2013 by the Board of Directors of the Administrator.

24. SUBSEQUENT EVENTS

Distributions

On January 22, 2013, the Trust declared distributions to unitholders totaling C$833 representing C$0.0833 per unit, which was paid on February 15, 2013. On February 15, 2013, the Trust declared distributions to unitholders totaling C$833, representing C$0.0833 per unit, which was paid on March 15, 2013. On March 13, 2013, the Trust declared distributions to unitholders totaling C$833, representing C$0.0833 per unit, payable on April 15, 2013.

Acquisition

In February 2013, the Company announced that it has entered into an agreement with PNE Energy Supply LLC to acquire a portfolio of residential and small commercial customer accounts in New Hampshire. The transaction will be accounted for as an asset acquisition.

Unit Based Compensation

In March 2013, the Trust granted 14,924 RTUs to directors of the Administrator.