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LineTrust.
South Canterbury
™

FINANCIAL STATEMENTS

2026

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Directory

LineTrust South Canterbury
For the year ended 30 June 2026

Nature of Business

Consumer Trust owning 40% of Alpine Energy Ltd

Trust Formation Date

24 June 2002

Trustees

Michael Downes (Chairperson)

Nathan Mills

Peter Binns

Barry Thompson

Bruce Mincham

Trust Appointed Directors

Stephen Lewis

Kevin Winders

Dita Ciulacu

Beneficiaries

South Canterbury Power Consumers

Warmer Kiwi Homes

Scholarships

Secretary

Ford Simpson Ltd

Accountants

Ford Simpson Ltd
Chartered Accountants
18 Woollcombe Street
Timaru 7910

Auditor

Martin Wakefield Audit Ltd

Bankers

BNZ

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Chairperson's Annual Report for LineTrust South Canterbury 2026

I have the pleasure of presenting the 33rd Annual Report applicable to the year 2026.

Last year we reported on the Alpine Energy overcharge situation, which was paid back to consumers in accordance with the Commerce Commission's decision released in April 2025. The only outstanding action in respect of that decision relates to the $1.5 million community fund established to support initiatives focused on energy resilience, efficiency, and hardship in South Canterbury. We are advised that the Community Fund governance group has, to date, signed two contracts with EECA, focused on resilience.

Regrettably, I have to report again that no dividend was paid by Alpine Energy to LineTrust and other shareholders this year, meaning that there was also no distribution to consumers by way of a corresponding credit on their power accounts. As previously reported the receipt of an annual dividend is significant in terms of LineTrust finances in that it is our only source of funds. LineTrust still has sufficient reserves to ensure that we can continue to fulfil all other required functions and associated administration until dividends are paid again, as long as that process is not delayed for too long. We have repeatedly expressed our concern to the company regarding a return to the payment of dividends and believe that this is fully understood.

We have continued the temporary suspension of an annual subsidy towards Warmer Kiwi Homes as a cost-saving measure in the interim. We have continued to award annual student scholarships as we are agreed that the long term benefit of continuing to do so outweighs the short term negative financial effect. The Trustees continue to feel that we should do all that we can to support young people in study to possibly go on to enter the industry, especially in the field of energy distribution.

There have been no new Alpine Board Director appointments this year, but we are pleased to report the reappointment of Kevin Winders, one of our previous Line Trust appointments, for a further three year term as a Director on the Alpine Board.

I can advise that there are no amendments to the Deed of Trust to discuss and vote on this year and the Trustees have not amended any of the procedural Schedules attached to the Deed.

However, there is now one very important issue related to the Trust Deed, for the Trustees and indeed all consumers to consider. I refer here to the recently advised intention of Timaru District Council to sell its shares in Alpine Energy, which then raises the question of what LineTrust and other Council shareholders should subsequently do with their respective shareholdings. LineTrust has not been formally approached regarding disposition of shares but, as you would expect, we have informally discussed the question.

Regardless of any future approach or decision on disposition of shares, the Trustees are required to act in accordance with the Trust Deed. Clause 4 of the Deed sets out the process to be followed, which is in a nutshell:

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- Obtaining a report from the Directors of Aline Energy considering proposals and available options for the future ownership of the shares. The report should contain an analysis of the performance of the Company together with a discussion of the advantages and disadvantages of continued trust ownership; a summary of the professional advice, if any, used in preparation of the report; and a statement as to whether the directors have taken into account to any views expressed by the public regarding ownership.
- Agreement of all Trustees to sell shares.
- Agreement to sell from a super-majority (75%), of those who vote, in a consumer vote on the issue.

This process is intended to give reassurance to the consumers of South Canterbury that their wishes regarding their local Electricity Distribution Company are heard and considered concerning share ownership. As stated above, the Trust has not been formally approached at this stage and thus the process has not been initiated, apart from obtaining a legal opinion to confirm and clarify the requirements of the Trust Deed.

Alpine Energy's full year operating results show an improvement on the previous year in line with the finalisation of the Price Path Correction (overcharge), which is pleasing to note. For further and more detailed information on Alpine Energy's performance for the year please refer to their FY 2026 Annual Report, which is published on their website. Although not strictly applicable to this year's report, we have at the time of writing, been notified of the resignation of the Alpine Energy Limited CEO, Caroline Ovenstone. The Trustees would like to express their thanks for her leadership of the company through the overcharge saga and wish her well in her future endeavours.

Although it is not an election year for LineTrust, we had to say goodbye to one of our most experienced and enthusiastic trustees, Joy Paterson. Joy relocated North in March and thus could not remain a Trustee representing the Mackenzie District. In order that the district continued to have representation on the Trust we have appointed Bruce Mincham, from Twizel, in her stead until the next election.

In conclusion I would like to offer my thanks to my fellow Trustees, Bruce Mincham (representing Mackenzie), Nathan Mills, Barry Thompson and Peter Binns (representing Timaru) for their support, dedication and efforts throughout the year. Thanks also to Ant Ford and Steph Fraser of Ford Simpson for their efficient and effective administration of LineTrust and for their hard work and enthusiasm.



Mike Downes
Chair

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Statement of Distributions

LineTrust South Canterbury
For the year ended 30 June 2026

	2026	SEP 2024-JUN 2025	SEP 2023-AUG 2024
Distributions			
Available Distributions			
Total Comprehensive Income	5,328,270	(5,450,548)	2,190,494
Equity Accounted Surplus from Associate	(4,511,600)	4,822,000	(2,101,600)
Other Comprehensive Income in Associate	(970,000)	436,000	(216,746)
Dividend Received - Alpine Energy Ltd	-	-	396,749
Movement in Accrued Interest	(264)	9,408	11,462
Net Income Available for Distribution	**(153,594)**	**(183,140)**	**280,359**
Percentage Distributed	-	-	90
Available to Distribute to Beneficiaries	-	-	252,323

Distributions are made in the year subsequent to earnings. No distribution will be made for the 2026 year. (Last year $Nil)

Load Group	Allocate by	Amount
Under 14 kVA (Standard Domestic)	Fixed Amount	$Nil
3 x 60 A (Small Commercial)	Fixed Amount	$Nil
Over 15 kVA Assessed & Nameplate	Demand Factor	individually determined based on capacity
TOU 400 V	Demand Factor + winter kWh	individually determined based on line charges
TOU 11 kV	Demand Factor + winter kWh	individually determined based on line charges

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

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Statement of Comprehensive Income

LineTrust South Canterbury
For the year ended 30 June 2026

	NOTES	2026	SEPT 2024-JUN 2025
Revenue			
Interest Received - BNZ		43,995	51,295
Interest Received - IRD		345	-
Total Revenue		**44,340**	**51,295**
Expenses			
ACC Levies		124	-
Accountancy Fees	13	15,400	12,830
Advertising		3,641	3,999
Audit Fee	1	6,900	6,613
Bank Fees		40	249
General Expenses		-	70
Conference & Seminar Expenses		1,085	4,574
Director Appointment		-	9,660
Election Expenses		-	72,453
Energy Trusts of New Zealand		5,115	8,525
Insurance	10	9,677	9,649
Legal expenses		2,018	264
Legal Expenses - Trust Deed		515	1,956
Meeting Expenses		974	726
Secretarial Costs	13	53,658	32,020
Subscriptions		2,950	963
Trustees Reimbursements		8,554	7,209
Trustees Remuneration		87,020	72,083
Total Expenses		**197,670**	**243,844**
Operating Surplus (Deficit)		**(153,330)**	**(192,548)**
Other Income			
Equity Accounted Surplus in Alpine Energy Ltd	8	4,511,600	(4,822,000)
Surplus (Deficit) before Income Tax		**4,358,270**	**(5,014,548)**
Income Tax Expense			
Income Tax Expense	2	-	-
Surplus/(Deficit) after Income Tax		**4,358,270**	**(5,014,548)**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

MARTIN WAKEFIELD AUDIT

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	NOTES	2026	SEPT 2024-JUN 2025
Other Comprehensive Revenue and Expense			
Items that will not be reclassified to Profit or Loss			
Gain/(Loss) on Revaluation of Land and Buildings		753,600	-
Items that may be subsequently reclassified to Profit or Loss			
Gain/(Loss) on Interest Rate Swap - Alpine Energy Ltd		216,400	(436,000)
Total Comprehensive Income for the Year, Net of Tax		**5,328,270**	**(5,450,548)**

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MARTIN WAKEFIELD AUDIT

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Statement of Changes in Equity

LineTrust South Canterbury
For the year ended 30 June 2026

	CONTRIBUTED CAPITAL	REVALUATION RESERVE	HEDGE RESERVE	RETAINED PROFITS	TOTAL
September 2024 - June 2025					
Equity					
Opening Balance					
Opening Balance	16,531,207	4,380,578	446,400	58,844,225	80,202,410
Restatement 1 September 2024	-	-	-	17,523	17,523
Total Opening Balance	**16,531,207**	**4,380,578**	**446,400**	**58,861,748**	**80,219,933**
Revenue					
Profit from Operations	-	-	-	(5,014,548)	(5,014,548)
Other Comprehensive Revenue/(Loss)	-	-	(436,000)	-	(436,000)
Total Revenue	**-**	**-**	**(436,000)**	**(5,014,548)**	**(5,450,549)**
Distributions					
Distribution to Consumer Projects -Note 7	-	-	-	(10,500)	(10,500)
Distribution to Consumers	-	-	-	-	-
Total Distributions	**-**	**-**	**-**	**(10,500)**	**(10,500)**
Total Equity	**16,531,207**	**4,380,578**	**10,400**	**53,836,700**	**74,758,884**

	CONTRIBUTED CAPITAL	REVALUATION RESERVE	HEDGE RESERVE	RETAINED PROFITS	TOTAL
July 2025 - June 2026					
Equity					
Opening Balance	16,531,207	4,380,578	10,400	53,836,700	74,758,884
Revenue					
Profit from Operations	-	-	-	4,358,270	4,358,270
Other Comprehensive Revenue/(Loss)	-	753,600	216,400	-	970,000
Total Revenue	**-**	**753,600**	**216,400**	**4,358,270**	**5,328,270**
Distributions					
Distribution to Consumer Projects -Note 7	-	-	-	(5,000)	(5,000)
Distribution to Consumers	-	-	-	-	-
Total Distributions	**-**	**-**	**-**	**(5,000)**	**(5,000)**
Total Equity	**16,531,207**	**5,134,178**	**226,800**	**58,189,970**	**80,082,154**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

MARTIN WAKEFIELD AUDIT

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Statement of Financial Position

LineTrust South Canterbury
As at 30 June 2026

	NOTES	30 JUN 2026	30 JUN 2025
Assets			
Current Assets			
Cash and Cash Equivalents (Note 3 and 4)		18,436	26,152
Accrued Income	4	15,694	15,430
Income Tax Receivable		14,431	37,555
Prepayments		3,210	6,696
BNZ Term Deposits (Note 4 and 5)		1,037,526	1,146,652
Total Current Assets		**1,089,298**	**1,232,484**
Non-Current Assets			
Investment in Alpine Energy Ltd	8	79,015,600	73,534,000
Total Non-Current Assets		**79,015,600**	**73,534,000**
Total Assets		**80,104,898**	**74,766,484**
Liabilities			
Current Liabilities			
Accounts Payable	4	22,744	7,600
Total Current Liabilities		**22,744**	**7,600**
Total Liabilities		**22,744**	**7,600**
Net Assets		**80,082,154**	**74,758,884**
Equity			
Capital	16	16,531,207	16,531,207
Accumulated Surpluses (Deficits)		58,189,969	53,836,699
Reserves	15	5,360,978	4,390,978
Total Equity		**80,082,154**	**74,758,884**

Signed by:
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_____Trustee Date_____ 07-Oct-2026 | 5:37 PM NZDT

Signed by:
Nathan Mills
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_____Trustee Date_____ 07-Oct-2026 | 4:01 PM NZDT

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

MARTIN WAKEFIELD AUDIT

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Statement of Cash Flows

LineTrust South Canterbury
For the year ended 30 June 2026
Cash Basis

	2026	SEPT 2024-JUN 2025
Cash Flow		
Cash Flows from Operating Activities		
Cash was received from:		
Interest Received	44,076	60,704
Tax Refund	37,555	43,730
Total	**81,630**	**104,434**
Cash was applied to:		
Operating Expenses	(179,040)	(253,837)
RWT Paid	(14,431)	(20,032)
Total	**(193,471)**	**(273,870)**
Net Cash Flows from Operating Activities	**(111,841)**	**(169,436)**
Cash Flows from Investing Activities		
Cash was received from:		
Withdrawal of Investments	756,652	228,278
Total	**756,652**	**228,278**
Cash was applied to:		
Increase of Investments	(647,526)	(234,929)
Total	**(647,526)**	**(234,929)**
Net Cash Flows from Investing Activities	**109,125**	**(6,652)**
Cash Flows from Financing Activities		
Cash was applied to:		
Scholarships	(5,000)	(10,500)
Total	**(5,000)**	**(10,500)**
Net Cash Flows from Financing Activities	**(5,000)**	**(10,500)**
Net Increase/(Decrease) in Cash	(7,715)	(186,587)
Bank Accounts and Cash		
Opening Cash	26,152	212,739
Net Increase/(Decrease) in Cash Held	(7,715)	(186,587)
Closing Cash	**18,437**	**26,152**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

MARTIN WAKEFIELD AUDIT

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Statement of Accounting Policies

LineTrust South Canterbury
For the year ended 30 June 2026

Reporting Entity

LineTrust South Canterbury is a Consumer Electricity Trust.

The Trust was formed subject to the 4 June 2002 High Court decision. It's financial reports are prepared in accordance with Section 99 of the Electricity Industry Act 2010.
The Trust is domiciled in New Zealand.
The Trust was established to hold 40% of the shares in Alpine Energy Limited. The principal activity of the Trust is to invest in accordance with the terms of the Trust Deed for the long term good of their beneficiaries.
The object of the Trust is to hold shares in Alpine Energy Limited on behalf of the consumers, exercising the rights attached to ownership and distribute to consumers the benefits of ownership including any dividends received by the Trust, and to carry out future ownership reviews involving public consultation.
These financial statements have been authorised for issue by the Trustees on the date the statement of financial position was signed. There is no power to amend the financial statements after issue.

Distribution Policy

Subject to clause 5.3 and clause 5.5 of the Trust Deed, the Trust may distribute to beneficiaries a minimum of 90% of net profit, calculated on the basis of cash received. The Trust Deed was amended in the 2025 financial year to include "the Trustees shall have the discretion to not distribute to under 14kVA (Standard Domestic Load) group of households if less than or equal to $25.00 per household." The equity accounted share of the Trust's profits in Alpine Energy Ltd have not been received by the Trust in cash, and therefore are not available for distribution. A statement of distributions is included in these financial statements showing the reconciliation between the net profit per the Statement of Comprehensive Income, and the net profit available for distribution to beneficiaries.

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013.

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

LineTrust South Canterbury is designated as a for profit oriented entity for financial reporting purposes as the Trustees believe the Trust does not meet the definition of a public benefit entity.

The Trust is a Tier 2 for-profit entity and has elected to report in accordance with NZ IFRS RDR as issued by the New Zealand External Reporting Board (XRB). The Trust is eligible to report in accordance with NZ IFRS RDR on the basis that it does not have public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the Trust has applied a number of disclosure concessions.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest $.

MARTIN WAKEFIELD AUDIT

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Going Concern

The adoption of the going concern assumption is appropriate. The Trustees have considered the working capital requirements for the 2027 financial year and are satisfied that available funds to the date of signing these financial statements are sufficient.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Comprehensive Income and Statement of Financial Position have been applied.

Expenses

Expenses have been classified by their function to the Trust.

Trade Receivables

Accounts Receivable represents items that the trust has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the trust realistically expects to receive.

Income Tax

The income tax expense charged to the Statement of Comprehensive Income recognises the current year's provision adjusted for timing and permanent differences between taxable and accounting income.

Investments

Investment in Associate
Alpine Energy Ltd is an associated company. LineTrust South Canterbury has a 40% shareholding. This associate has been reflected in the financial statements on an equity basis, which shows the Trust's share of net profits in the Statement of Comprehensive Income, and its share of post acquisition increases or decreases in net assets in the Statement of Financial Position. Dividends received from Alpine Energy Ltd are eliminated from the Statement of Comprehensive Income with this method of presentation.

Other Investments
Investments with registered banks or other entities are recorded at their book value at balance date, exclusive of any interest accrued to balance date.

Goods and Services Tax (GST)

Revenue and expenses have been recognised in the financial statements inclusive of GST. The entity is not GST registered.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank balances, with original maturities of 90 days or less.

Sundry Creditors

Sundry creditors and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. Sundry creditors are recognised at fair value(being cost).

Revenue Recognition - Exchange Transactions

Interest revenue on cash and cash equivalents and investments is recognised in the income statement as it accrues, using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

MARTIN WAKEFIELD AUDIT

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Financial Instruments

The trust's financial assets comprise cash and cash equivalents, accrued income and deposits. All of these financial assets are categorised as 'loans and receivables' for accounting purposes in accordance with financial reporting standards.

The trust's financial liabilities comprise accounts payable. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial year.

Significant Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the current financial year: No critical judgements have been made this year.

Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no significant sources of estimation uncertainty.

MARTIN WAKEFIELD AUDIT

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Notes to the Financial Statements

LineTrust South Canterbury
For the year ended 30 June 2026

1. Auditor's Remuneration

	2026	SEPT 2024-JUN 2025
The auditor of LineTrust South Canterbury is Martin Wakefield Audit Ltd		
Audit Fee	6,900	6,613
Total Auditor's Remuneration	**6,900**	**6,613**

2. Tax Reconciliation

	2026	SEPT 2024-JUN 2025
Surplus (Deficit)		
Surplus (Deficit) before Income Tax	4,358,270	(5,014,548)
Added back		
Decrease in Accrued Interest	-	9,408
Trust Deed Legal	515	1,956
Total Added back	**515**	**11,364**
Deducted		
Equity Accounted Surplus in Alpine Energy Ltd	(4,511,600)	4,822,000
Increase in Accrued Interest	(264)	-
Total Deducted	**(4,511,864)**	**4,822,000**
Trustees Taxable Income	(153,079)	(181,184)
Income Tax Losses Carried Forward		
Income Tax Losses Carried Forward	539,438	358,254
Current Year Loss	153,079	181,184
Total Income Tax Losses Carried Forward	**692,517**	**539,438**

3. Cash and Cash Equivalents

	2026	SEPT 2024-JUN 2025
BNZ	18,436	26,152
Total Cash and Cash Equivalents	**18,436**	**26,152**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

MARTIN WAKEFIELD AUDIT

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4. Financial Instruments

Trade Receivables, trade payables are disclosed at their carrying value. The carrying value of these assets and liabilities are equivalent to, or approximate their fair value.

	2026	SEPT 2024-JUN 2025
Financial Assets at Amortised Cost		
Cash and Cash Equivalents	18,436	26,152
Receivables		
Accrued Income	15,694	15,430
Total Receivables	**15,694**	**15,430**
Term Deposits		
Term Deposits BNZ	1,037,526	1,146,652
Total Term Deposits	**1,037,526**	**1,146,652**
Total Financial Assets at Amortised Cost	**1,071,656**	**1,188,233**

	2026	SEPT 2024-JUN 2025
Financial Liabilities Measured at Amortised Cost		
Payables	22,744	7,600
Total Financial Liabilities Measured at Amortised Cost	**22,744**	**7,600**

5. BNZ Term Deposits

	2026	SEPT 2024-JUN 2025
BNZ Term Deposits		
BNZ Term Deposit 18 Matures 13/7/26 3.75%	480,000	500,000
BNZ Term Deposit 19 Matures 4/11/25 4.7%	-	646,652
BNZ Term Deposit 23 Matures 4/11/26 3.5%	511,919	-
BNZ Term Deposit 26 Matures 3/8/26 3.45%	45,608	-
Total BNZ Term Deposits	**1,037,526**	**1,146,652**
Total BNZ Term Deposits	**1,037,526**	**1,146,652**

BNZ Term Deposits 18 and 26 matured prior to the financial statements being adopted and the two deposits now have maturity dates of 10 May 2027 at 3.6% and 1 February 2027 at 3.45% respectively.

6. Dividends

Under clause 5.2 of the trust deed, the Trust distributes at least ninety percent of the surplus available for distribution to consumers and consumer projects. Under clause 5.3 the distribution may be delayed to meet the Trust tax obligations. Under clause 5.5 in any year, the Trustees shall have the discretion to not distribute any dividend to any consumers if the amount to be distributed to under 14 kVA (Standard Domestic Load) group of households is less than or equal to $25.00 per household

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	2026	SEPT 2024-JUN 2025
7. Consumer Projects		
Scholarships	5,000	10,500
Total Consumer Projects	**5,000**	**10,500**

8. Investments in Associates

Alpine Energy Ltd
16,531,207 fully paid Ordinary $1.00 Shares in Alpine Energy Ltd vested in the Trust in terms of The Energy Companies (Alpine Energy Ltd) Vesting Order 1993. These have been valued at 40% of total shareholders funds as shown in the 2026 Alpine Energy Ltd Annual Report to 31 March 2026, in accordance with NZ IAS 28: Investments in Associates and Joint Ventures using the equity method.

The principal activity of Alpine Energy Ltd is the ownership of the electricity distribution network in South Canterbury. The Group, Alpine Energy Ltd and its subsidiaries (Infratec Ltd and Infratec Renewables (Rarotonga) Ltd) and associated entity On Metering Ltd also undertake asset management and contracting services. The principal place of business for all joint arrangements is New Zealand.

2025

The Trust has changed its balance date to 30 June from the 2025 financial year. There has been no departure from NZ IAS 28 para 34 in the current year.

An Independent Valuation as at 30 June 2026 under the N Z Equivalents to International Financial Reporting Standards has indicated a valuation of $7.83 per share or $129.4M for the Trust's 40% shareholding in Alpine Energy Ltd.

9. Resolution of Alpine Energy Ltd Administration Error

Following the Alpine Energy Ltd administration errors reported in the 2024 year, the Commerce Commission's investigation into the errors was concluded in the 2025 year. In the Alpine Energy Ltd financial statements to 31 March 2026 four provisions have been recorded.

Provision for credits to current customers $28,000 (last year $16,902,000), provision for community initiatives $1,500,000 (last year $1,500,000), provision for execution costs $80,000 (last year $573,000) and provision for payments to former consumers $Nil (last year $100,000).

10. Trustee Insurance

During the financial period the Trust paid premiums in respect of Trustees and Officers Liability insurance.

11. Resettlement of Trust

There was a resettlement of the Trust on 24 June 2002 where the Trust changed its name from South Canterbury Power Trust to LineTrust South Canterbury.

12. Guidelines for access to information from Beneficiaries

The Trust received no requests for information under the Guidelines for the year ended 30 June 2026.

MARTIN WAKEFIELD AUDIT

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13. Related Parties

Ford Simpson Ltd is Secretary of the LineTrust South Canterbury and also prepares the Financial Statements for the Trust. Charges between the parties are for services provided as part of the normal operating activities of the Trust, and as such have been incorporated into the operating costs of the Trust. During the year, payments to Ford Simpson Ltd amounted to $69,058 (Previous Year: 44,850) At balance date $19,723 was owing to Ford Simpson Ltd (Previous Year: $4,485)

Trust distributions are paid to Trustees at the same rates as all other beneficiaries. Trustees have been paid remuneration totalling $87,020 (Previous Year: $72,083). There have been no other related party transactions with Trustees.

14. Capital Management

The key objectives of the Trust when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to consumers. The Trust defines capital as its equity.

The Trust manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. This includes the ability to adjust the timing of the dividends paid to consumers.

15. Reserves

The Reserves of $5,360,978 in the statement of financial position consist of unrealised profits of $5,134,178 on the value of Alpine Energy Ltd shares plus the Hedge Reserve of $226,800 in Alpine Energy Ltd. When the shares are sold, realised profit will be distributed to consumers.

16. Capital

The capital of $16,531,207 in the statement of financial position consists of the historical contribution of shares in Alpine Energy Ltd.

17. Events After Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last Year: Nil)

18. Capital Commitments

The Trust has no capital commitments as at the end of the financial year. (LY: $Nil)

19. Contingent Liabilities and Guarantees

The Trust's share of its contingent liabilities of its associated company Alpine Energy Limited, at a 40% shareholding as at 31 March 2026 are as follows:-
$Nil in the form of performance and import guarantees to cover ongoing project work (LY NZD$292,000)

MARTIN WAKEFIELD AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Members of LineTrust South Canterbury

Opinion

We have audited the financial statements of LineTrust South Canterbury on pages 7 to 18, which comprise the statement of financial position as at 30 June 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LineTrust South Canterbury as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of LineTrust South Canterbury in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, LineTrust South Canterbury.

Other Information

The Trustees are responsible for other information. The other information comprises the information in the Directory, Chairperson's Annual Report and the Statement of Distributions. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information on pages 3 to 6 and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report on that fact. We have nothing to report in this regard.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible on behalf of LineTrust South Canterbury for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR), and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/.

Who We Report to
This report is made solely to the Members, as a body, in accordance with section 99 of the Electricity Industry Act 2010 and the Financial Reporting Act 2013. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement director on the audit resulting in this independent auditor's report is Craig Haymes.

Martin Wakefield Audit Limited
Martin Wakefield Audit Limited
Timaru

7 October 2026