

# LINETRUST SOUTH CANTERBURY

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**LINETRUST SOUTH CANTERBURY**

**TRUST DIRECTORY  
FOR THE YEAR ENDED 31 AUGUST 2002**

BANKERS: WestpacTrust

AUDITORS: Martin Wakefield

# **CHAIRMAN'S REPORT**

## **FOR THE YEAR ENDED 31 AUGUST 2002**

I have much pleasure in presenting the LineTrust South Canterbury ninth annual report, having taken over as chairman when Alister France resigned in July 2002.

This has been an extremely busy and eventful year for the Trust.

The South Canterbury Power Trust was established in July 1993 and had a life of nine years with the option of resettling into a successor trust for a further six years, at which time the shares were to be distributed to the beneficiaries of the Trust – the consumers.

The Trustees have always believed that the Trust should have a longer life and to that end in May 2001 polled the consumers for their opinion. A majority of those who voted wanted the life of the Trust extended beyond fifteen years.

In October 2001 following extensive consultation with its legal advisors the Trust resolved to;

- (a) Change the present Trust Deed to extend its life to eighty years.
- (b) Following a consumer poll achieving 75% support of voting consumers to seek a declaratory judgement in the High Court supporting the extension of the life of the Trust.

The Poll was conducted in December 2001 and resulted in 82% of those consumers who voted being in support of the resolution.

The Trustees then instructed their legal advisors, Simpson Grierson, to proceed accordingly.

The Declaratory Judgement was successful despite strenuous opposition from Timaru District Holdings.

While the life of the Trust has been extended to Eighty years it should be noted that it is still subject to three yearly reviews.

Alpine Energy had had another very successful year and on behalf of the LineTrust South Canterbury I wish to compliment Directors, Management and Staff on their performance.

During the year the Trustees reappointed Mr. Ollie Turner for a further three year term as a director of Alpine Energy.

The Trustees have an excellent working relationship with both Directors and Management of Alpine Energy.

In December 2001 the Trust distributed \$3,200,754 to consumers. Normal domestic consumers received a cheque for \$71.00.

I would like to pay a tribute to Alister France for the way he chaired the Trust. Alisters contribution to the LineTrust South Canterbury was huge, particularly during the Poll and High Court hearing. During this time he worked virtually full time on Trust business. His skill and determination served the Trust admirably and we wish him and Lesley every success in their new business venture.

I would like to thank my fellow Trustees for their support and my appreciation is extended to Tom Simpson of McFarlane Hornsey Simpson Ltd for his secretarial services.

# **CHAIRMAN'S REPORT**

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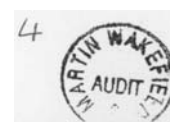
# LINETRUST SOUTH CANTERBURY

## HIGHLIGHTS FOR THE YEARS ENDED 31 AUGUST

	2002	2001	2000	1999	1998
Income - Ordinary	3,336,108	2,045,826	1,878,418	1,593,905	1,351,679
- Special	-	900,951		2,397,025	-
Total Income	3,336,108	2,946,777	1,878,418	3,990,930	1,351,679
Expenses	341,935	246,023	79,454	90,881	137,594
Net Income	2,994,173	2,700,754	1,798,964	3,900,049	1,214,085
Annual Distribution	2,994,173	2,700,754	1,619,068	3,510,044	1,092,676
Distribution From Reserves	-	500,000			-
Retained Income	-	-	179,896	390,005	121,409
Accumulated Retained Income	307,773	307,773	807,773	627,877	237,872

### Allocation of \$3,200,754

Load Group	Allocate by	Fixed	Demand	Winter kWh
Low Fixed Charge (Domestic Concession)	Fixed Amount	\$ 39.00		
Under 8 kVA (Small Domestic)	Fixed Amount	\$ 48.00		
Under 15kVA (Standard Domestic)	Fixed Amount	\$ 71.00		
3 x 60 A (Small Commercial)	Fixed Amount	\$ 231.00		
Over 15kVA Assessed & Nameplate	Demand Factor		\$ 7.76	
TOU 400 V	Demand Factor + Winter kWh	\$ 9.85	\$ 0.0064	
TOU 400 V Remote	Demand Factor + Winter kWh	\$ 10.90	\$ 0.0064	
TOU 11 kV < 3000 kW	Demand Factor + Winter kWh	\$ 7.30	\$ 0.0064	
TOU 11 kV > 3000 kW Remote	Demand Factor + Winter kWh	\$ 8.30	\$ 0.0063	



# LINETRUST SOUTH CANTERBURY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 AUGUST 2002

	NOTE	2002	2001
<b>INCOME</b>			
<b>Dividends Received</b>			
Alpine Energy Ltd - Ordinary	1	3,233,504	1,881,251
Alpine Energy Ltd - Special			900,951
		<u>3,233,504</u>	<u>2,782,202</u>
<b>Interest Received</b>			
WestpacTrust	2	1,795	1,700
ASB Bank	2	5,533	-
National Bank	2	13,316	81,365
ANZ Bank	2	66,444	81,510
Bank of New Zealand	2	15,517	-
		<u>102,605</u>	<u>164,575</u>
		<u>3,336,109</u>	<u>2,946,777</u>
<b>TOTAL GROSS INCOME</b>			
Trustees Remuneration		36,400	34,300
Trustees Reimbursements		8,252	7,040
Accountancy		4,500	3,938
Advertising		12,508	260
Audit Fees		675	619
Bank Charges		9,223	182
Consultancy Fees		5,063	2,717
Consumer Poll Expenses		37,004	95,900
Declaratory Judgement & Resettlement Expenses		174,691	
Distribution Costs		23,295	22,104
Election Expenses		-	51,867
Energy Trusts of New Zealand		2,000	4,779
Subscriptions		265	265
Interest : WestpacTrust		14	
Legal Expenses		6,227	-
Printing Postage & Stationery		1,881	3,607
Secretarial Costs		6,750	6,750
Telephone & Tolls		43	46
Trust Review Expenses		2,007	1,579
Insurance	7	11,138	10,070
		<u>341,936</u>	<u>246,023</u>
		<u>2,994,173</u>	<u>2,700,754</u>
<b>NET PROFIT</b>			

# LINETRUST SOUTH CANTERBURY

## STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2002

	NOTE	2002	2001
<b>Opening Balance</b>		35,862,500	36,859,700
Revaluation of Investment	3	1,106,000	(997,200)
		<u>1,106,000</u>	<u>(997,200)</u>
		36,968,500	35,862,500
<b>CLOSING BALANCE</b>		<u>36,968,500</u>	<u>35,862,500</u>



# LINETRUST SOUTH CANTERBURY

## TRUSTEES INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2002

	NOTE	2002	2001
<b>Opening Balance</b>		3,977,748	2,689,506
Distributions Returned			392
Distributions Unclaimed (2000)		67,444	161,601
Distributions Unclaimed (2001)		78,533	
Tax Refund Due	5	38,574	44,561
Profit For Year		2,994,173	2,700,754
		<u>3,178,724</u>	<u>2,907,310</u>
		7,156,472	5,596,816
Distribution to Consumers		3,200,754	1,619,068
		<u>3,200,754</u>	<u>1,619,068</u>
<b>CLOSING BALANCE</b>		<u>3,955,718</u>	<u>3,977,748</u>

# LINETRUST SOUTH CANTERBURY

## STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2002

	NOTE	2002	2001
<b>CURRENT ASSETS</b>			
WestpacTrust		22,364	1,352
Sundry Debtors		4,859	4,859
ANZ : On Call Account			60,968
ANZ : Term Deposit		437,581	510,893
ANZ : Term Deposit		56,335	54,216
ANZ : Term Deposit		1,700,000	44,137
ANZ : Term Deposit		945,640	975,186
ANZ : Term Deposit		346,174	
ANZ : Term Deposit		43 1,096	-
ASB : Term Deposit			1,423,000
National Bank: Term Deposit			1,020,196
Tax Refund Due	5	38,574	44,561
		<hr/>	<hr/>
		3,982,623	4,139,368
<b>INVESTMENTS</b>			
Alpine Energy Ltd Shares	3	36,942,400	35,836,400
		<hr/>	<hr/>
		36,942,400	35,836,400
<b>TOTAL ASSETS</b>			
		<hr/>	<hr/>
		40,925,023	39,975,768
		<hr/>	<hr/>

# LINETRUST SOUTH CANTERBURY

## STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2002

	NOTE	2002	2001
<b>CURRENT LIABILITIES</b>			
Sundry Creditors	805	135,521	135,521
		805	135,521
<b>TRUSTEES INCOME ACCOUNT</b>			
As Scheduled	3,955,718	3,977,748	3,977,748
		3,955,718	3,977,748
<b>EQUITY</b>			
As Per Statement	36,968,500	35,862,500	35,862,500
		36,968,500	35,862,500
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40,925,023</b>	<b>39,975,769</b>

# LINETRUST SOUTH CANTERBURY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2002

	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Was Provided From:		
Dividends Received	3,233,504	2,782,202
Interest Received	102,604	164,575
Tax Refund	44,561	47,358
	<u>3,380,669</u>	<u>2,994,135</u>
Cash Was Applied TO:		
Other Operating Expenses	341,936	235,899
	<u>341,936</u>	<u>235,899</u>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>3,038,733</b>	<b>2,758,236</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Was Provided From:		
Withdrawal of Investments	171,770	
	<u>171,770</u>	
Cash Was Applied To:		
Purchase of Investments		1,050,299
		<u>1,050,299</u>
<b>NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>171,770</b>	<b>(1,050,299)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Was Provided From:		
Distributions Returned		392
		<u>392</u>
Cash Was Applied To:		
Distribution to Consumers	3,189,492	1,713,389
	<u>3,189,492</u>	<u>1,713,389</u>
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(3,189,492)</b>	<b>(1,712,997)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>21,011</b>	<b>(5,060)</b>
Opening Bank Balance	1,352	6,411
<b>CLOSING BANK BALANCE</b>	<b>22,363</b>	<b>1,351</b>

# **LINETRUST SOUTH CANTERBURY**

## **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2002**

### **1. GENERAL ACCOUNTING POLICIES**

#### **Reporting Entity**

The reporting entity is a trust. The financial statements are general purpose financial statements which have been prepared according to generally accepted accounting practice. The entity is entitled to use differential reporting exemptions because it is not publicly accountable, and its owners and governing body are the same. Other than preparing the financial statements inclusive of GST, the entity has taken advantage of all differential reporting exemptions.

The South Canterbury Power Trust was constituted under a Trust Deed dated 15 July 1993.

The LineTrust South Canterbury was constituted under a Trust Deed dated 24 June 2002.

#### **Measurement Base**

The measurement base adopted is that of historical cost, unless otherwise stated in a particular accounting policy.

### **2. PARTICULAR ACCOUNTING POLICIES**

#### **Accounts Receivable**

Accounts receivable are stated at expected realisable value.

#### **Investments**

Investments have been brought to account at current value and dividend and interest income is recognised in the statement of financial performance when received.

#### **Goods and Services Tax**

This trust is not registered for GST purposes. The accounts have all been prepared inclusive of GST.

### **3. CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

# LINETRUST SOUTH CANTERBURY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

### 1. DIVIDENDS RECEIVED

	2002	2001
Gross Dividend	\$4,826,125	\$4,152,540
Imputation Credit	\$1,592,621	\$1,370,338
Net Dividend Received	\$3,233,504	\$2,782,202

### 2. INTEREST RECEIVED

	2002	2001
Gross Interest	\$141,178	\$209,136
Resident Withholding Tax	\$38,574	\$44,561
Net Interest Received	\$102,604	\$164,575

### 3. INVESTMENTS

#### Alpine Energy Ltd Shares

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 2002 Alpine Energy Ltd Annual Report.

### 4. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2002	2001
Net Profit as Reported	\$2,994,173	\$2,700,754
Increase (decrease) in Accounts Payable	\$ nil	\$(9,676)
Decrease (increase) in Accounts Receivable	\$ nil	\$19,800
Taxation Refunded (Paid)	\$44,561	\$47,358
Net Cash Flows from Operating Activities	\$3,038,733	\$2,758,236

## LINETRUST SOUTH CANTERBURY

### NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

#### 5. TAXATION

	2002	2001
profit as per Accounts	\$2,994,173	\$2,700,754
Gross Up Interest and Dividends	\$1,631,195	\$1,414,900
Loss Brought Forward From Last Year	\$(162,858)	\$(125,971)
<b>Taxable Income</b>	<b>\$4,462,510</b>	<b>\$3,989,683</b>
Tax on Income at 33c	\$1,472,628	\$1,316,595
Application of Imputation Credits	\$1,472,628	\$1,316,595
Resident Withholding Tax	\$38,574	\$44,561
<b>Taxation Payable (Refundable)</b>	<b>\$(38,574)</b>	<b>\$(44,561)</b>

#### IMPUTATION CREDITS

Imputation Credits attached to Dividends Received	\$1,592,621	\$1,370,338
Used for Tax on 1999 Income	\$1,472,628	\$1,316,595
Balance	\$119,993	\$53,743
Converts to loss carried forward against future income	\$363,615	\$162,858

#### 6. CONTINGENT LIABILITIES, CAPITAL EXPENDITURE

There are no contingent liabilities.  
No amounts have been committed for future capital expenditure.

#### 7. TRUSTEES INSURANCE

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

#### 8. RESETTLEMENT OF TRUST

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

#### 9. TRUSTEES STATEMENT

The Trustees confirm they have complied with their obligations under the operating guidelines for LineTrust South Canterbury.