



Whakarato Te Rohe Pōtae

ANNUAL REPORT

and

FINANCIAL STATEMENTS

31 March 2026

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Whakarato Te Rohe Pōtae

ANNUAL GENERAL MEETING

THURSDAY 20 August 2026 at 4.00pm

**Oreti Village Resort Conference Room,
88 Pukawa Road, Pukawa, Lake Taupo**

AGENDA

1. Apologies

Resolution:

"That the apologies are accepted by the meeting".

2. Minutes of Previous AGM

Resolution:

"That the minutes of the AGM 20 August 2025 are confirmed as a true and correct record".

3. Annual Report

Resolution:

"That the annual report as presented by the Chair is accepted by the meeting".

4. Annual Financial Statements for the Year Ended 31st March 2026

Resolution:

"That the financial statements for the year ended 31 March 2026 are accepted by the meeting".

5. Appointment of Auditor

Resolution:

"That Spooner, Toy and Hood Ltd are appointed auditors for the period from the conclusion of this meeting until the next annual meeting of beneficiaries".

6. Informal General Business



Whakarato Te Rohe Pōtae

**MINUTES OF THE ANNUAL GENERAL MEETING
OF CONSUMER BENEFICIARIES
ORETI VILLAGE, PUKAWA
WEDNESDAY 20 AUGUST 2025 AT 4.00 PM.**

INTRODUCTION:

Meeting opened at 4.00 p.m. with attendees welcomed by Chair Uwe Kroll to the Trust's 31st AGM. Chair informed the attendees of housekeeping and safety matters.

The Chair confirmed a quorum and introduced Trustees and support team from Peak Chartered Accountants and provided an outline of today's meeting.

ATTENDANCE: as per attendance register

APOLOGIES: as per apologies register and Adie Doyle, Ngaire and Stuart Grainger, Simon Hepi, Tim and Mary Wood.

Resolution: Uwe Kroll / Sue Johnson

"That the apologies are accepted by the meeting".

Carried Unanimously

MINUTES OF PREVIOUS AGM:

These are provided in the Reports book available for attendees today and therefore taken as read.

Resolution: Uwe Kroll / Sandra Greenslade

"That the minutes of the AGM 28 August 2024 are confirmed as a true and correct record".

Carried Unanimously

Matters Arising: Nil

ANNUAL REPORT: As presented by Chair Uwe Kroll

The Chair noted that he will be presenting the Annual Report from the Reports book provided to attendees.

Key issues included:

- There were ten (10) Trust meetings (during the financial year) conducted either through Zoom or in person, and we only received three apologies for all the meetings.
- Trustees participated in conferences organised by the Energy Trusts of New Zealand.
- Trustee fees were adjusted annually to account for inflation based on the Consumer Price Index (CPI).

Maru Energy Trust:

Sandra Greenslade represents King Country Trust on the Maru Trust, which is dedicated to improving home warmth and wellbeing across the King Country Trust district through insulation and heating initiatives.

Since its establishment in 2019, the Maru Trust has made a significant impact. Between 30 June 2024 and 30 June 2025 in the Ruapehu and Taupo (Turangi) districts the Trust has:

- insulated 75 homes with a total of 626 homes since inception
- installed 57 heat pumps with a total of 314 since inception

In addition, as part of its Kahumoe Kaupapa PJ Project, which provides new pyjamas to children and whānau in need, the Trust distributed:

- 616 pairs of new pyjamas in the Ruapehu district Ohakune

(Note: Tūrangi has its own kaupapa-led pyjama distribution initiative that works directly with the community.)

High Court:

As noted in last year's report, in May 2024 the Trustees received confirmation from the High Court that amendments updating the Trust Deed ensure the Trust can continue without ownership of King Country Energy shares as well as clarifying operational matters and powers of trustees.

KCE Representative:

Trustee, Jo Bransgrove represents KCT on The King Country Energy Trust Ltd Board of Directors. The Commerce Commission approved the takeover of Manawa Energy, who owns the other 75.02% of shares in King Country Energy Limited, by Contact Energy on May 7, 2025. This takeover was completed on Friday July 11, 2025. At this stage the Trustees are not aware of any changes that will result from this takeover but will be monitoring the situation and responding as appropriate.

Finances:

The Trust received reports from the Trust-appointed director of King Country Energy each month and a presentation from the KCE General Manager every six months.

Investment results reflect the volatility in the investment markets, with little growth in the value of the investments but solid PIE income. KCE results for the 2025 year were up on the prior year by 38% and assets were also revalued, increasing the value of the investment.

The net asset position increased by \$2m to \$53.3m which reflects:

- increase in the value of the fair value investments by \$1.3m
- increase in the value of the investment in KCE (book value) by \$1m

- reducing equity by net interest income less expenses (including tax) of \$0.8m
- reducing equity by the \$1.5m distributions direct to eligible electricity consumers

Core operational expenses declined in the past year. With the Trust Deed review completed there was a significant reduction in consultancy (legal) expenses. There were \$249k in direct donations made to local organisations (up on 2024).

Trustees remain confident in the ongoing financial performance of KCE and the dividends that will result.

Investment Funds:

The investment funds are managed by Eriksons Global, who visit quarterly to review the portfolio in person.

Investment name	2025	2024 (part year)
Fisher funds	6.98%^{*1}	7.38% (10.95% annualized)
Milford funds	6.57%	4.87% (8.62% annualized)
Continuity Capital	-8% (not-annualised) ^{*2}	N/A

*1 Withdrawal during the year \$400k

*2 New investment, deposited in two tranches with another \$1.8m committed.

Movements in the investments made will continue as the Trust identifies opportunities to enhance and diversify its portfolio. The Trust has committed to a total investment in the Continuity Capital Private Equity Fund and will also be making an investment in Salt Funds Management. In April \$2.5m was withdrawn from Fisher Funds and placed into Salt Funds Management.

The objectives are to provide capital growth in the returns and the Trustees are prepared to accept volatility as there continues to be a long-term perspective.

Qualified Audit:

The financial statements remain subject to a qualified audit because King Country Energy Limited does not prepare audited accounts. This lack of audited accounts constitutes a significant portion of KCT's assets. However, an agreed-upon procedures engagement has been conducted on the information provided, which gives the Directors confidence in the results presented to their shareholders. Detailed information can be found in the audited set of accounts.

Outcomes:

The Trust continues with its distribution guidelines to beneficiary consumers.

Vision:

To Make a Significant Difference to the Lives of Our Consumer Beneficiaries.

Goal:

To increase distributions on \$1.3m from 2019 by 5% p.a. for the foreseeable future

Distributions:

The Trust distributed \$1,538k directly to beneficiaries last financial year via their electricity account with retailers (The Lines Company acts as an intermediary). Donations of \$249k were made during the year directly to community organisations.

Matters Arising:

Fred Batkin asked why the KCE Trust is not audited. Jo answered that KCT finances are separate and Trustees felt comfortable with KCE Finances managed through Manawa Energy.

Resolution: Uwe Kroll / Cathie Braun

"That the Annual Report as presented by the Chair is accepted by the meeting".

Carried Unanimously

FINANCIAL STATEMENTS: As presented and reported by Anne Topham (Peak Chartered Accountants Ltd) with Financial Statements included in the Reports book provided to attendees.

- The financial statements continue to be subject to a qualified audit. This is because King Country Energy Limited does not prepare audited accounts and this represents a significant component of KCT's assets.
- An agreed-upon procedures engagement has been conducted on the provided information, giving the Directors confidence in the results presented to their shareholders.

Matters Arising:**Resolution: Uwe Kroll / Weston Kirton**

"That the Financial Statements for the year ended 31 March 2025 are accepted by the meeting".

Carried Unanimously

AUDITOR: The Chair recommended that Spooner, Toy and Hood Ltd be appointed auditors for the next year.

Resolution: Uwe Kroll / Sandra Greenslade

"That Spooner, Toy and Hood Ltd are appointed auditors for the period from the conclusion of this meeting until the next annual meeting of beneficiaries".

Carried Unanimously

INFORMAL GENERAL BUSINESS:

Weston Kirton (Trustee) commends the KC Trust for their contribution to the Maru Trust

CONCLUSION: The Chair thanked everyone for attending the AGM with the meeting closed at 4.25pm.

Confirmed.....Chair

Date.....



Whakarato Te Rohe Pōtae

ANNUAL REPORT 2026

The Trustees take great pleasure in presenting this thirty-second annual report to the consumer beneficiaries of King Country Trust (KCT).

THE TRUST

The 2025 Annual General Meeting (AGM) for the Trust took place at Oreti Village Pukawa, with a great turnout and productive discussions.

- Ten (10) Trust meetings occurred, either through Zoom or in person.
- Trustee fees were adjusted annually to account for inflation based on the Consumer Price Index (CPI).

Sandra Greenslade represented King Country Trust on the Maru Trust, which is dedicated to improving home warmth and wellbeing across the King Country Trust district through insulation and heating initiatives.

The trustees regularly review the Trust's expenses to maximize distributions.

As a result of receiving an offer from Contact Energy Limited to purchase the KCE Ltd shares held by KCT, KCT undertook public consultation with its Consumer Beneficiaries and agreed to proceed with the sale. As the settlement date falls into the next financial year, the ramifications of that decision will be discussed at next year's AGM. In short, KCT sold its shares in KCE Ltd, for \$47,000,000 worth of equivalent Contact Energy shares.

As a result of the election, which was held in February, Sandra Greenslade was replaced by Melissa Jackson and Luke Pepper. We thank Sandra for her contribution since April 2018.

FINANCES

Income reported in the Statement of profit or loss was similar to the prior year, as were expenses. The transaction required significant input from legal advisors as well as a consultation process which impacted on the expenditure for the year.

KCT has engaged Eriksons Global to advise trustees on its investments. Eriksons Global visit quarterly to review the portfolio in person. The pre-tax returns from all funds were 7.1%, above the Trust's target of CPI plus 2.5% (5.6% in 2026).

With the resolution just prior to the balance date to proceed (after consultation) with the sale of King Country Energy Limited shares to Contact Energy (in exchange for Contact Energy shares) for \$47m the treatment of the investment changed for the 31 March 2026 accounts. The accounts reflect the 24.98% share of King Country Energy income in the Statement of Financial

Performance as with prior years (a strong \$5.06m). The investment was re-classified to a current asset (held for sale) with a revaluation of \$19.3m recognized at year-end to reflect the pending transaction value.

In previous years a qualified audit report was issued regarding the accounts as King Country Energy Limited does not prepare audited accounts. Due to the change in accounting treatment relating to the pending share disposal the auditors have been able to issue an unqualified report in 2026.

Detailed information can be found in the audited set of accounts.

OUTCOMES

The Trust continues with its distribution guidelines to its Consumer Beneficiaries.

The vision and goal of the distribution guideline remains:

VISION

To Make a Significant Difference to the Lives of Our Consumer Beneficiaries

GOAL

To increase distributions on \$1.3M from 2019 by 5% p.a. for the foreseeable future

The Trust distributed \$1,630,720 directly to beneficiaries last financial year via their electricity account with retailers (The Lines Company acts as an intermediary) and \$63,344 to community projects.

ACCESS TO INFORMATION GUIDELINES

Requests for information under the guidelines were nil.

Signed on behalf of the Trustees:

Adie Doyle

Chair

Financial Statements

King Country Trust
For the year ended 31 March 2026

Prepared by Peak Chartered Accountants Limited

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Directory

King Country Trust For the year ended 31 March 2026

Nature of Business

Energy Consumer Trust

Office of the Trust

C/- Peak Chartered Accountants, 37 Miriama Street, Taumarunui, Taumarunui, New Zealand, 3920

Beneficiaries

Electricity consumers in the area of the King Country Electric Power Board

IRD Number

061-599-983

Trustees

Jo Bransgrove, Omori
Adie Doyle, Taumarunui
Uwe Kroll, Ohakune (Chair)
Sandra Greenslade, Turangi (until 31 March 2026)
Luke Pepper, Taumarunui (from 1 April 2026)
Melissa Jackson (from 1 April 2026)

Secretarial Services

Carla Benefield
Peak Chartered Accountants Limited

Accountant

Peak Chartered Accountants Limited

Auditor

Spooner, Toy & Hood Limited
PO Box 765
Wanganui 4540

Other Contact Details

Email: kcept@xtra.co.nz
Website: www.kcpowertrust.co.nz

Approval of Financial Report

King Country Trust

For the year ended 31 March 2026

The Trustees are pleased to present the approved financial report including the financial statements and the auditor's report of King Country Trust for year ended 31 March 2026.

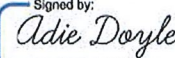
The Trustees accept responsibility for:

- the preparation of the annual financial statements and the judgements used in these statements. The financial statements have been prepared in accordance with The Electricity Industry Act 2010 and the Financial Reporting Act 2013.
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Trust's financial reporting.

In the opinion of the Board, the annual financial statements for the financial year fairly reflect the financial position and operations of the Trust.

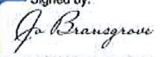
APPROVED

For and on behalf of the Trustees:

Signed by:

7BAB6C38E14E0893

Adie Doyle

Date 20/07/2026

Signed by:

68B8E40EFF60D80E

Jo Bransgrove

Date 20/07/2026

Statement of Profit or Loss and Other Comprehensive Income

King Country Trust

For the year ended 31 March 2026

	NOTES	2026	2025
Profit or Loss and Other Comprehensive Income			
Profit for the Period			
Profit before Income Tax			
Operating Income (Loss)			
Revenue	1	1,515,317	1,507,783
Expenses			
Trust administration expense	2	309,741	203,665
Beneficiary & Community Expenses	3	21,000	249,041
Investment Costs	4	42,667	86,423
Strategic and consultancy Expenses	5	150,362	12,083
Depreciation & losses on disposal of assets	6	1	2
Total Expenses		523,772	551,213
Total Operating Income (Loss)		991,545	956,570
Recognition of investment in King Country Energy at fair value on reclassification		19,297,416	-
Share of total comprehensive income from investment in associate recognised in net surplus	7	5,080,932	1,059,652
Total Profit before Income Tax		25,369,893	2,016,222
Income Tax (Expense)	8	1,242	50,571
Total Profit for the Period		25,371,135	2,066,793
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Share of other comprehensive income from investment in associate accounted for using the equity method	7	-	1,486,060
Total Items that will be reclassified to profit or loss		-	1,486,060
Total Other Comprehensive Income		-	1,486,060
Total Profit or Loss and Other Comprehensive Income		25,371,135	3,552,853

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

Statement of Changes in Equity

King Country Trust

For the year ended 31 March 2026

	2026	2025
Trust Funds		
Trust Capital	6,675,100	6,675,100
Retained Earnings		
Opening Balance	42,133,322	41,604,478
Profit for the period	25,371,135	2,066,793
Transfer from Equity Investment Reserve ¹	4,415,964	-
Distributions to Beneficiaries from Retained Earnings	(1,630,720)	(1,537,950)
Total Retained Earnings	70,289,701	42,133,322
Equity Investment Reserve		
Opening Balance	4,415,964	2,929,904
Other Comprehensive Income ¹	(4,415,964)	1,486,060
Total Equity Investment Reserve	-	4,415,964
Total Trust Funds	76,964,801	53,224,386
	2026	2025

Trust Funds Summary

Total comprehensive income		
Opening Balance	53,224,386	51,209,482
Profit for the period	25,371,135	2,066,793
Distribution from Retained Earnings	(1,630,720)	(1,537,950)
Other Comprehensive Income for the period	-	1,486,060
Total Total comprehensive income	76,964,801	53,224,386
Total Trust Funds Summary	76,964,801	53,224,386

1. De-recognition of Investment in Associate

Other comprehensive income has been re-classified through profit and loss on the de-recognition of the investment in associate.

Balance Sheet

King Country Trust As at 31 March 2026

	NOTES	31 MAR 2026	31 MAR 2025
Equity			
Trust Capital		6,675,100	6,675,100
Retained Earnings		70,289,701	42,133,322
Reserves		-	4,415,964
Total Equity		76,964,801	53,224,386
Represented By:			
Assets			
Current Assets			
Cash and Cash Equivalents	10	853,040	1,007,459
Prepayments	11	5,396	5,225
Income Tax Receivable		180,918	136,162
Deferred Tax (Future Income Tax Benefit)	8	51,813	50,571
Investment in Associate Held for Sale	12	47,000,000	-
Total Current Assets		48,091,167	1,199,418
Non-Current Assets			
Property, Plant and Equipment	13	7	9
Investments	12	28,966,653	52,072,475
Total Non-Current Assets		28,966,660	52,072,484
Total Assets		77,057,826	53,271,901
Liabilities			
Current Liabilities			
Trade and Other Payables		93,026	47,516
Total Current Liabilities		93,026	47,516
Total Liabilities		93,026	47,516
Net Assets		76,964,801	53,224,386

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

Statement of Cash Flows

King Country Trust

For the year ended 31 March 2026

2026

2025

Cash Flows

Cash Flows from Operating Activities

Received from Operating Activities

Interest received	7,960	41,712
Dividends received	2,452,244	2,271,536
Total Received from Operating Activities	2,460,204	2,313,248

Paid from Operating Activities

Suppliers and employees	(415,088)	(296,829)
Income tax paid	(731,337)	(659,471)
Total Paid from Operating Activities	(1,146,425)	(956,300)

Total Cash Flows from Operating Activities	1,313,779	1,356,948
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Cash flows from Investing Activities

Received from Investing Activities

Proceeds from disposal of fair value financial assets through profit and loss	4,945,866	400,000
Proceeds from disposal of short term investments	-	1,000,000
Total Received from Investing Activities	4,945,866	1,400,000

Paid from Investing Activities

Purchase of fair value financial assets through profit and loss	(4,720,000)	(200,000)
Total Paid from Investing Activities	(4,720,000)	(200,000)

Total Cash flows from Investing Activities	225,866	1,200,000
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Cash Flows from Financial Activities

Paid from Financial Activities

Distributions to beneficiaries (Direct)	(1,630,720)	(1,537,950)
Distribution to beneficiaries (In-Direct)	(63,344)	(206,697)
Total Paid from Financial Activities	(1,694,064)	(1,744,647)

Total Cash Flows from Financial Activities	(1,694,064)	(1,744,647)
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Net Increase / (Decrease in Cash)	(154,419)	812,301
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Cash and Cash Equivalents

Opening cash	1,007,459	195,158
Net change in cash for period	(154,419)	812,301
Total Cash and Cash Equivalents	853,040	1,007,459

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

Statement of Accounting Policies

King Country Trust

For the year ended 31 March 2026

Reporting Entity

King Country Trust is an Energy Consumer Trust.

The Trust was established to hold shares in King Country 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 King Country 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.

Statement of Compliance

The financial statements for the King Country Trust (KCT) have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). KCT 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).

KCT is eligible to report in accordance with NZ IFRS (RDR) on the basis that it does not have public accountability and is not large (as defined). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS.

Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 and the Electricity Industry Act 2010.

The preparation of financial statements in conformity with NZ IFRS (RDR) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed at the end of the accounting policies.

The financial statements are presented in New Zealand dollars, and amounts have been rounded to the nearest \$ unless stated. They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale assets and financial assets and liabilities at fair value through profit and loss.

Specific Accounting Policies

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

Revenue

Interest income on cash and cash equivalents and investments is recognised as it is earned (e.g. a term deposit that has been invested for 30 days of 100 at balance date will have 30 days of interest recognised). When a receivable is impaired, the Trust reduces the carrying amount to its estimated recoverable amount.

There is no revenue from contracts with customers.

Expenses

Expenses have been classified by their business nature.

Trade Receivables

Trade receivables are recognised at estimated realisable value.

Property, Plant and Equipment

Items of property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other repairs and maintenance are recognised as expenses in the Statement of Profit or Loss and Other Comprehensive Income in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a diminishing value basis. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following estimated depreciation rates/useful lives have been used:

Account	Method	Rate
Plant & Equipment	Diminishing Value (100%)	14.4% - 40%

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Income Tax

The income tax expense charged to the Statement of Profit or Loss and Other Comprehensive Income recognises the current year's provision adjusted for timing and permanent differences between taxable and accounting income. Deferred tax is calculated using the comprehensive basis under the liability method and future tax benefits are not recognised unless realisation of the asset is virtually certain.

Investments

Short term deposits have maturities between three months and one year, and longer term deposits that mature within one year of balance date. These are disclosed at their fair value (cost).

At balance date the Trust assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the income statement.

Financial Instruments

Financial instruments are recognised in the Balance Sheet when the company becomes party to a financial contract. They include cash balances, deposits, bank overdraft, payables, receivables and intercompany balances.

All of the financial instruments of the company are initially recorded at cost and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (credit losses).

Financial Instruments (Assets and Liabilities)

Recognitions and Derecognition

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, waived, cancelled or expires.

Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with Revenue from Contracts with Customers (NZ IFRS 15), all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent Measurement of Financial Assets

Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if the asset meets both of the following conditions (and are not designated as FVTPL):

- the financial asset is held within a business model whose objective is to hold the financial assets to collect contractual cash flows
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The trust cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial Assets at Fair Value through other Comprehensive Income (FVOCI)

The Trust accounts for a financial asset at FVOCI if the asset meets both the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- the contractual term of the financial asset gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Impairment of Financial Assets

Impairment applies to financial assets measured at amortised cost, contract assets and debt-type financial assets at FVOCI, but not to investments in equity instruments.

Recognition of credit losses is no longer dependent on the trust first identifying a credit loss event. Instead the trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the trust's financial assets fall into this category.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other Receivables and Contract Assets

The trust makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the trust uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The trust recognises 12-month expected credit losses for financial assets at FVOCI. As most of these instruments have an outstanding credit rating, the likelihood of default is deemed to be small. However, at each reporting date there is an assessment whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, reliance is on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The trust only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the trust would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, other indicators are considered such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, lifetime ECL is recognised for this instrument or class of instruments.

Classification of Financial Liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss, are included within finance costs or finance income.

Goods and Services Tax

The entity is not registered for GST and all amounts are stated inclusive of GST.

Investment in Associates

Associates are entities the trust is able to exert significant influence over but which are not subsidiaries. A joint venture is an arrangement that the trust controls jointly with one or more other investors, and over which the trust has rights to a share of the

arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. Investments in associates and joint ventures are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the share in the associate or joint venture is not recognised separately and is included in the amount recognised as an investment. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the trust.

Unrealised gains and losses on transactions with the associates and joint ventures are eliminated to the extent of the entity's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Impairment

The carrying amounts of the Trust's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

New NZ IFRS standards and interpretations issued but not yet effective

A number of new standards and interpretations have been issued but are not yet applicable for the current year-end. The reported results and financial position of the trust is not expected to change on adoption of these pronouncements as they do not result in any changes to the entity's existing accounting policies.

Significant Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the Trust's accounting policies. In making these judgements, estimates and assumptions concerning the future are made. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Significant Judgements in Applying Accounting Policies

The following are significant judgements in applying accounting policies that have the most significant effect on the financial statements.

Impairment of Assets

NZ IFRS requires that assets are carried at no more than their recoverable amount. This requires Trustees to make judgements regarding amounts recoverable and provisions for impairment. Trustees must apply judgement in assessing likely outcomes.

Income Taxes and Deferred Taxation

Judgement is required in determining the provision for income taxes and the ultimate determination is uncertain until assessments are finalised.

Associates

Assessment has been made of whether or not significant influence exists in King Country Energy Limited.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Financial Statements

King Country Trust

For the year ended 31 March 2026

	2026	2025
1. Revenue		
Finance income - investment earnings		
Interest Received	7,960	36,242
Change in Value of Fair Value Investments	814,072	335,351
PIE Income	693,286	1,136,190
Total Finance income - investment earnings	1,515,317	1,507,783
Total Revenue	1,515,317	1,507,783
	2026	2025

2. Trust administration expenses

ACC Levies	(24)	74
Accountancy & Advisory	11,640	11,733
Advertising & General	4,530	-
AGM Expenses	5,109	3,663
Audit Fees	8,318	7,922
Bank Fees & Charges	39	92
Computer Allowances	1,000	1,000
Computer and Software Subscription Costs	3,529	3,483
Conference Costs	-	5,609
Distribution Costs	1,934	1,352
Election Expenses	19,427	-
ETNZ Levy	-	5,750
Insurance	5,716	11,491
Legal Expenses	112,310	13,582
Meeting Expenses	1,850	958
Postages	13	21
Secretarial Expenses	31,393	34,892
Stationery & Photocopying	228	-
Telephones & Tolls	-	90
Travelling Expenses	3,017	3,940
Trustee Fees	98,892	97,317
Website Costs	820	696
Total Trust administration expenses	309,741	203,665
	2026	2025

3. Beneficiary and Community Project Expenses

Donations	21,000	249,041
Total Beneficiary and Community Project Expenses	21,000	249,041

	2026	2025
4. Investment Costs		
Consultancy Fees	42,667	86,423
Total Investment Costs	42,667	86,423
	2026	2025

5. Strategic and Consultancy Expenses

Ownership Review Costs	150,362	-
Trust Deed Review Costs	-	12,083
Total Strategic and Consultancy Expenses	150,362	12,083
	2026	2025

6. Depreciation and losses on disposal of assets

Depreciation	1	2
Total Depreciation and losses on disposal of assets	1	2
	2026	2025

7. Share of total comprehensive income from investment in associate recognised in net surplus

Share of post-tax profit (loss) of equity accounted associates	5,080,932	1,059,652
Share of other comprehensive income from investment in associate accounted for using the equity method	-	1,486,060
Total Share of total comprehensive income from investment in associate recognised in net surplus	5,080,932	2,545,712

The treatment of the King Country Energy Ltd investment in associate was changed on 27 March 2026 when the decision to sell shares was made by the Trust. The investment was subject to equity accounting until that date. All amounts recognised through other comprehensive income were transferred to retained earnings at the time (see the Statement of Movements in Equity).

	2026	2025
8. Income Tax Expense		
Net Profit (Loss) before Tax	25,369,893	2,016,222
Permanent Differences		
Income		
Income from associate subject to income tax	371,552	344,172
Add back share of surplus in associate	(5,080,932)	(1,059,652)
Change in Value of Fair Value Investments	(814,072)	(335,351)
Revaluation of Investments Available for Sale	(19,297,416)	-
PIE Income	(693,286)	(1,136,190)
Share of partnership profit/loss	(9,865)	-
Total Income	(25,524,018)	(2,187,021)
Expenditure		
Ownership Review Costs	150,362	-

	2026	2025
Trust Deed Review Costs	-	12,083
Total Expenditure	150,362	12,083
Total Permanent Differences	(25,373,656)	(2,174,938)
Timing Differences		
Accrued Interest	-	5,470
Total Timing Differences	-	5,470
Current Year Taxable Profit (Loss)	(3,763)	(153,246)
Tax Expense (Benefit) at 33%	(1,242)	(50,571)

The Trust is required to account for income tax on a deferred tax basis. As the treatment of assets and liabilities is materially consistent with income tax there are no material timing differences that result in deferred tax balances. Tax expense, as shown above, excludes tax on the share of the associates profit (and is reflected without the dividend included in the tax return). Where imputation credits are not able to be refunded this is reflected as a current asset (future income tax benefit). A PIE rate of 0% is to be applied going forward to selected investments to enable the future utilisation of this tax benefit.

	2026	2025
9. Auditors Remuneration		
Audit Fees	8,318	7,922
Total Auditors Remuneration	8,318	7,922

The auditor of King Country Trust is Spooner, Toy & Hood Limited.

	2026	2025
10. Cash and Cash Equivalents		
Bank of New Zealand - Achiever Savings	780,942	993,424
Bank of New Zealand - Current Account	72,097	14,035
Total Cash and Cash Equivalents	853,040	1,007,459

The cash and cash equivalents shown above is consistent with that used for the purposes of the statement of cash flows.

The Trust has a BNZ Visa card with a \$10,000 credit limit.

	2026	2025
11. Prepayments		
Prepayments	5,396	5,225
Total Prepayments	5,396	5,225

2026 2025

12. Investments

Investments - Fair Value

Current (Held for Sale)

King Country Energy Ltd	47,000,000	-
Total Current (Held for Sale)	47,000,000	-

Non-Current

Continuity Capital Private Equity Fund No. 8 LP	445,118	184,033
Salt Investments	2,979,354	-
Fisher Funds	12,101,805	16,326,200
Milford Asset Management Investment	13,440,376	11,174,974
Total Non-Current	28,966,653	27,685,207

Total Investments - Fair Value	75,966,653	27,685,207
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Investment in Associate (equity-accounted)

King Country Energy Limited	-	24,387,268
Total Investment in Associate (equity-accounted)	-	24,387,268

Total Investments	75,966,653	52,072,475
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Investments (excluding the investment in associate) are recognised at fair value through profit or loss. It is revalued at balance date to fair value with gains or losses (changes in value) recognised in net surplus.

King Country Energy Limited, an associate (incorporated and operating in New Zealand), is reflected in the financial statements using the equity method. The proportion of ownership during the year was 24.98%. On 27 March 2026, following public consultation, King Country Trust agreed to sell (in a conditional agreement) their investment in King Country Energy Limited to Contact Energy Limited for \$47,000,000 receiving Contact Energy shares in exchange. The agreement subsequently went unconditional and was fully executed on 17 April 2026. The investment was reclassified from an Investment in Associate (equity accounted) to an asset held for sale (current asset) as at the date the Trustees agreed to sell the shares (27 March 2026) and the increase in fair value recognised in profit and loss.

Movements in the fair value of financial assets held for sale were recognised through the Statement of Profit or Loss.

2026 2025

13. Property, Plant and Equipment

Plant and Equipment

Plant and equipment at cost	1,697	1,697
Accumulated depreciation - plant and equipment	(1,689)	(1,688)
Total Plant and Equipment	7	9

Total Property, Plant and Equipment	7	9
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2026 2025

14. Related Parties

Donations and Grants Made

Sandra Greenslade is a trustee of Maru Energy Limited (on behalf of King Country Trust)	-	100,000
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Jo Bansgrove was a director of King Country Energy Limited during the year.

	2026	2025
15. Commitments		
Investments		
Continuity Capital	1,580,000	1,800,000
Total Investments	1,580,000	1,800,000
Total Commitments	1,580,000	1,800,000

The trustees had committed to invest an additional \$1,800,000 in Continuity Capital prior to 31 March 2025. Of this \$220,000 was contributed during the 2026 year.

16. Contingent Liabilities

The trust has no contingent liabilities and no guarantees as at 31 March 2026 (prior year: contingent liabilities Nil, Guarantees Nil).

17. Events Occurring After Balance Date

The agreement to sell the Trusts investment in King Country Energy Limited to Contact Energy Ltd for \$47,000,000 was executed on April 17, 2026. See note 12 for more detail.

(Prior year: An investment of \$2.5m has been made in Salt Investments utilising funds withdrawn from the Fisher Funds Investment.)

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Consumer Beneficiaries of the King Country Trust.

Opinion

We have audited the financial statements of King Country Trust on pages 5 to 18, which comprise the balance sheet as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Trust are prepared, in all material respects, in accordance with New Zealand equivalents to International Financial Reporting standards – Reduced Disclosure Regime (NZIFRS RDR).

Basis of 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 King Country Trust 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 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, King Country Trust.

Restriction on Responsibility

This report is made solely to the Trustees and Consumer beneficiaries of the Trust. Our audit work has been undertaken so that we might state to the Trustees and Consumer beneficiaries those matters which we are required to state to them in an auditors' 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 Trust, the Trustees and the Consumer beneficiaries for our audit work, for this report or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with NZIFRS 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 the entity for the entity'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 the entity 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

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>



Spooner Toy & Hood Ltd

Chartered Accountants

Whanganui

20 July 2026



Whakarato Te Rohe Pōtae