Entrust

Majority shareholder of Vector

Entrust
2025

FINANCIAL STATEMENTS

Financial Statements
for the year ended 30 June 2025

CONTENTS

2025 FINANCIAL STATEMENTS

These financial statements for the year ended 30 June 2025 are dated 25 August 2025, and signed for and on behalf of the Trustees by:

Chair

Chair of the Finance and Risk Committee

Directory

Principal Business

To act as Trustees and distribute the surplus from the Trust Fund to the income beneficiaries under its Deed of Trust. The income beneficiaries are customers on the Vector electricity network within the boundaries defined in the Trust Deed. The Trust Fund comprises primarily the Trustees' shareholding in Vector Limited.

Date Settled

27 August 1993

Trustees

The following Trustees of the Trust held office as at, during the period ended, and since 30 June 2025:

D A Lee (Chair)
R Adams Langton (Deputy Chair)
C P T Hutchison
A P Bell
A Ogilvie (elected effective 1 November 2024)
W A Cairns (retired 31 October 2024)

Termination Date

27 August 2073

Accountant

Findex
P O Box 158
Auckland

Auditor

Moore Markhams Auckland Audit
P O Box 2194
Auckland

Legal Advisor

Lowndes Jordan
P O Box 5966
Auckland

Banker

ASB
P O Box 35
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MOORE Markhams

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Independent auditor's report

To the Beneficiaries of Entrust

Opinion

We have audited the financial statements of Entrust (the Trust or Parent) and the consolidated financial statements of Entrust and its controlled subsidiaries (the Group) which comprise the financial statements on pages 8 to 48, and the statement of service performance on pages 5 to 7. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive revenue and expense, statement of other comprehensive revenue and expense, statement of changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects:

- the consolidated financial position of the Trust and Group as at 30 June 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the service performance for the year ended 30 June 2025 in that the service performance information is appropriate and meaningful, and prepared in accordance with the Trust and Group's measurement basis or evaluation methods

in accordance with Public Benefit Entity Standards (Not-for-profit) issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standards (NZ AS) 1 (Revised) The Audit of Service Performance Information, issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of the Trust and Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standard) (New Zealand) 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.

Partners and staff of our firm may deal with the Trust or Group on normal terms within the ordinary course of trading activities of the business of Trust and Group. The firm has no other relationship with, or interests in, the Trust and Group.

Other information

The Trustees are responsible for the other information. The other information comprises the Directory on page 2 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of opinion of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of trustees for the consolidated financial statements

The Trustees are responsible on behalf of the Trust and Group for:

- The preparation, and fair presentation of the consolidated financial statements in accordance with the Public Benefit Entity Standards (Not-for-profit) issued by the New Zealand Accounting Standards Board;

- The selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Standards (Not-for-profit);

- The preparation and fair presentation of service performance information in accordance with the Trust and Group's measurement bases or evaluation methods, in accordance with Public Benefit Entity Standards (Not-for-profit);

- The overall presentation, structure and content of the service performance information in accordance with the Public Benefit Entity Standards (Not-for-profit); and

- Such internal control as Trustees determine is necessary to enable the preparation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Trustees are responsible for assessing the Trust and Group'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 Trustees either intend to liquidate the Trust or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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) and NZ AS 1 (Revised) 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-17-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trust Beneficiaries, as a body. Our audit has been undertaken so that we might state to the Trust Beneficiaries 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 Trust and Group and the Trust Beneficiaries, for our audit work, for this report, or for the opinions we have formed.

Moore Markhams

Moore Markhams Auckland Audit | Qualified Auditors, Auckland, New Zealand
25 August 2025

Statement of Service Performance

for the year ended 30 June 2025

Entrust is a private electricity consumer trust that was established in 1993 as part of reforms to the electricity sector. The trustees of Entrust are subject to the Trusts Act 2019 and relevant provisions of the Electricity Industry Act 2010. They are required to act in the best interests of Entrust beneficiaries, who comprise over 368,000 consumers of electricity in the Entrust district (which broadly encompasses central, east and south Auckland). A core responsibility of Entrust trustees is, each year, to identify beneficiaries and pay to them their share of dividends received by Entrust from Vector Limited, of which Entrust is the 75.1% shareholder.

Entrust is required to comply with PBE FRS 48 Service Performance Reporting and has made several judgements in preparing its service performance information. The judgements exercised do not have a significant effect on the selection, measurement, aggregation, and presentation of the Trust's service performance information.

Outcomes

The primary functions of Entrust are to:

1. Receive dividends from its shareholding in Vector and set and distribute dividends to Entrust beneficiaries.
2. Manage Entrust's majority ownership of Vector on behalf of beneficiaries.
3. Monitor and address regulatory issues affecting Vector, Entrust and its beneficiaries, including dealing with government bodies on regulatory issues.
4. Provide strategic input to Vector at board level.
5. Propose, and with other shareholders of Vector, appoint Vector's board of directors.
6. Consider and, if thought appropriate, approve all major transactions and other transactions requiring the prior consent of Entrust that are undertaken by Vector.
7. Monitor the prices of Vector electricity services in the Entrust district.
8. Manage Entrust's funds.

Outputs and measurement of service performance

The levels of service reported in the table below reflect some of Entrust's key responsibilities as set out in the Entrust Trust Deed and the New Deed Recording Essential Operating Requirements between Entrust and Vector dated 7 August 2015 (NDREOR) and revised on 26 February 2025, which details certain binding contractual agreements between Vector and Entrust. The current version of the NDREOR is available the Entrust website.

Level of Service	Measure	Result FY2025	Result FY2024
Pay a dividend to Entrust beneficiaries each year in line with the requirements of the Trust Deed.	Dividend is paid on an annual basis.	In the year to 30 June 2025, the dividend was paid on 18 September 2024.	In the year to 30 June 2024, the dividend was paid on 20 September 2023.
	Make payments by direct credit to beneficiary bank accounts on the dividend distribution date with an accuracy rate of above 99%.	In the year to 30 June 2025, the accuracy rate of direct credits to beneficiary bank accounts was 99.986%	In the year to 30 June 2024, the accuracy rate of direct credits to beneficiary bank accounts was 99.998%

Statement of Service Performance (continued)

for the year ended 30 June 2025

Level of Service	Measure	Result FY2025	Result FY2024
Ensure Vector delivers undergrounding and/or new technology projects in the Trust district each year as required by the NDREOR.	As per the revised NDREOR of 26 February 2025, expenditure of $12.5 million per year or if less than that in any given year, then a spend in that year which, when aggregated with the spend in the immediately preceding 4 financial years, equates to an average annual spend of at least $12.5 million for that year, on undergrounding and/or new technology projects as detailed in the NDREOR.	In the financial year to 30 June 2025, Vector invested $11.1 million in the undergrounding of overhead lines in nine locations and has not met its annual obligation of $12.5 million under the revised NDREOR of 26 February 2025. The average annual spend for the past 5 financial years of $10.8 million also does not meet the new $12.5 million requirement. The reason for the annual underspend is that the commencement of the Network Resilience Project to underground 33kV and 11kV circuits along Maraetai Coast Road was delayed from FY25 to FY26 due to delays in obtaining necessary consents. This project will improve the resilience of supply to Maraetai and to Waiheke Island. It is expected that the shortfall in spend for FY25 will be made up the coming year.	In the financial year to 30 June 2024, Vector invested $10.6 million in the undergrounding of overhead lines in 12 locations and has exceeded its obligation under the 7 August 2015 NDREOR which had a target of $10.5 million. A new NDREOR was negotiated and was signed on 26 February 2025.
Ensure Vector provides an independent review of the state of the electricity network every two years to assist with security of supply for beneficiaries.	State of the Network review is completed every two years.	The most recent State of the Network Review was completed in August 2024 and is available on the Entrust website.	The next report is due for completion in October 2024, therefore there is no update for the year to 30 June 2024. The most recent State of the Network Review was completed in October 2022 and is available on the Entrust website.

Statement of Service Performance (continued)

for the year ended 30 June 2025

Level of Service	Measure	Result FY2025	Result FY2024
Monitor and address regulatory issues impacting Entrust, Vector and our beneficiaries by submitting to the relevant regulator on key issues.	Entrust submits on regulatory matters impacting Entrust beneficiaries and Vector.	In the year to 30 June 2025, Entrust submitted to regulators and parliamentary committees on eight different matters, being: 1. DPP4 Draft Decision 2. Consumer Care Obligations 3. Emerging Technologies in the TPM 4. Distribution Connection Pricing 5. Distribution Pricing Consultation 6. Level Playing Field Options 7. Proposal to amend the (Hazards from Trees) Regulations 2003 8. Annual Rates for 2023-2024 Multinational Tax and Remedial Matters Bill. Copies of all submissions are available on our website.	In the year to 30 June 2024, Entrust submitted to regulators, ministries and select and parliamentary committees on six different matters, being: 1.2023 Input Methodologies 2. Consumer Care Guideline Options 3.Consumer Price Plan Comparison and Switching 4. Energy Transition 5. The Taxation Bill 6. Over taxation of beneficiaries. Copies of all submissions are available on our website. In the prior year, Entrust submitted on six matters.

Summary

Trustees were satisfied with progress in the year to 30 June 2025, with the dividend being distributed as planned with a very high percentage of beneficiaries who opted to receive their dividend by direct credit receiving it on distribution day. Entrust continues to advocate on beneficiaries' behalf by submitting to relevant regulators on key issues.

The annual undergrounding target was not met in the period under review with a spend of $11.1 million, below the required $12.5 million and was due to a delay in consenting for a Network Resilience Project to underground 33kV and 11kV circuits along Maraetai Coast Road. This project will now take place in the 25-26 year, and Trustees are confident the shortfall in spend for F25 will be made up in the coming year.

The August 2024 State of the Network Review found that Vector has developed and implemented appropriate approaches to managing its network assets. In general processes were well defined and expenditure appropriately allocated, consistent with peer electricity businesses, and evidence was sighted to demonstrate that processes were being suitably followed.

Further detail on Entrust operations for the year is available in the 2025 Annual Report.

Comprehensive Revenue and Expense

for the year ended 30 June

	NOTE	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Continuing operations[1]:					
Revenue from exchange transactions	6	**1,104.0**	1,013.0	**200.9**	174.6
Operating expenses	7	**(508.8)**	(487.5)	**(5.1)**	(4.0)
Depreciation and amortisation		**(222.8)**	(209.9)	**-**	-
Interest income	8	**29.2**	55.2	**3.6**	3.5
Interest costs	9	**(94.7)**	(100.5)	**-**	-
Impairment of goodwill	13.1	**(37.0)**	(60.0)	**-**	-
Fair value change on financial instruments	25.2	**(8.5)**	(12.0)	**-**	-
Share of net profit/(loss) in joint ventures		**(21.1)**	(24.9)	**-**	-
Surplus before income tax		**240.3**	173.4	**199.4**	174.1
Tax benefit/(expense)	17	**(87.4)**	(98.2)	**(0.9)**	(0.5)
Net surplus for the period from continuing operations		**152.9**	75.2	**198.5**	173.6
Net surplus for the period from discontinued operations	4,5	**13.0**	15.4	**-**	-
Net surplus for the period		**165.9**	90.6	**198.5**	173.6
Net surplus/(deficit) for the period attributable to					
Non-controlling interests in subsidiaries		**42.8**	24.6	**-**	-
Beneficiaries of the Parent – continuing operations		**114.3**	57.7	**198.5**	173.6
Beneficiaries of the Parent – discontinued operations		**8.8**	8.3	**-**	-
		165.9	90.6	**198.5**	173.6

[1]The comparative information is restated due to discontinued operations. Refer to note 4 and 5.

Other Comprehensive Revenue and Expense

for the year ended 30 June

	NOTE	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Net surplus/(deficit) for the period		**165.9**	90.6	**198.5**	173.6
Other comprehensive revenue and expense net of tax – continuing operations					
Items that may be re-classified subsequently to surplus or deficit:					
Net change in fair value of hedge reserves	25.3	**(37.4)**	(29.5)	-	-
Translation of foreign operations		**(2.3)**	(1.5)	-	-
Items that will not be re-classified to surplus or deficit:					
Share of other comprehensive income of joint ventures		**(19.9)**	1.9	-	-
Fair value change on investment		**-**	(8.3)	-	-
Other comprehensive revenue and expense for the period net of tax- continuing operations		**(59.6)**	(37.4)	**-**	-
Total comprehensive revenue and expense for the period net of tax		**106.3**	53.2	**198.5**	173.6
Total comprehensive revenue and expense for the period attributable to					
Non-controlling interests in subsidiaries		**28.0**	15.3	-	-
Beneficiaries of the Parent – continuing operations		**69.5**	29.6	**198.5**	173.6
Beneficiaries of the Parent – discontinued operations		**8.8**	8.3	**-**	-

Financial Position

as at 30 June

		GROUP		PARENT	
	NOTE	2025 $M	2024 $M	2025 $M	2024 $M
CURRENT ASSETS					
Cash and cash equivalents	10	**60.5**	91.4	**37.2**	14.0
Deposits	10	**80.0**	107.2	**80.0**	80.0
Trade and other receivables from exchange transactions	12	**102.3**	101.2	**1.4**	1.2
Contract assets		**92.5**	97.7	**-**	-
Derivatives	25	**2.5**	3.2	**-**	-
Inventories		**11.5**	26.4	**-**	-
Contingent consideration	11	**8.1**	12.4	**-**	-
Intangible assets		**-**	7.6	**-**	-
Income tax	17	**19.9**	18.1	**-**	-
Disposal group held for sale	5	**-**	9.7	**-**	-
Total current assets		**377.3**	474.9	**118.6**	95.2
NON-CURRENT ASSETS					
Receivables from exchange transactions	12	**4.4**	1.0	**-**	-
Derivatives	25	**63.8**	83.2	**-**	-
Contingent consideration	11	**20.0**	29.9	**-**	-
Investments in subsidiaries		**-**	-	**300.0**	300.0
Investment in joint venture	16.1	**605.5**	684.2	**-**	-
Investment in private equity		**-**	0.5	**-**	-
Intangibles	13	**1,051.9**	1,132.1	**-**	-
Property, plant and equipment (PPE)	14	**4,808.1**	4,668.0	**-**	-
Income tax	17	**71.2**	85.0	**-**	-
Deferred tax	18	**0.1**	2.1	**-**	-
Total non-current assets		**6,625.0**	6,686.0	**300.0**	300.0
Total assets		**7,002.3**	7,160.9	**418.6**	395.2
CURRENT LIABILITIES					
Distributions payable	20	**95.0**	75.3	**95.0**	75.3
Trade and other payables from exchange transactions	19	**214.0**	231.5	**0.6**	0.6
Provisions	21	**0.9**	2.3	**-**	-
Provision for unclaimed distributions	22	**22.6**	19.2	**22.6**	19.2
Borrowings	24	**-**	249.5	**-**	-
Contract liabilities		**52.6**	73.9	**-**	-
Derivatives	25	**0.3**	0.5	**-**	-
Income tax		**0.4**	0.8	**0.4**	0.1
Total current liabilities		**385.8**	653.0	**118.6**	95.2
NON-CURRENT LIABILITIES					
Payables from exchange transactions	19	**0.1**	0.5	**-**	-
Provisions	21	**-**	7.1	**-**	-
Borrowings	24	**2,049.1**	1,789.0	**-**	-
Contract liabilities		**2.9**	6.8	-	-
Derivatives	25	**143.6**	165.7	-	-
Deferred tax	18	**816.9**	759.7	-	-
Total non-current liabilities		**3,012.6**	2,728.8	**-**	-
Total liabilities		**3,398.4**	3,381.8	**118.6**	95.2
NET ASSETS					
Net Assets attributable to beneficiaries of the Parent		**2,713.2**	2,832.5	**300.0**	300.0
Non-controlling interests in subsidiaries		**890.7**	946.6	**-**	-
Total net assets		**3,603.9**	3,779.1	**300.0**	300.0
Total net assets and liabilities		**7,002.3**	7,160.9	**418.6**	395.2

Cash Flows

for the year ended 30 June

	NOTE	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**973.1**	1,048.3	**-**	-
Customer contributions received		**190.0**	184.1	**-**	-
Interest received		**27.7**	36.8	**3.3**	3.3
Dividends received		**-**	-	**200.9**	174.6
Payments to suppliers and employees		**(571.5)**	(708.6)	**(5.0)**	(3.9)
Lease payments		**(11.7)**	(13.6)	**-**	-
Distribution to beneficiaries		**(116.9)**	(108.2)	**(116.9)**	(108.3)
Dividend withholding tax paid		**(58.4)**	(49.8)	**(58.4)**	(49.8)
Interest paid		**(99.8)**	(107.4)	**-**	-
Income tax paid		**(3.4)**	(7.3)	**(0.7)**	(2.5)
Net cash flows from/(used in) operating activities	27.1	**329.1**	274.3	**23.2**	13.4
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale PPE and software intangibles		**0.4**	2.7	**-**	-
Purchase and construction of PPE		**(443.7)**	(464.7)	**-**	-
Purchase and development of software intangibles		**(31.2)**	(24.0)	**-**	-
Proceeds from contingent consideration	11	**10.8**	11.4	**-**	-
Proceeds from sale of discontinued operations		**158.0**	-	**-**	-
Cash balance disposed in sale of discontinued operations		**(5.6)**	-	**-**	-
Repayments of loans advanced		**36.2**	95.6	**-**	-
Proceeds from sale of investment in associate		**-**	1.4	**-**	-
Other investing cash flows		**0.7**	(15.4)	**-**	-
Net cash flows from/(used in) investing activities		**(274.4)**	(393.0)	**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**260.0**	15.0	**-**	-
Repayment of borrowings		**(305.0)**	(255.0)	**-**	-
Dividends paid		**(67.8)**	(60.3)	**-**	-
Net cash flows from/(used in) financing activities		**(112.8)**	(300.3)	**-**	-
Net increase/(decrease) in cash and cash equivalents		**(58.1)**	(419.0)	**23.2**	13.4
Cash and cash equivalents at beginning of the period		**198.6**	617.6	**94.0**	80.6
Cash and cash equivalents at end of the period		**140.5**	198.6	**117.2**	94.0
Cash and cash equivalents comprise:					
Bank balances and on-call deposits	10	**60.5**	91.4	**37.2**	14.0
Short term deposits	10	**80.0**	107.2	**80.0**	80.0
		140.5	198.6	**117.2**	94.0

Discontinued operations

The cash flows above reflect the entire Vector group cash flows for the year ended 30 June 2025. Refer to note 5 for separately disclosed cash flows from discontinued operations. Comparative information also includes cash flows from discontinued operations from Vector's natural gas and gas trading businesses, refer to notes 4 and 5 for more information.

These financial statements should be read in conjunction with the accompanying accounting policies.

Changes in Net Assets

for the year ended 30 June

GROUP	NOTE	HEDGE RESERVE $M	OTHER RESERVES $M	RETAINED EARNINGS $M	NON-CONTROLLING INTERESTS $M	TOTAL NET ASSETS $M
Balance at 30 June 2023		41.6	(4.7)	2,929.5	993.4	3,959.8
Net surplus/(deficit) for the period		-	-	67.8	22.8	90.6
Other comprehensive revenue and expense		(22.2)	(5.9)	-	(9.3)	(37.4)
Total comprehensive revenue and expense		(22.2)	(5.9)	67.8	13.5	53.2
Dividends and distributions	3	-	-	(185.7)	(60.3)	(246.0)
Distribution payable		-	-	12.1	-	12.1
Total transactions with beneficiaries		-	-	(173.6)	(60.3)	(233.9)
Balance at 30 June 2024		19.4	(10.6)	2,823.7	946.6	3,779.1
Net surplus/(deficit) for the period		**-**	**-**	**124.0**	**41.9**	**165.9**
Other comprehensive revenue and expense		**(28.1)**	**(16.7)**	**-**	**(14.8)**	**(59.6)**
Total comprehensive revenue and expense		**(28.1)**	**(16.7)**	**124.0**	**27.1**	**106.3**
Dividends and distributions	3			**(218.2)**	**(67.8)**	**(286.0)**
Distribution payable		**-**	**-**	**19.7**	**-**	**19.7**
Sale of discontinued operations		**-**	**-**	**-**	**(15.2)**	**(15.2)**
Total transactions with beneficiaries		**-**	**-**	**(198.5)**	**(83.0)**	**(281.5)**
Balance at 30 June 2025		**(8.7)**	**(27.3)**	**2,749.2**	**890.7**	**3,603.9**

PARENT	NOTE	TRUSTEE FUNDS $M	RETAINED EARNINGS $M	TOTAL NET ASSETS $M
Balance at 30 June 2023		300.0	-	300.0
Net surplus/(deficit) for the period		-	173.6	173.6
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		-	173.6	173.6
Dividends and distributions	28	-	(185.7)	(185.7)
Distribution payable		-	12.1	12.1
Total transactions with beneficiaries		-	(173.6)	(173.6)
Balance at 30 June 2024		**300.0**	**-**	**300.0**
Net surplus/(deficit) for the period		**-**	**198.5**	**198.5**
Other comprehensive revenue and expense		**-**	**-**	**-**
Total comprehensive revenue and expense		**-**	**198.5**	**198.5**
Dividends and distributions	28	**-**	**(218.2)**	**(218.2)**
Distribution payable		**-**	**19.7**	**19.7**
Total transactions with beneficiaries		**-**	**(198.5)**	**(198.5)**
Balance at 30 June 2025		**300.0**	**-**	**300.0**

Notes to the financial statements

Note

1. Trust information

Reporting entity

Entrust (the "Trust" or "Parent") was settled on 27 August 1993 as part of reforms that occurred to the electricity industry. Entrust is a discretionary trust domiciled in New Zealand. The Trust is a reporting entity for the purposes of the Financial Reporting Act 2013 and is considered a Public Benefit Entity. The financial statements of the Trust have been prepared in accordance with the Financial Reporting Act 2013.

Entrust's trustees are subject to the Trusts Act 2019. One of their key duties is to distribute income derived from the Trust Fund to the income beneficiaries under the Entrust Deed of Trust. The income beneficiaries are customers on the Vector electricity network within the boundaries defined in the Trust Deed.

The Trust Fund comprises primarily the Trustees' shareholding in Vector Limited.

2. Summary of material accounting policies

Statement of compliance

These group financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards as appropriate for Tier 1 not-for-profit public benefit entities.

The subsidiary accounts have been prepared under New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. We have determined that upon consolidation, subject to the adoption of NZ IFRS 16 *Leases* by the subsidiary, which has been eliminated from these consolidated financial statements, there are no significant changes when prepared under PBE IPSAS.

The financial statements of the Trust must comply with the Financial Reporting Act 2013 and the Electricity Industry Act 2010. Pursuant to accounting standards prepared by the External Reporting Board under the Financial Reporting Act 2013 (in particular "External Reporting Board Standard A1 – Accounting Standards Framework") the Trustees have determined that the Trust falls within the definition of "Public Benefit Entity" under that standard. The designation of "Public Benefit Entity" is one which exists only under accounting standards and for the purposes of compliance with the Financial Reporting Act 2013. That designation has no effect on the substance of the Trust Deed which provides that the surplus of the Trust is to be distributed to those people defined as income beneficiaries under the Trust Deed, and who are exclusively customers of Vector within the Trust district, being the old geographical district of the now defunct Auckland Electric Power Board.

Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as appropriate to Tier 1 not-for-profit entities.

They are prepared on the historical cost basis except for the following items, which are measured at fair value:

- the identifiable assets and liabilities acquired in a business combination; and
- certain financial instruments, as disclosed in the notes to the financial statements.

The presentation currency is New Zealand dollars ($). All financial information has been rounded to the nearest 1,000,000, unless otherwise stated.

The statements of revenue and expense, other comprehensive revenue and expense, cash flows and changes in equity are stated exclusive of GST, with the exception of the parent statements, which are inclusive of GST as applicable. All items in the balance sheet are stated exclusive of GST except for trade receivables and trade payables, which include GST.

Material accounting estimates and judgements

Vector's management is required to make judgements, estimates, and apply assumptions that affect the amounts reported in the financial statements. They have based these on historical experience and other factors they believe to be reasonable. The table below lists the key areas of judgements and estimates in preparing these financial statements:

Key areas	Judgements / Estimates	Note
Valuation of contingent consideration receivable	Estimates	11, 23
Intangible assets: valuation of goodwill, risk of impairment	Estimates	13
Property, plant and equipment: classification of costs	Judgements	14
Valuation of derivative financial instruments	Estimates	23, 25

New standards and interpretations adopted

A number of new standards and interpretations are effective from 1 July 2024, but they do not have a material effect on the group's financial statements. The financial statements for the year ended 30 June 2025 have applied the amendment to FRS-44 *Disclosure of Fees for Audit Firms' Services*, which specifies disclosures relating to fees paid to the auditors. Refer to note 7 for further details.

A number of new standards and interpretations are effective for annual periods beginning on or after 1 July 2025 and earlier application is permitted, however the group has not early adopted the new or amended standards in preparing these consolidated financial statements. Vector has considered the impact of standards and interpretations not yet effective and do not expect any of these to have a material impact.

3. Material transactions and events

Material transactions and events that have impacted the financial year ended 30 June 2025:

Sale of discontinued operations	On 1 July 2024, Vector completed the sale of the remaining contracts in the natural gas business to Nova Energy Limited Refer to note 4 for further details. On 31 January 2025, Vector completed the sale of LPG business Vector Ongas, and the group's shareholding in Liquigas Limited, to Elgas Limited for $150.0 million. Vector Ongas and Liquigas were previously included in the gas trading segment. Refer to note 5 for further details.
Commerce commission decisions	The Commission is currently consulting on the price reset for its fourth Default Price-quality Path ("DPP4"), which relates to the period beginning 1 October 2026 for gas distribution businesses. They have released an open letter in February 2025, and an issues paper for submissions was released in June 2025. Vector provided submissions to the issues paper on 24 July 2025. The draft decision is expected in November 2025, with the final decision in May 2026. This decision will impact the future cash flows we can expect to earn from the gas distribution business.
Regulatory quality thresholds	For both the regulatory years to 31 March 2024 and 31 March 2025, Vector was not in breach of its unplanned SAIDI and SAIFI quality limits.
Regulatory consultations	In October 2024, the Electricity Authority opened two consultations. The first of these is the Distribution connection pricing proposed code amendment consultation, which purports to improve connection pricing methodologies, so they are more efficient and have greater consistency across distributors. The second consultation, the 'Network connection project – stage one' seeks to improve the efficiency of connecting to the electricity distribution network and upgrading existing connections. The decisions of both consultations were released on 18 July 2025. These determinations will influence how Vector manages its customer connections. The Electricity Authority has indicated it will continue to engage with distributors regarding the level of contributions that can be charged for customer connections, while deferring a final decision on this issue for further consideration.
Debt programme	In May 2025, Vector repaid $250.0 million of senior bonds. During the year ended 30 June 2025, the group drew down $260.0 million and repaid $55.0 million of bank facilities for a net drawdown of $205.0 million from the bank facilities (year ended 30 June 2024: net nil movement). Refer to note 24 for more details on borrowings.
Impairment of goodwill	During the year ended 30 June 2025, the group recognised an impairment loss of $37.0 million in respect of goodwill allocated to the gas distribution CGU (year ended 30 June 2024: $60.0 million). The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment. The DPP4, expected in May 2026 (see Commerce commission decisions) impacts the future cash flows we can expect to earn from the regulated gas distribution business, and will be reflected in the impairment testing of the gas distribution CGU.
Dividends	In February 2025, Vector's board approved an updated dividend policy, targeting distribution of 70-100% of free cash flow in each financial year. The intent is to align the policy with the Commission's five-yearly regulatory cycle, as this is a large part of what determines Vector's revenue and earnings in each five year period. Vector Limited's final dividend for the year ended 30 June 2024 of 14.75 cents per share was paid on 16 September 2024, comprising an ordinary unimputed dividend of 13.0 cents per share and a special unimputed dividend of 1.75 cents per share. The total dividend paid was $147.5 million. Vector Limited's interim dividend for the year ended 30 June 2025 of 12.00 cents per share (unimputed) was paid on 31 March 2025. The total dividend paid was $120.0 million. Liquigas Limited, a subsidiary of the group until the sale of the gas trading business on 31 January 2025, paid dividends of $1.2 million to the company's non-controlling interests during the year ended 30 June 2025.

4. Discontinued operations- natural gas

On 1 July 2024, Vector completed the sale of the remaining contracts in the natural gas business to Nova Energy Limited for consideration of $9.7 million, which was equal to the carrying amount of the business. No gain or loss on disposal was recognised. At 30 June 2025, Vector had received $8.0 million of the consideration, with the last instalment due on 31 July 2025.

The disposal group was presented as discontinued operations in the interim financial statements for the six months ended 31 December 2023 as well as in the 2024 Annual Report. Comparatives show the discontinued operations separately from the continuing operations.

Carrying value of net assets sold as at 1 July 2024	**$M**
Assets	
Intangible assets	**9.7**
Net assets sold	**9.7**
Net cash consideration	**9.7**
Gain/(loss) on sale of discontinued operations- natural gas	**-**

Policies

Vector classifies a disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The disposal group is measured at the lower of carrying amount and fair value less costs to sell.

The two criteria that must be met to classify a disposal group as held for sale are:

- The disposal group is available for immediate sale in its present condition; and
- The sale transaction is highly probable.

A disposal group that is sold or held for sale is also reported as discontinued operations if it meets the below criteria:

- It is a component of the groups' business, the operations and cash flows of which can be clearly distinguished from the rest of the group; and
- It represents a separate major line of business or geographical area of operations.

Impairment on reclassification to held for sale

The goodwill allocated to the natural gas business had been reclassified as held for sale at 30 June 2024, resulting in an impairment of $0.6 million.

5. Discontinued operations- gas trading

On 25 July 2024, Vector signed a conditional agreement for the sale of the Ongas LPG business, and shares in Liquigas Limited ("the gas trading business"). The sale was completed on 31 January 2025.

The gas trading business was previously included in the group's gas trading segment. For the year ended 30 June 2025, the financial results of the disposal group are reported as discontinued operations in the profit or loss statement. Additionally, prior year figures have been restated to clearly separate discontinued operations from continuing ones.

Profit and loss of discontinued operations – gas trading	2025 7 MONTHS $M	2024 12 MONTHS $M
Revenue	**79.2**	128.3
Operating expenses	**(66.3)**	(108.4)
Depreciation and amortisation	**(1.6)**	(12.5)
Interest income	**0.2**	0.3
Interest cost	**(0.7)**	(0.9)
Profit/(loss) before income tax	**10.8**	6.8
Income tax benefit/(expense)	**(1.7)**	(2.5)
Net profit/(loss) for the period before gain on sale	**9.1**	4.3
Gain on sale (net of tax)	**3.9**	-
Net profit/(loss) for the period – discontinued operations – gas trading	**13.0**	4.3

	2025 7 MONTHS $M	2024 12 MONTHS $M
Capital expenditure of discontinued operations- gas trading	**2.9**	10.9

Cash flows from discontinued operations – gas trading	2025 7 MONTHS $M	2024 12 MONTHS $M
Net cash flows from/(used) in operating activities	**14.3**	25.7
Net cash flows from/(used in) investing activities	**(3.6)**	(8.4)
Net cash flows from/(used in) financing activities	**(3.4)**	(7.1)
Net cash inflow/(outflow)	**7.3**	10.2

Revenue- gas trading sales

Sale of LPG- comprises bulk LPG sales to commercial customers and bottled LPG sales to both commercial and residential customers.	Revenue is recognised at a point in time when LPG is delivered to a customer's site. Billing to a customer occurs after completion of deliveries and at the end of each month with payment terms ranging from 60 days to 90 days.
Distribution of LPG- The group provides services in the areas of bulk LPG storage, distribution and management.	Revenue is recognised over time in line with a customer's consumption of monthly tolling and storage volumes and measured at the transaction price of the contract. The transaction price for a monthly tolling and storage contract includes variable consideration in the form of volume pricing and take or pay arrangements. The group estimates the amount of variable consideration present in each contract using the expected value method.

5. Discontinued operations- gas trading (continued)

Carrying value of net assets sold as at 31 January 2025	$M
Cash and cash equivalents	**5.6**
Trade and other receivables	**16.9**
Inventories	**6.5**
Intangible assets (including goodwill)	**40.9**
Property, plant, and equipment	**105.7**
Deferred tax	**0.4**
Trade and other payables	**(5.3)**
Provisions	**(7.8)**
Income tax	**(0.6)**
Non-controlling interests in Liquigas	**(15.2)**
Net assets sold	**147.1**

Net cash consideration received on completion	**150.0**
Working capital wash-up	**2.4**
Total consideration	**152.4**
Costs of sale	**(1.4)**
Carrying value of net assets sold	**(147.1)**
Gain on sale of discontinued operations – gas trading	**3.9**

Gain on sale

Vector has elected to follow NZ IFRS 10: *Consolidated Financial Statements* in recognising the gain on sale from the transaction.

Under NZ IFRS 10, upon the loss of control of a subsidiary, any retained interest should be remeasured to its fair value, with any resulting gain or loss recognised in the income statement.

Consideration

Upon completion of the sale, the group received a total of $152.4 million in consideration, representing a combination of $150.0 million in cash consideration and $2.4 million for the final working capital wash-up.

Depreciation and amortisation

The gas trading business was classified as held for sale in July 2024, and its assets and liabilities were presented as a disposal group held for sale in the FY25 interim financial statements. Depreciation and amortisation on the assets of the gas trading business ceased from July 2024 due to the held for sale classification.

6. Revenue

6.1 Revenue from contracts with customers

	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Regulated networks – sale of distribution service	**893.5**	752.5	**-**	-
Regulated networks - third party contributions	**209.2**	193.9	**-**	-
Other	**65.4**	66.6	**-**	-
Dividends received	**-**	-	**200.9**	174.6
Total	**1,104.0**	1,013.0	**200.9**	174.6

Revenue streams	Satisfaction of performance obligation
Regulated networks – sale of distribution services	
The group receives revenue from business customers and energy retailers who sell energy to end customers for electricity and gas distribution services in Auckland.	Revenue from electricity and gas distribution services is measured at the value of consideration received, or receivable, to the extent that pricing is determined by the regulator within a defined revenue path. Revenue is recognised over time on a basis that corresponds with end consumers' pattern of electricity and gas consumption. Customers are billed monthly in arrears for distribution services, including both a fixed portion, and variable pricing measured in units of electricity and gas distributed. Revenue from distribution services therefore includes an accrual for services provided but not billed at the end of the month. The accrual is determined based on the group's estimate of volume distributed in the month using the most recent data available. A large portion of the contract assets at balance date consists of this accrual.
Regulated networks – third party contributions	
The group receives contributions from residential and commercial customers towards the construction of distribution system assets in the Auckland electricity or gas distribution networks.	Third party contributions are recognised as revenue over time, reflecting the percentage completion of the underlying construction activity. The group recognises a contract liability to account for consideration received from the customer but where the agreed construction activity is not completed; and conversely a contract asset is recognised to account for activities completed not billed. The transaction price for third party contributions is netted against estimated rebates payable to commercial customers. A contract liability is recognised to account for payments received from customers for construction activities completed which are eligible for rebates in the future based on completion of developments. In the event that a contract combines a contribution towards an agreed construction activity with sale of electricity or gas distribution services, the group unbundles the contract into two performance obligations and recognises revenue in accordance with each obligation's accounting policy.

Other revenue streams

Other revenue includes telecommunications revenue and revenue from providing energy solution services.

Telecommunications revenue from commercial customers comprise the sale of fibre services. Revenue is recognised at the point in time of supply and customer consumption.

Energy solutions services comprise predominantly the sale of home and commercial ventilation and solar services. Revenue is recognised over time, reflecting the percentage completion of each ventilation and solar system install.

6. Revenue (continued)

6.2 Revenue in relation to contract liabilities

The following table sets out the expected timing of future recognition of revenue relating to performance obligations not satisfied (or partially satisfied) at balance date:

2025	1 - 2 YEARS $M	2 - 4 YEARS $M	TOTAL $M
Electricity distribution services	**0.4**	**-**	**0.4**
Telecommunication services	**0.2**	**0.8**	**1.0**
Total	**0.6**	**0.8**	**1.4**

2024	1 - 2 YEARS $M	2 - 4 YEARS $M	TOTAL $M
Electricity distribution services	2.0	-	2.0
Telecommunication services	1.7	-	1.7
Total	3.7	-	3.7

Policies

No information is provided in relation to the remaining performance obligations at 30 June 2025 or 30 June 2024 that have an original duration of one year or less as permitted by NZ IFRS 15 *Revenue from Contracts with Customers*.

Revenue recognised

Of the revenue recognised this year, $61.2 million was included in the contract liability balance at the beginning of the reporting period. (2024: $54.6 million).

7. Operating expenses

	NOTE	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Electricity transmission		**200.7**	188.9	**-**	-
Energy solutions cost of sales		**18.3**	15.1	**-**	-
Network and asset maintenance		**87.6**	85.9	**-**	-
Other direct expenses		**48.6**	43.7	**-**	-
Employee benefit expenses		**80.2**	81.8	**0.4**	0.4
Administration expenses		**14.4**	13.4	**1.2**	1.1
Distribution expenses		**1.3**	1.3	**1.3**	1.3
Trustee Remuneration	29	**0.4**	0.4	**0.4**	0.4
Trustee elections		**0.9**	-	**0.9**	-
Professional fees		**8.3**	8.9	**0.7**	0.6
IT expenses		**32.0**	31.7	-	-
Lease expenses		**11.3**	11.1	-	-
Other indirect expenses		**4.8**	5.3	**0.2**	0.2
Total		**508.8**	487.5	**5.1**	4.0

Fees paid to auditors of Entrust

Moore Markhams Auckland Audit are the auditors of Entrust. Fees paid to Moore Markhams Auckland Audit are as follows:

- audit of financial statements: $65,000 (2024: $55,000);
- other services: $Nil (2024: $Nil).

Fees paid to auditors of Vector

Fees were paid to KPMG as follows:

		2025 $	2025 $	2024 $	2024 $
Audit or review of financial statements			671,200		624,500
Audit related services:	Regulatory assurance	378,000		380,000	
	Regulatory agreed upon procedures	121,300		21,000	
	ESG assurance	176,500		80,500	
	Other assurance	25,700		24,200	
	Other agreed upon procedures	10,300		15,300	
	Total audit related services		711,800		521,000
Tax services:	R&D tax credits		74,000		186,700
Other services:	Risk management		60,000		-
	Climate related pre-assurance		-		97,500
Total			**1,517,000**		1,429,700

The audit fee includes fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory assurance consists of the audit of regulatory disclosures. Regulatory agreed upon procedures includes compliance and one-off regulatory assurance reviews. ESG assurance includes climate related disclosures and greenhouse gas calculations. Other assurance includes the audit of guaranteeing group financial statements and bond registers. Other agreed upon procedures includes trustee reporting and annual general meeting vote scrutineering.

8. Interest income

	NOTE	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Interest income		**24.8**	49.2	**3.6**	3.5
Unwinding of discount of contingent consideration	11	**4.4**	6.0	**-**	-
Total		**29.2**	55.2	**3.6**	3.5

Policies

Interest income includes income from funds invested and shareholder loans, recognised using the effective interest rate method.

9. Interest costs

	GROUP		PARENT	
	2025 $M	2024 $M	2025 $M	2024 $M
Interest expense	**95.9**	101.0	**-**	-
Amortisation of finance costs	**4.4**	5.1	**-**	-
Capitalised interest	**(5.6)**	(5.6)	**-**	-
Total	**94.7**	100.5	**-**	-

Policies Interest costs include interest expense on borrowings, recognised using the effective interest rate method.

Capitalised interest Vector has capitalised interest to PPE and software intangibles while under construction at an average rate of 4.4% per annum (2024: 4.2%).

10. Cash and cash equivalents and short-term deposits

		GROUP		PARENT	
	MATURITY DATES	2025 $M	2024 $M	2025 $M	2024 $M
Cash and cash equivalents		**60.5**	91.4	**37.2**	14.0
Short-term deposits	Sep 2025- Oct 2025	**80.0**	107.2	**80.0**	80.0

Policies Cash and cash equivalents and short-term deposits are carried at amortised cost.

Cash and cash equivalents includes deposits that are on call, short-term deposits includes deposits with a maturity date.

11. Contingent consideration

	NOTE	2025 $M	2024 $M
Carrying value of contingent consideration			
Opening balance		**42.3**	60.9
Unwinding of discount	8	**4.4**	6.0
Payments received	27.1	**(10.8)**	(11.4)
Fair value movement	25.2	**(7.8)**	(13.2)
Closing balance at 30 June		**28.1**	42.3
Comprising:			
Current		**8.1**	12.4
Non-current		**20.0**	29.9

Key accounting estimate The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows payable by Todd Petroleum Mining Company Limited to Vector. The future period of payment is not fixed by the contract but is dependent on the remaining useful life of the Kapuni gas treatment plant (KGTP), which is directly correlated to the volume of gas available at the Kapuni gas field and the rate at which the gas is extracted. The values of future cash flows are highly dependent on the future sale prices of gas products (LPG and oil) in the market. Underpinning this all is the assumption that there is an active market for processed gas products in the future and government policy relating to the transition of New Zealand to a low carbon economy.

Management have re-estimated the same unobservable inputs when calculating the fair value of the contingent consideration at balance date. Refer to note 23 for details and sensitivity analysis around material unobservable inputs used in measuring fair values.

12. Trade and other receivables from exchange transactions

Current	GROUP 2025 $M	2024 $M	PARENT 2025 $M	2024 $M
Trade receivables from exchange transactions	**75.4**	69.7	**-**	-
Interest receivable	**13.0**	19.1	**1.3**	1.1
Prepayments	**8.8**	10.1	**0.1**	0.1
Other taxes and duties receivable	**-**	1.3	**-**	-
Other receivables	**5.1**	1.0	**-**	-
Balance at 30 June	**102.3**	101.2	**1.4**	1.2
Non-current				
Other contract receivables	**0.9**	1.0	**-**	-
Other receivables	**3.5**	-	**-**	-
Balance at 30 June	**4.4**	1.0	**-**	-

At 30 June, the exposure to credit risk for trade and other receivables by type of counterparty was as follows.

	2025 $M Not credit impaired	Credit impaired	2024 $M Not credit impaired	Credit impaired
Business customers	**54.2**	**1.1**	44.2	3.6
Mass market customers (includes customer contributions)	**15.2**	**-**	17.0	-
Third party asset damages	**-**	**10.0**	-	8.3
Residential and other	**2.0**	**0.1**	3.0	0.3
Total gross amount	**71.4**	**11.2**	64.2	12.2
Loss allowance	**-**	**(6.3)**	-	(5.7)
Total carrying amount	**71.4**	**4.9**	64.2	6.5

The following table provides information about the exposure to credit risk and expected credit losses for trade and other receivables as at 30 June.

	2025 $M Gross amount	Loss allowance	2024 $M Gross amount	Loss allowance
Not past due	**37.4**	**(0.3)**	63.5	-
Past due 1-30 days	**30.6**	**(0.1)**	2.5	(0.2)
Past due 31-120 days	**5.1**	**(0.3)**	3.7	(0.5)
Past due more than 120 days	**9.5**	**(5.6)**	6.7	(5.0)
Balance at 30 June	**82.6**	**(6.3)**	76.4	(5.7)

Policies

Trade receivables are predominantly billed receivables. Sales to business customers are billed monthly. Trade receivables from mass market, residential and other customers are recognised as they are originated.

Other receivables represent the amount of contractual cash flows that the group expects to collect from third parties but that did not arise from contracts with customers. Where contractual cash flows are expected or contracted to be received after 12 months, the balance is presented as non-current.

Expected credit losses

In assessing credit losses for trade receivables, the group applies the simplified approach and records lifetime expected credit losses ("ECLs") on trade receivables. The group considers both quantitative and qualitative inputs. Quantitative data includes past collection rates, industry statistics, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the group.

Lifetime ECLs result from all possible default events over the expected life of a trade receivable. The group considers the probability of default upon initial recognition of the trade receivable, based on reasonable and available information on the group's customers and groups of customers. The group's trade receivables are monitored in two groups: business customers, and mass market residential customers.

The group's customer acceptance process includes a check on credit history, profitability, and the customer's external credit rating if available. Different levels of sale limits are also imposed on customer accounts by nature.

13. Intangible assets

	EASEMENTS $M	SOFTWARE $M	GOODWILL $M	CAPITAL WORK IN PROGRESS $M	TOTAL $M
Carrying amount 30 June 2023	18.9	72.3	1,101.0	15.9	1,208.1
Cost	18.9	289.5	1,252.3	15.9	1,576.6
Accumulated amortisation	-	(217.2)	-	-	(217.2)
Accumulated impairment	-	-	(151.3)	-	(151.3)
Additions	-	-	-	25.5	25.5
Transfers	0.2	16.3	-	(16.5)	-
Transferred to held for sale	-	-	(9.7)	-	(9.7)
Impairment	-	-	(60.6)	-	(60.6)
Amortisation for the period	-	(31.2)	-	-	(31.2)
Carrying amount 30 June 2024	19.1	57.4	1,030.7	24.9	1,132.1
Cost	19.1	305.7	1,242.6	24.9	1,592.3
Accumulated amortisation	-	(248.3)	-	-	(248.3)
Accumulated impairment	-	-	(211.9)	-	(211.9)
Additions	**-**	**-**	**-**	**28.3**	**28.3**
Transfers	**0.3**	**31.7**	**-**	**(32.0)**	**-**
Sale of discontinued operations	**-**	**(0.3)**	**(40.6)**	**-**	**(40.9)**
Impairment	**-**	**-**	**(37.0)**	**-**	**(37.0)**
Amortisation for the period	**-**	**(30.6)**	**-**	**-**	**(30.6)**
Carrying amount 30 June 2025	**19.4**	**58.2**	**953.1**	**21.2**	**1,051.9**
Cost	**19.4**	**327.2**	**1,202.0**	**21.2**	**1,569.8**
Accumulated amortisation	**-**	**(269.0)**	**-**	**-**	**(269.0)**
Accumulated impairment	**-**	**-**	**(248.9)**	**-**	**(248.9)**

13.1 Goodwill

Goodwill by cash generating unit	2025 $M	2024 $M
Electricity	**881.0**	881.0
Gas Distribution	**72.1**	109.1
Liquigas	**-**	40.6
Total	**953.1**	1,030.7

Policies

Goodwill represents the excess of the consideration transferred over the fair value of Vector's share of the net identifiable assets of an acquired subsidiary.

Goodwill is carried at cost less accumulated impairment losses.

Allocation

Goodwill is monitored internally at a group level. It is allocated to the group's cash generating units ("CGUs"), for impairment testing purposes.

This is the highest level permissible under NZ IFRS. The CGUs within the group are: electricity, gas distribution, communications, technology solutions and E-Co Products. The natural gas CGU ceased to exist following sale of the business on 1 July 2024. Similarly, the Liquigas and LPG CGUs ceased to exist following sale of the gas trading business on 31 January 2025.

Goodwill is tested at least annually for impairment, comparing the carrying value against the recoverable amount of the CGU to which it has been allocated.

13. Intangible assets (continued)

13.1 Goodwill (continued)

Key accounting judgements	To assess impairment, management must estimate the future cash flows of operating segments including the CGUs that make up those segments. This entails making judgements including: • the expected rate of growth of revenues; • margins expected to be achieved; • the level of future maintenance expenditure required to support these outcomes; and • the appropriate discount rate to apply when discounting future cash flows.
Assumptions	The recoverable amounts attributed to all of the group's CGUs are calculated on the basis of value-in-use using discounted cash flow models. Future cash flows are forecast based on actual results and business plans. For the electricity, and gas distribution CGUs, a ten-year period has been used due to the long-term nature of the group's capital investment in these businesses and the predictable nature of their cash flows. A five-year period has been used for the E-Co Products, technology solutions and communications CGUs. Projected cash flows for regulated businesses are sensitive to regulatory uncertainty. Estimated future regulated network revenues and the related supportable levels of operating and capital expenditure are based on default price-quality path determinations issued by the Commerce Commission and are in line with estimates published in the asset management plans. **Gas Distribution** The group has recognised an impairment loss of $37.0 million in respect of goodwill allocated to the gas distribution CGU. The impairment reflects the ongoing uncertainty facing the gas industry, lower forecast connections and the decline in gas supply in New Zealand. The recoverable amount of the gas distribution CGU has been determined based on value in use. A terminal growth rate of -3.0% (2024: 2.0% to 2.3%) and post-tax discount rates between 6.4% to 6.6% (2024: 6.6% to 6.9%) have been applied in determining the recoverable amount for the gas distribution CGU. ***Risk of impairment*** The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment. In November 2025, the Commerce Commission are due to release their draft decision for the next default price-quality path which will apply from 1 October 2026 for gas distribution businesses. This decision impacts the future cash flows we can expect to earn from the regulated gas distribution business and will be reflected in the impairment testing of the gas distribution CGU. The Commission will release the final decision at the end of May 2026. At 30 June 2025, the carrying value of the gas distribution CGU was $497.7m and is consistent with the estimated value of the regulated asset base for gas distribution as at that date. The carrying value of the CGU includes $72.1 million of goodwill allocated by Vector to its gas distribution business at 30 June 2025. **Electricity** Terminal growth rates in a range of 2.0% to 2.3% (2024: 2.0% to 2.3%) and post-tax discount rates between 6.0% to 6.3% (2024: 6.1% to 6.4%) have been applied.

13. Intangible assets (continued)

13.2 Other intangible assets

Policies

Other intangible assets are initially measured at cost and subsequently stated at cost less any accumulated amortisation and impairment losses.

Software intangibles have been assessed as having a finite life greater than 12 months and are amortised from the date the asset is ready for use on a straight-line basis over its estimated useful life. The estimated useful lives (years) are as follows:

Software	3 - 10

Easements are not amortised but are tested for impairment at least annually as part of the assessment of the carrying values of assets against the recoverable amounts of the CGUs to which they have been allocated.

14. Property, plant and equipment (PPE)

	DISTRIBUTION SYSTEMS $M	LAND, BUILDINGS AND IMPROVEMENTS $M	COMPUTER AND TELCO EQUIPMENT $M	OTHER PLANT AND EQUIPMENT $M	CAPITAL WORK IN PROGRESS $M	TOTAL $M
Carrying amount 30 June 2023	3,814.2	189.5	94.3	136.0	151.8	4,385.8
Cost	5,372.0	238.4	216.0	307.7	151.8	6,285.9
Accumulated depreciation	(1,557.8)	(48.9)	(121.7)	(171.7)	-	(1,900.1)
Additions	-	-	-	0.5	473.5	474.0
Transfers	399.9	22.7	5.1	5.4	(433.1)	-
Disposals	(10.1)	(0.1)	-	(0.9)	-	(11.1)
Depreciation for the period	(156.1)	(3.8)	(8.5)	(12.3)	-	(180.7)
Carrying amount 30 June 2024	4,047.9	208.3	90.9	128.7	192.2	4,668.0
Cost	5,743.1	252.6	219.2	312.7	192.2	6,719.8
Accumulated depreciation	(1,695.2)	(44.3)	(128.3)	(184.0)	-	(2,051.8)
Additions	**-**	**-**	**-**	**5.0**	**439.6**	**444.6**
Transfers	**435.5**	**20.4**	**18.9**	**6.0**	**(480.8)**	**-**
Disposals	**(7.3)**	**(0.3)**	**-**	**(5.3)**	**-**	**(12.9)**
Sale of discontinued operations	**-**	**(9.3)**	**(0.2)**	**(95.9)**	**(0.8)**	**(106.2)**
Other	**-**	**-**	**-**	**-**	**(3.4)**	**(3.4)**
Depreciation for the period	**(163.9)**	**(4.4)**	**(10.3)**	**(3.4)**	**-**	**(182.0)**
Carrying amount 30 June 2025	**4,312.2**	**214.7**	**99.3**	**35.1**	**146.8**	**4,808.1**
Cost	**6,155.8**	**261.6**	**231.5**	**222.5**	**146.8**	**7,018.2**
Accumulated depreciation	**(1,843.6)**	**(46.9)**	**(132.2)**	**(187.4)**	**-**	**(2,210.1)**

14. Property, plant and equipment (PPE) (continued)

Policies

PPE is initially measured at cost, and subsequently stated at cost less depreciation and any impairment losses. Cost may include:

- Consideration paid on acquisition
- Costs to bring the asset to working condition
- Materials used in construction
- Direct labour attributable to the item
- Interest costs attributable to the item
- A proportion of directly attributable overheads incurred
- If there is a future obligation to dismantle and/or remove the item, the costs of doing so

Capitalisation of costs stops when the asset is ready for use.

Subsequent expenditure that increases the economic benefits derived from the asset is capitalised.

Uninstalled assets are stated at the lower of cost and estimated recoverable amount.

Depreciation commences when an asset becomes available for use.

Depreciation of PPE, other than freehold land and capital work in progress, is calculated on a straight-line basis and expensed over the useful life of the asset. Useful lives are reviewed regularly and adjusted as appropriate for the revised expectations, including technical obsolescence, climate risk and regulatory changes.

Estimated useful lives (years) are as follows:

Buildings	40 – 60		
Distribution systems	5 – 70	Computer and telco equipment	2 – 50
Leasehold improvements	5 – 20	Other plant and equipment	2 – 55

Key accounting judgements

The group's property, plant and equipment, particularly the group's distribution assets, are critical to the running of the group's business. In assessing whether the costs incurred in a project on the group's assets are capital in nature, management must apply the following judgements:

- Whether the costs incurred are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- Whether subsequent costs incurred represent an enhancement to existing assets or maintain the current operating capability of existing assets; and
- Whether overhead costs can be reasonably allocated to the construction or acquisition of an asset.

Capital commitments

The estimated capital expenditure for PPE and software intangibles contracted for at balance date but not provided is $111.7 million for the group (2024: $138.1 million).

15. Operating leases

Aggregate minimum lease payments under non-cancellable operating leases where the Group is the lessee	GROUP 2025 $M	2024 $M
Within one year	**9.0**	11.5
One to five years	**25.6**	34.4
Beyond five years	**25.3**	45.5
Total	**59.9**	91.4

Policies

Payments made under operating leases, where the lessors effectively retain the risks and benefits of ownership, are recognised in profit or loss on a straight-line basis over the lease term.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Lease of premises

The majority of the operating lease commitments relate to the group's leases of premises. These, in the main, give the group the right to renew the lease at the end of the current lease term.

The Parent has no operating leases.

16. Investments

16.1 Investment in joint venture

Bluecurrent	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EQUITY INTEREST HELD	
			2025	2024
Bluecurrent Holdings NZ Limited	Metering services	New Zealand	**37.6%**	37.6%
Bluecurrent Holdings (Australia) Pty Ltd	Metering services	Australia	**37.6%**	37.6%

Movement in the carrying amount of joint venture	NOTE	2025 $M	2024 $M
Opening carrying value		**684.2**	727.4
Shareholder loans	29	**(37.7)**	(20.2)
Share of net profit/(loss) after tax		**(21.1)**	(24.9)
Share of other comprehensive income		**(19.9)**	1.9
Closing carrying value		**605.5**	684.2

Summary financial information

Summary information for Bluecurrent is not adjusted for the percentage ownership held by the Group (unless stated)	2025 $M	2024 $M
Current assets	**115.6**	100.3
Non-current assets	**2,746.4**	2,678.8
Total assets	**2,862.0**	2,779.1
Current liabilities	**40.4**	50.5
Non-current liabilities	**1,956.3**	1,782.2
Total liabilities	**1,996.7**	1,832.7
Net assets (100%)	**865.4**	946.4
Group's share of net assets	**432.7**	473.2
Revenue	**324.6**	291.1
Depreciation and amortisation	**(123.0)**	(124.2)
Interest expense	**(117.3)**	(113.9)
Income tax (expense)/benefit	**(3.6)**	6.3
Net profit/(loss) after tax	**(42.1)**	(49.7)
Other comprehensive income	**(39.0)**	3.5
Total other comprehensive income	**(81.1)**	(46.2)

Included in the summary financial information above, Bluecurrent held cash and cash equivalents at 30 June 2025 of $55.2 million (30 June 2024: $51.4 million), and non-current financial liabilities excluding payables and provisions at 30 June 2025 of $1,827.6 million (30 June 2024: $1,644.7 million).

Reconciliation of the carrying amount of the Group's investment in Bluecurrent:	2025 $M	2024 $M
Group's share of net assets	**432.7**	473.2
Add: Effect of translation on foreign operations	**1.6**	2.1
Add: Shareholder loans	**171.2**	208.9
Carrying value of investment in joint venture	**605.5**	684.2

Policies

A joint venture is where Vector shares joint control over an entity or group of entities and has rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

Bluecurrent

Vector's interest in Bluecurrent consists of a 50% ownership of Bluecurrent Holdings NZ Limited and Bluecurrent Holdings (Australia) Pty Limited respectively which is jointly controlled with QIC Private Capital Pty Limited (QIC).

Vector has assessed that the contractual arrangement governing Bluecurrent meets the criteria of a joint venture. Given the shares of Bluecurrent are stapled, disclosure has been consolidated.

Shareholder loans

The shareholder loans receivable from the joint venture are carried at amortised cost.

16. Investments (continued)

16.2 Investments in subsidiaries

Material entities and holding companies in the group are listed below.

	Principal Activity	PERCENTAGE HELD 2025	2024
Trading subsidiaries			
Vector Investment Holdings Limited	Holding company	**75.1%**	75.1%
Vector MeterCo Limited	Holding company	**75.1%**	75.1%
Liquigas Limited	Bulk LPG storage, distribution, and management	**-**	45.1%
Vector Communications Limited	Telecommunications	**75.1%**	75.1%
Vector ESPS Trustee Limited	Trustee company	**75.1%**	75.1%
Vector Energy Solutions Limited	Holding company	**75.1%**	75.1%
Vector Energy Solutions (Australia) Pty Limited	Energy solutions services	**75.1%**	75.1%
E-Co Products Group Limited	Holding company	**75.1%**	75.1%
Cristal Air International Limited	Ventilation, heating and water systems sales and assembly	**75.1%**	75.1%
Vector Technology Solutions Limited	Technology services	**75.1%**	75.1%
Vector Auckland Property Limited	Assets holding company	**75.1%**	75.1%
Vector Northern Property Limited	Assets holding company	**75.1%**	75.1%
Equalise Cyber Security Limited (formerly VPS Pacific Limited)	Cyber security solutions	**75.1%**	75.1%
Vector Technology Solutions Holdings USA LLC	Holding company	**75.1%**	75.1%
VTS USA LLC	Technology services	**75.1%**	75.1%
Non-trading subsidiaries			
Vector Advanced Metering Assets (Australia) Limited	Investment company	**75.1%**	75.1%
Vector Gas Trading Limited	Holding company	**75.1%**	75.1%
Vector SPV No. 1 Limited (formerly On Gas Limited)	Holding company	**75.1%**	75.1%
Vector SPV No. 2 Limited (formerly PowerSmart NZ Limited)	Holding company	**75.1%**	75.1%

Policies

Subsidiaries are entities controlled directly or indirectly by the parent. Vector holds over 50% of the voting rights in all entities reported as subsidiaries. The financial statements of subsidiaries are consolidated into the group's financial statements. Intra-group balances and transactions between group subsidiary companies are eliminated on consolidation.

Overseas subsidiaries

All subsidiaries are incorporated in New Zealand, except for:

- Vector Energy Solutions (Australia) Pty Limited, which is incorporated in Australia; and
- Vector Technology Solutions Holdings USA LLC and VTS USA LLC, which are both incorporated in the United States of America.

Sale of subsidiaries

On 1 August 2025, the group sold its shares in E-Co Products Group Limited and its subsidiary Cristal Air International Limited.

17. Income tax expense/(benefit)

Reconciliation of income tax expense/(benefit) – continuing operations	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Surplus/(deficit)before income tax- continuing operations	**227.3**	173.4	**199.4**	174.1
Tax at current rate	**63.6**	48.6	**65.8**	57.5
Current tax adjustments:				
Share of net loss in joint ventures	**5.9**	7.0	**-**	-
Fair value movements	**2.1**	3.7	**-**	-
Impairment of goodwill	**14.0**	16.8	**-**	-
Other	**2.4**	0.7	**(64.9)**	(57.0)
(Over)/under provisions in prior periods	**(3.3)**	2.6	-	-
Deferred tax adjustments:				
Buildings depreciation adjustment	**-**	20.5	**-**	-
(Over)/under provisions in prior periods	**2.7**	(1.7)	-	-
Income tax expense/(benefit)- continuing operations	**87.4**	98.2	**0.9**	0.5
Comprising				
Current tax	**14.1**	14.7	**0.9**	0.5
Deferred tax	**73.3**	83.5	**-**	-

Policies

Income tax expense/(benefit) comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date.

Current and deferred tax is recognised in profit or loss unless the tax relates to items in other comprehensive income, in which case the tax is recognised as an adjustment in other comprehensive income against the item to which it relates.

Income tax assets are not discounted, in line with the economic substance of the balance.

Income tax asset

The current tax asset has accumulated from the prepayment of the group's tax liability and the group's previous policy of paying fully imputed dividends. Vector expects to realise the current tax asset through meeting obligations from future taxable profits. Vector has a legally enforceable right to use the tax asset to offset current tax payable.

As at 30 June 2025, Vector recognised a current income tax asset of $19.6 million (2024: $20.2 million) and a non-current income tax asset of $69.0 million (2024: $85.3 million).

Imputation credits

There are no imputation credits available for use as at 30 June 2025 (2024: nil), as the imputation account has a debit balance as of that date.

Pillar Two Model Rules

Vector is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two Model Rules ("Pillar Two"). Pillar Two legislation was enacted in New Zealand, the jurisdiction in which Vector Limited was incorporated, and will come into effect for the group from 1 July 2025. For some entities within the group, such as subsidiaries in Australia, the Pillar Two rules will came into effect from 1 July 2024.

The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to NZ IAS 12 *Income taxes* issued in May 2023.

Under Pillar Two legislation, the group is liable to pay a top-up tax if the effective tax rate ("ETR") per jurisdiction is below the 15% minimum rate. The group has assessed its exposure to the Pillar Two legislation in Australia and for when it comes into effect in New Zealand. This assessment indicates that for the period ended 30 June 2025, the group's operations have satisfied the transitional safe harbour rules for all jurisdictions, and therefore no top-up tax exposure arises in Australia or would have arisen in New Zealand.

18. Deferred tax

Deferred tax liability/ (asset)

	PPE AND INTANGIBLES $M	PROVISIONS AND ACCRUALS $M	HEDGE RESERVES $M	OTHER $M	TOTAL $M
Balance at 30 June 2023	651.6	(4.9)	21.7	16.0	684.4
Recognised in profit or loss- continuing operations	83.5	1.0	-	(1.9)	82.6
Recognised in other comprehensive income	-	-	(11.5)	-	(11.5)
Deferred tax associated with discontinued operations	-	2.1	-	-	2.1
Balance at 30 June 2024	735.1	(1.8)	10.2	14.1	757.6
Recognised in profit or loss- continuing operations	**70.4**	**(3.1)**	**-**	**6.0**	**73.3**
Recognised in other comprehensive income	**-**	**-**	**(14.5)**	**-**	**(14.5)**
Deferred tax associated with discontinued operations	**(1.8)**	**2.2**	**-**	**-**	**0.4**
Balance at 30 June 2025	**803.7**	**(2.7)**	**(4.3)**	**20.1**	**816.8**

The group's deferred tax position is presented in the balance sheet as follows:

	2025 $M	2024 $M
Deferred tax asset	**(0.1)**	(2.1)
Deferred tax liability	**816.9**	759.7
Total	**816.8**	757.6

Policies

Deferred tax is:

- Recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
- Not recognised for the initial recognition of goodwill.
- Measured at tax rates that are expected to be applied to the temporary differences when they reverse.

19. Trade and other payables from exchange transactions

	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Current				
Trade payables from exchange transactions	**176.8**	190.5	**0.5**	0.5
Employee benefits	**17.4**	18.2	**0.1**	0.1
Finance leases	**0.1**	0.3	**-**	-
Interest payable	**19.7**	22.5	**-**	-
Balance at 30 June	**214.0**	231.5	**0.6**	0.6
Non-current				
Finance leases	**0.1**	0.5	**-**	-
Balance at 30 June	**0.1**	0.5	**-**	-

Employee benefits

The group accrues employee benefits which remain unpaid or unused at balance date, and amounts expected to be paid under short-term incentive plans.

20. Distributions payable

	GROUP		PARENT	
	2025 $M	2024 $M	2025 $M	2024 $M
Current				
Distributions payable	**95.0**	75.3	**95.0**	75.3

Distribution payables

Distributions payable at reporting date is made up of the following:

Net surplus from the current year.

In accordance with the Trust Deed, the Trustees shall distribute the Trust's net surplus to beneficiaries listed on the distribution roll at the time the roll is prepared.

Trustee accumulations available for distribution.

In accordance with the Trust Deed, accumulations not distributed to beneficiaries at reporting date is held by the Trust for no more than one year. This includes unclaimed distributions that remain unclaimed after two years (per note 22).

As at 30 June 2025 no distribution roll had been struck to determine the allocation of this surplus to the beneficiaries, therefore the funds are held as distributions payable.

21. Provisions

GROUP	NOTE	DECOMMISSIONING $M	PRODUCT WARRANTY $M	OTHER $M	TOTAL $M
Balance at 30 June 2024		7.1	0.7	1.6	9.4
Additions		**0.3**	**-**	**0.2**	**0.5**
Impact of discounting	9	**0.4**	**-**	**-**	**0.4**
Payments		**-**	**-**	**(0.7)**	**(0.7)**
Reversed to profit or loss		**-**	**(0.3)**	**(0.6)**	**(0.9)**
Sale of discontinued operations		**(7.8)**	**-**	**-**	**(7.8)**
Balance at 30 June 2025		**-**	**0.4**	**0.5**	**0.9**
Comprising:					
Current		**-**	**0.4**	**0.5**	**0.9**
Non-current		**-**	**-**	**-**	**-**

Policies

The group recognises a provision when the group has a present obligation – legal or constructive – as a result of a past event, it is more likely than not that the resulting liability will be required to be settled, and the amount required to settle can be reliably estimated.

Decommissioning

The decommissioning provisions represented the present value of the future expected costs for dismantling the depot assets situated at various regions in New Zealand. Timing of economic outflows represented management's best estimate of the end of the useful life of the plant and associated assets.

On 31 January 2025, Vector completed the sale of the group's 60.25% shareholding in Liquigas Limited. The decommissioning provision was included in the disposal group. Refer to note 5 for further details.

Product warranty

The group provides for restatement costs and warranty claims on products sold or installed. Provisions are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience and subsequently revisited at each reporting date.

Other provisions

These provisions comprise amounts that may be required to be utilised within one year or a longer period dependent on ongoing negotiations with third parties involved. There are currently no foreseeable uncertainties which would be reasonably expected to lead to material changes in the amounts provided.

22. Provision for unclaimed distributions

	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Balance at beginning of the reporting period	**19.2**	15.7	**19.2**	15.7
Additions	**13.4**	12.0	**13.4**	12.0
Claimed and paid	**(2.8)**	(0.5)	**(2.8)**	(0.5)
Cancelled	**(7.2)**	(8.0)	**(7.2)**	(8.0)
Balance at end of the reporting period	**22.6**	19.2	**22.6**	19.2

Policies

Unclaimed distributions represent distributions made to beneficiaries that have not been claimed for payment. The amounts payable will remain a distribution payable up to two years after the distribution, where after it will be cancelled and written back to Accumulations in accordance with the Trust Deed.

23. Fair values

GROUP	NOTE	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2025 $M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2025 $M	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2024 $M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2024 $M
Assets measured at fair value					
Derivative financial instruments	25	**66.3**		86.4	-
Investment in private equity		**-**	**-**	0.5	-
Contingent consideration	11	**-**	**28.1**	-	42.3
Balance at 30 June		**66.3**	**28.1**	86.9	42.3
Liabilities measured at fair value					
Derivative financial instruments	25	**(143.9)**	**-**	166.2	-
Balance at 30 June		**(143.9)**	**-**	166.2	-

Policies

The table above provides the fair value measurement hierarchy of the group's assets and liabilities that are measured at fair value.

The group estimates all fair values using the discounted cash flows method. All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; or

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); or

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments

Fair value is calculated using the discounted cash flow method, estimated using observable interest yield curves and/or foreign exchange market prices. The carrying values of the financial instruments are the fair values excluding any interest receivable or payable, which is separately presented in the balance sheet in other receivables or other payables.

Contingent consideration

Fair value is calculated using the discounted cash flow method. The group made assumptions on unobservable inputs including, amongst others, future raw gas volume from the Kapuni gas field, future LPG prices, future oil prices, foreign exchange rates, and an appropriate discount rate. Further details on the inputs are as follows:

- Future raw gas volume from the Kapuni gas field is based on published forecasts from the Ministry of Business, Innovation and Employment;
- Future LPG prices are based on an independent financial institution's commodity price forecasts;
- Future oil prices are based on S&P Capital IQ forecast data;
- Future natural gas prices are based on an independent expert's commodity price forecast;
- Future foreign exchange rates are based on an independent financial institution's foreign exchange rate forecasts; and
- Discount rate of 10.8% (2024: 11.0%), representing market discount rates as applicable to the remaining life of the Kapuni gas field.

23. Fair values (continued)

Description of material unobservable inputs

The table below summarises the material level 3 unobservable inputs used by the group in measuring fair values and related sensitivity analyses.

2025	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	SENSITIVITY OF VALUATION TO CHANGES IN INPUTS			
			Low	Valuation impact $M	High	Valuation impact $M
Contingent consideration	Discount rate	**10.8%**	-1.0%	**-0.8**	+1.0%	**+0.9**
	Future raw gas volume	**98PJ**	-2PJ per annum	**-5.9**	+2PJ per annum	**+5.1**
	LPG pricing (long-term)	**US$490/ tonne**	-US$50/ tonne	**-2.1**	+US$50/ tonne	**+2.1**
	Oil pricing (long-term)	**US$76/ barrel**	-US$7/ barrel	**-2.0**	+US$7/ barrel	**+2.0**

2024	MATERIAL UNOBSERVABLE INPUTS	RANGE AND ESTIMATES	SENSITIVITY OF VALUATION TO CHANGES IN INPUTS			
			Low	Valuation impact $M	High	Valuation impact $M
Contingent consideration	Discount rate	11.0%	-1.0%	-1.3	+1.0%	+1.4
	Future raw gas volume	136PJ	-2PJ per annum	-7.3	+2PJ per annum	+6.7
	LPG pricing (long-term)	US$485/ tonne	-US$50/ tonne	-3.7	+US$50/ tonne	+3.7
	Oil pricing (long-term)	US$83/ barrel	-US$7/ barrel	-2.6	+US$7/ barrel	+2.6

24. Borrowings

GROUP 2025	CURRENCY	MATURITY DATE	FACE VALUE $M	UNAMORTISED COSTS $M	FAIR VALUE ADJUSTMENT ON HEDGED RISK $M	CARRYING VALUE $M	FAIR VALUE $M
Bank facilities – floating rate	NZD	Jul 2026–Feb 2028	**205.0**	**(0.9)**	-	**204.1**	**205.1**
Capital bonds – fixed rate	NZD	-	**307.2**	**(0.8)**	-	**306.4**	**323.2**
Wholesale bonds - fixed rate	NZD	Oct 2026	**170.0**	**(0.1)**	-	**169.9**	**166.2**
Senior notes – fixed rate	USD	Oct 2027–Mar 2035	**1,212.9**	**(2.3)**	**(66.1)**	**1,144.5**	**1,208.8**
Senior bonds –fixed rate	NZD	Nov 2027	**225.0**	**(0.3)**	**(0.5)**	**224.2**	**225.8**
Balance at 30 June			**2,120.1**	**(4.4)**	**(66.6)**	**2,049.1**	**2,129.1**

GROUP 2024	CURRENCY	MATURITY DATE	FACE VALUE $M	UNAMORTISED COSTS $M	FAIR VALUE ADJUSTMENT ON HEDGED RISK $M	CARRYING VALUE $M	FAIR VALUE $M
Bank facilities – floating rate	NZD	Jul 2024 – Jul 2026	-	(0.3)	-	(0.3)	-
Capital bonds – fixed rate	NZD	-	307.2	(1.1)	-	306.1	316.5
Wholesale bonds - fixed rate	NZD	Oct 2026	170.0	(0.1)	-	169.9	157.0
Senior notes – fixed rate	USD	Oct 2027 – Mar 2035	1,212.9	(2.7)	(118.7)	1,091.5	1,159.7
Senior bonds –fixed rate	NZD	May 2025 – Nov 2027	475.0	(1.0)	(2.7)	471.3	460.3
Balance at 30 June			2,165.1	(5.2)	(121.4)	2,038.5	2,093.5

Policies

Borrowings are initially recorded at fair value, net of transaction costs. After initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in interest costs in profit or loss over the period of the borrowing using the effective interest rate method.

The carrying value of borrowings includes the principal converted at contract rates (face value), unamortised costs and a fair value adjustment for the component of the risk that is hedged. The fair value is calculated by discounting the future contractual cash flows at current market interest rates that are available for similar financial instruments. The fair value of all borrowings, calculated for disclosure purposes, are classified as level 2 on the fair value hierarchy.

Bank facilities

New floating rate bank facilities were added as part of our debt management activities.

Capital bonds

Capital bonds of $307.2 million are perpetual subordinated bonds with the next election date set as 15 June 2027. The interest rate was fixed at 6.23% at the previous election date of 15 June 2022.

Wholesale bonds

Wholesale bonds of $170.0 million with a fixed rate of 1.575% maturing in October 2026.

Senior bonds

Senior bonds of $225.0 million with a fixed rate of 3.69% maturing in November 2027.

In May 2025, the group repaid $250.0 million of senior bonds.

Senior notes

The tranches of USD denominated senior notes and the corresponding NZD values are shown below:

Date issued	NZ $M	US $M	Date of Maturity
March 2020	573.9	360.0	October 2032
	223.2	140.0	October 2035
October 2017	277.2	200.0	October 2027
	138.6	100.0	October 2029

Covenants

All borrowings are unsecured and are subject to negative pledge arrangements.

Under the terms of its borrowing arrangements, the group is subject to various lending covenants. The key covenants include interest coverage and debt to equity gearing. The group was in compliance with all covenant requirements for the years ended 30 June 2025 and 30 June 2024.

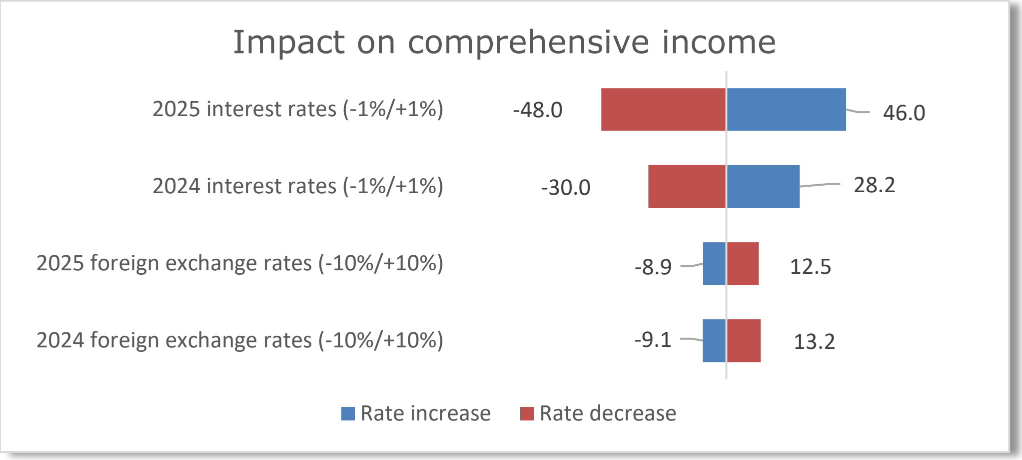
25. Derivatives and hedge accounting

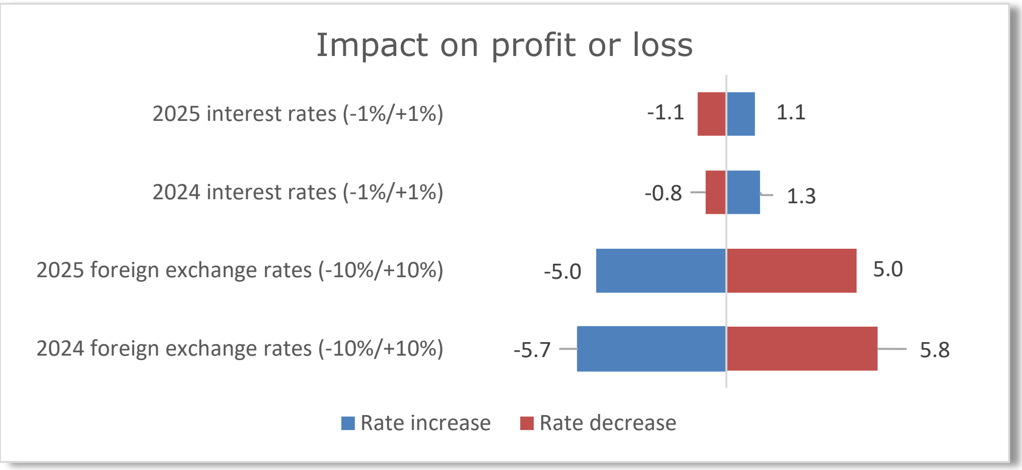
GROUP	CASH FLOW HEDGES 2025 $M	CASH FLOW HEDGES 2024 $M	FAIR VALUE HEDGES 2025 $M	FAIR VALUE HEDGES 2024 $M	COST OF HEDGING 2025 $M	COST OF HEDGING 2024 $M	TOTAL 2025 $M	TOTAL 2024 $M
Derivative assets								
Cross currency swaps	**-**	-	**57.2**	39.6	**(3.0)**	(4.0)	**54.2**	35.6
Interest rate swaps	**11.9**	50.7	**-**	-	**-**	-	**11.9**	50.7
Forward exchange contracts	**0.2**	0.1	**-**	-	**-**	-	**0.2**	0.1
Total	**12.1**	50.8	**57.2**	39.6	**(3.0)**	(4.0)	**66.3**	86.4
Derivative liabilities								
Cross currency swaps	**27.1**	30.7	**(146.8)**	(183.1)	**(9.3)**	(8.6)	**(129.0)**	(161.0)
Interest rate swaps	**(14.1)**	(2.0)	**(0.5)**	(2.7)	**-**	-	**(14.6)**	(4.7)
Forward exchange contracts	**(0.3)**	(0.5)	**-**	-	**-**	-	**(0.3)**	(0.5)
Total	**12.7**	28.2	**(147.3)**	(185.8)	**(9.3)**	(8.6)	**(143.9)**	(166.2)

Key observable market data for fair value measurement	2025	2024
Foreign currency exchange (FX) rates as at 30 June		
NZD-USD FX rate	**0.6096**	0.6086
Interest rate swap rates		
NZD	**3.16% to 4.08%**	4.44% to 5.63%
USD	**3.40% to 4.33%**	3.96% to 5.33%

Sensitivity to changes in market rates

The graphs below illustrate the impact on derivative valuations of possible changes in interest rates and foreign exchange rates, assuming all other variables are held constant.





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25. Derivatives and hedge accounting (continued)

Policies

Vector initially recognises derivatives at fair value on the date the derivative contract is entered into, and subsequently they are re-measured to their fair value at each balance date. All derivatives are classified as level 2 on the fair value hierarchy explained in note 23.

Vector designates certain derivatives as either:

- Fair value hedges (of the fair value of recognised assets or liabilities or firm commitments); or
- Cash flow hedges (of highly probable forecast transactions).

At inception each transaction is documented, detailing:

- The economic relationship and the hedge ratio between hedging instruments and hedged items;
- The risk management objectives and strategy for undertaking the hedge transaction; and
- The assessment (initially and on an ongoing basis) of whether the derivatives that are used in the hedging transaction are highly effective in offsetting changes in fair values or cash flows of hedged items.

The underlying risk of the derivative contracts is identical to the hedged risk component (i.e. the interest rate risk and the foreign exchange risk) therefore the group has established a one-to-one hedge ratio. Effectiveness is assessed by comparing the changes of the hedged items and hedging instruments.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting.

Fair value hedges

Vector has entered into cross currency interest rate swaps and interest rate swaps (the hedging instruments) to hedge the interest rate risk and foreign currency risk (the hedged risk) arising in relation to its USD senior notes and NZD senior bonds (the hedged items). These transactions have been designated into fair value hedges.

The following are recognised in profit or loss:

- The change in fair value of the hedging instruments; and
- The change in fair value of the underlying hedged items attributable to the hedged risk.

Once hedging is discontinued, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised through profit or loss from that date through to maturity of the hedged item.

Cash flow hedges

Vector has entered into interest rate swaps and cross currency interest rate swaps (the hedging instruments) to hedge the variability in cash flows arising from interest rate and foreign currency exchange rate movements in relation to its NZD floating rate notes and USD senior notes.

The effective portion of changes in the fair value of the hedging instruments are recognised in other comprehensive income.
The following are recognised in profit or loss:

- any gain or loss relating to the ineffective portion of the hedging instrument; and
- fair value changes in the hedging instrument previously accumulated in other comprehensive income, in the periods when the hedged item is recognised in profit or loss.

Once hedging is discontinued, any cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss either:

- at the same time as the forecast transaction; or
- immediately if the transaction is no longer expected to occur.

Market rate sensitivity

All derivatives are measured at fair value. A change in the market data used to determine fair value will have an impact on Vector's financial statements.

The graphs on the previous page show the sensitivity of the financial statements to a range of possible changes in market data at balance date.

25. Derivatives and hedge accounting (continued)

GROUP	2025 $M DERIVATIVES POSITION AS PER BALANCE SHEET	2025 $M AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS	2024 $M DERIVATIVES POSITION AS PER BALANCE SHEET	2024 $M AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS
Derivative assets	**66.3**	**12.4**	86.4	28.6
Derivative liabilities	**(143.9)**	**(90.0)**	(166.2)	(108.4)
Net amount	**(77.6)**	**(77.6)**	(79.8)	(79.8)

Rights to offset

Vector enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the balance sheet for accounting purposes. This is because Vector does not have any currently legally enforceable right to offset recognised amounts. Under the ISDA agreements the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events. The potential net impact of this offsetting is disclosed in column 'amount after applying rights of offset under ISDA agreements. Vector does not hold and is not required to post collateral against its derivative positions.

25.1 Effects of hedge accounting on the financial position and performance

The tables below demonstrate the impact of hedged items and the hedging instruments designated in hedging relationships:

- The NZD floating rate exposure includes $1,030.0 million arising from hedging the USD senior bonds (2024: $910.0 million) as allowable under NZ IFRS 9 *Financial Instruments*;
- The fixed rate interest rate swaps include $695.0 million of forward starting swaps (2024: $410.0 million).

GROUP 2025	FACE VALUE $M	WEIGHTED AVERAGE RATE	ACCUMULATED FAIR VALUE HEDGE ADJUSTMENTS $M	CARRYING AMOUNT ASSETS/ (LIABILITIES) $M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS – CASHFLOW HEDGE $M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVENESS – FAIR VALUE HEDGE $M	HEDGING (GAIN) OR LOSS RECOGNISED IN CASH FLOW HEDGE RESERVE $M	(GAIN) OR LOSS RECOGNISD IN COST OF HEDGING $M
Cash flow hedge - Interest risk								
Hedged item: NZD floating rate exposure on borrowings	**(1,235.0)**		**-**	**-**	**(2.3)**	**-**	**-**	**-**
Hedging instrument: Fixed rate interest rate swaps	**(1,930.0)**	**3.0%**	**-**	**(2.3)**	**(2.3)**	**-**	**50.9**	**-**
Cash flow and fair value hedge - Interest and exchange risks								
Hedged item: USD fixed rate exposure on borrowings	**(1,212.9)**		**-**	**(1,144.4)**	**22.5**	**(54.0)**	**-**	**-**
Hedging instrument: Cross currency swaps	**(1,212.9)**	**floating**	**66.1**	**(74.8)**	**27.1**	**54.0**	**1.6**	**0.2**
Fair value hedge - Interest risk								
Hedged item: NZD fixed rate exposure on borrowings	**(50.0)**		**0.5**	**-**	**-**	**(2.2)**	**-**	**-**
Hedging instrument: Interest rate swap	**(50.0)**	**floating**	**-**	**(0.5)**	**-**	**2.2**	**-**	**-**
				Ineffectiveness	**4.6**	**-**		

25. Derivatives and hedge accounting (continued)

25.1 Effects of hedge accounting on the financial position and performance (continued)

GROUP 2024	FACE VALUE $M	WEIGHTED AVERAGE RATE	ACCUMU-LATED FAIR VALUE HEDGE ADJUST-MENTS $M	CARRYING AMOUNT ASSETS/ (LIABILITIES) $M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVE-NESS – CASHFLOW HEDGE $M	CHANGE IN FAIR VALUE USED FOR MEASURING INEFFECTIVE-NESS – FAIR VALUE HEDGE $M	HEDGING (GAIN) OR LOSS RECOGNISED IN CASH FLOW HEDGE RESERVE $M	(GAIN) OR LOSS RECOGNISED IN COST OF HEDGING $M
Cash flow hedge - Interest risk								
Hedged item: NZD floating rate exposure on borrowings	(910.0)		-	-	48.7	-	-	-
Hedging instrument: Fixed rate Interest rate swaps	(1,320.0)	2.5%	-	48.7	48.7	-	35.1	-
Cash flow and fair value hedge - Interest and exchange risks								
Hedged item: USD fixed rate exposure on borrowings	(1,212.9)		-	(1,091.5)	25.4	(2.1)	-	-
Hedging instrument: Cross currency swaps	(1,212.9)	floating	118.7	(125.4)	30.7	2.9	(0.6)	(6.6)
Fair value hedge - Interest risk								
Hedged item: NZD fixed rate exposure on borrowing	(50.0)		2.7	-	-	(1.0)	-	-
Hedging instrument: Interest rate swap	(50.0)	floating	-	(2.7)	-	1.0	-	-
				Ineffectiveness	5.3	0.8		

Hedging instruments and hedged items are included in the line items "Derivatives" and "Borrowings" respectively in the balance sheet. The source of ineffectiveness is largely due to counterparty credit risk on the derivative instruments. Hedge ineffectiveness is included in the "Fair value change on financial instruments" in the profit or loss. Please refer to the asset and liability positions of the hedging instruments in Note 25 derivatives and hedge accounting table above.

25.2 Fair value changes on financial instruments

GROUP	NOTE	2025 $M	2024 $M
Recognised in profit or loss			
Fair value movement on hedging instruments		**56.2**	3.9
Fair value movement on hedged items		**(56.2)**	(3.1)
Ineffectiveness from cash flow hedge relationships		**(0.7)**	0.4
Fair value change on contingent consideration	11	**(7.8)**	(13.2)
Total gains/(losses)		**(8.5)**	(12.0)

25. Derivatives and hedge accounting (continued)

25.3 Reconciliation of changes in hedge reserves

Hedge reserves

GROUP **2025**	CASHFLOW HEDGE RESERVE $M	COST OF HEDGING $M	TOTAL $M
Opening balance	**(35.3)**	**9.1**	**(26.2)**
Hedging gains or losses recognised in OCI – Interest rate swaps	**24.5**	**-**	**24.5**
Hedging gains or losses recognised in OCI – Cross currency swaps	**41.7**	**(0.2)**	**41.5**
Hedging gains or losses recognised in OCI – Forward exchange contracts	**(0.2)**	**-**	**(0.2)**
Transferred to profit or loss – Interest rate swaps	**26.4**	**-**	**26.4**
Transferred to profit or loss – Cross currency swaps	**(40.1)**	**-**	**(40.1)**
Recognised as basis adjustment to non-financial assets	**(0.2)**	**-**	**(0.2)**
Deferred tax on change in reserves	**(14.6)**	**0.1**	**(14.5)**
Closing balance	**2.2**	**9.0**	**11.2**

Hedge reserves

GROUP **2024**	CASH FLOW HEDGE RESERVE $M	COST OF HEDGING $M	TOTAL $M
Opening balance	(60.0)	4.3	(55.7)
Hedging gains or losses recognised in OCI – Interest rate swaps	(6.3)	-	(6.3)
Hedging gains or losses recognised in OCI – Cross currency swaps	38.6	6.6	45.2
Hedging gains or losses recognised in OCI – Forward exchange contracts	0.4	-	0.4
Transferred to profit or loss – Interest rate swaps	41.5	-	41.5
Transferred to profit or loss – Cross currency swaps	(39.1)	-	(39.1)
Recognised as basis adjustment to non-financial assets	(0.7)	-	(0.7)
Deferred tax on change in reserves	(9.7)	(1.8)	(11.5)
Closing balance	(35.3)	9.1	(26.2)

26. Financial risk management

Risk management framework

Vector has a comprehensive treasury policy, approved by the board, to manage financial risks arising from business activity. The policy outlines the objectives and approach that the group applies to manage:

- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Foreign exchange risk; and
- Funding risk.

For each risk type, any position outside the policy limits requires the prior approval of the board. Each risk is monitored on a regular basis and reported to the board.

26.1 Interest rate risk

Interest rate exposure

GROUP **2025**	< 1 YEAR $M	1 – 2 YEARS $M	2 – 5 YEARS $M	> 5 YEARS $M	TOTAL $M
Interest rate exposure: borrowings	**205.0**	**477.2**	**640.8**	**797.1**	**2,120.1**
Derivative contracts:					
Interest rate swaps	**(1,160.0)**	**10.0**	**840.0**	**310.0**	**-**
Cross currency swaps	**1,212.9**	**-**	**(415.8)**	**(797.1)**	**-**
Net interest rate exposure	**257.9**	**487.2**	**1,065.0**	**310.0**	**2,120.1**

Interest rate exposure

GROUP **2024**	< 1 YEAR $M	1 – 2 YEARS $M	2 – 5 YEARS $M	> 5 YEARS $M	TOTAL $M
Interest rate exposure: borrowings	250.0	-	979.4	935.7	2,165.1
Derivative contracts:					
Interest rate swaps	(850.0)	300.0	170.0	380.0	-
Cross currency swaps	1,212.9	-	(277.2)	(935.7)	-
Net interest rate exposure	612.9	300.0	872.2	380.0	2,165.1

Policies

Vector is exposed to interest rate risk through its borrowing activities.

Interest rate exposures are managed primarily by entering into derivative contracts. The main objectives are to minimise the cost of total borrowings, control variations in the interest expense of the borrowings from year to year, and where practicable to match the interest rate risk profile of the borrowings with the risk profile of the group's assets.

The board has set and actively monitors maximum and minimum limits for the net interest rate exposure profile.

26. Financial risk management (continued)

26.2 Credit risk

Policies

Credit risk represents the risk of cash flow losses arising from counterparty defaults. Vector is exposed to credit risk in the normal course of business from:

- Trade receivable transactions with business and mass market residential customers; and
- Financial instruments transactions with financial institutions.

The carrying amounts of financial assets represent the group's maximum exposure to credit risk.

The group has credit policies in place to minimise the impact of exposure to credit risk and associated financial losses:

- The board must approve placement of cash, short-term cash deposits or derivatives with financial institutions whose credit rating is less than A+. As at 30 June 2025, all financial instruments are held with financial institutions with credit rating above A+;
- The board sets limits and monitors exposure to financial institutions; and
- Exposure is spread across a range of financial institutions. Where we deem there is credit exposure to energy retailers and customers, the group minimises its risk by performing credit evaluations and/or requiring a bond or other form of security.

26.3 Liquidity risk

Contractual cash flows maturity profile

GROUP 2025	PAYABLE <1 YEAR $M	PAYABLE 1-2 YEARS $M	PAYABLE 2-5 YEARS $M	PAYABLE >5 YEARS $M	TOTAL CONTRACTUAL CASH FLOWS $M
Non-derivative financial liabilities					
Distribution payable	**95.0**	**-**	**-**	**-**	**95.0**
Trade payables from exchange transactions and deferred payables	**176.8**	**-**	**-**	**-**	**176.8**
Unclaimed distributions	**9.2**	**13.4**	**-**	**-**	**22.6**
Contract liabilities	**0.7**	**1.6**	**-**	**-**	**2.3**
Borrowings: interest	**71.3**	**68.0**	**90.2**	**62.6**	**292.1**
Borrowings: principal	**205.0**	**477.2**	**717.1**	**820.2**	**2,219.5**
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	**(39.2)**	**(39.1)**	**(578.2)**	**(882.9)**	**(1,539.4)**
Cross currency swaps: outflow	**62.1**	**62.3**	**581.0**	**931.9**	**1,637.3**
Forward exchange contracts: inflow	**(14.8)**	**(1.0)**	**(0.3)**	-	**(16.1)**
Forward exchange contracts: outflow	**14.8**	**1.1**	**0.3**	-	**16.2**
Net settled derivatives					
Interest rate swaps	**(4.4)**	**2.8**	**4.8**	**(0.3)**	**2.9**
Group contractual cash flows	**576.5**	**586.3**	**814.9**	**931.5**	**2,909.2**

26. Financial risk management (continued)

26.3 Liquidity risk (continued)

Contractual cash flows maturity profile

GROUP 2024	PAYABLE <1 YEAR $M	PAYABLE 1-2 YEARS $M	PAYABLE 2-5 YEARS $M	PAYABLE >5 YEARS $M	TOTAL CONTRACTUAL CASH FLOWS $M
Non-derivative financial liabilities					
Distribution payable	75.3	-	-	-	75.3
Trade payables from exchange transactions and deferred payables	190.5	-	-	-	190.5
Unclaimed distributions	7.2	12.0	-	-	19.2
Contract liabilities	2.2	3.5	1.1	-	6.8
Borrowings: interest	77.9	69.4	133.5	87.6	368.4
Borrowings: principal	250.0	-	1,030.8	985.9	2,266.7
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	(39.4)	(39.3)	(429.2)	(1,073.5)	(1,581.4)
Cross currency swaps: outflow	89.5	79.1	471.3	1,126.6	1,766.5
Forward exchange contracts: inflow	(16.2)	-	-	-	(16.2)
Forward exchange contracts: outflow	16.7	-	-	-	16.7
Net settled derivatives					
Interest rate swaps	(29.6)	(17.5)	(4.9)	(0.6)	(52.6)
Group contractual cash flows	624.1	107.2	1,202.6	1,126.0	3,059.9

Contractual cash flows

The above table shows the timing of non-discounted cash flows for all financial instrument liabilities and derivatives.

The cash flows for bank facilities, included in borrowings, are disclosed on the basis of their contractual repayment terms for the individual drawdowns.

The cash flows for capital bonds, included in borrowings, are disclosed as payable within 1-2 years as the next election date set for the capital bonds is 15 June 2027 (2024: 2-5 years) and the bonds have no contractual maturity date.

Policies

The group and Vector are exposed to liquidity risk where there is a risk that the group may encounter difficulty in meeting its day to day obligations due to the timing of cash receipts and payments.

The objective is to ensure that adequate liquid assets and funding sources are available at all times to meet both short-term and long-term commitments. The board has set a minimum headroom requirement for committed facilities over Vector’s anticipated 18-month peak borrowing requirement.

At balance date, Vector has access to undrawn funds of $435.0 million (2024: $575.0 million).

26.4 Foreign exchange risk

Policies

The group and Vector are exposed to foreign exchange risk through its borrowing activities, and foreign currency denominated expenditure.

Foreign exchange exposure is primarily managed through entering into derivative contracts. The board requires that all material foreign currency borrowings and expenditure are hedged into NZD at the time of commitment to drawdown or when the exposure is highly probable. Hence, at balance date there is no material exposure to foreign currency risk.

26.5 Funding risk

Policies

Funding risk is the risk that Vector will have difficulty refinancing or raising new debt on comparable terms to existing facilities. The objective is to spread the concentration of risk so that if an event occurs the overall cost of funding is not unnecessarily increased. Details of borrowings are shown in note 24.

The group has set the maximum amount of debt that may mature in any one financial year.

27. Cash flows

27.1 Reconciliation of net surplus/(deficit) to net cash flows from/(used in) operating activities

	GROUP		PARENT	
Reconciliation of net surplus/(deficit) to net cash flows from/(used in) operating activities including discontinued operations	2025 $M	2024 $M	2025 $M	2024 $M
Net surplus/(deficit)for the period	**165.9**	90.6	**198.5**	173.6
Transactions with beneficiaries				
Distribution to beneficiaries	**(218.2)**	(185.7)	**(218.2)**	(185.7)
Distributions payable	**19.7**	12.1	**19.7**	12.1
	(198.5)	(173.6)	**(198.5)**	(173.6)
Items not associated with operating activities				
Gain on sale of discontinued operations classified as investing activities	**(3.9)**	-	**-**	-
Cost to sell of discontinued operations	**(1.4)**	-	**-**	-
Contingent consideration associated with investing activities	**(10.8)**	(11.4)	**-**	-
PPE items associated with investing activities	**8.6**	(4.7)	**-**	-
Movements in emission units associated with investing activities	**(7.4)**	0.8	**-**	-
Lease liabilities items associated with financing activities	**-**	(0.3)	**-**	-
	(14.9)	(15.6)	**-**	-
Non-cash items				
Depreciation and amortisation	**224.2**	221.0	**-**	-
Non-cash portion of interest costs (net)	**(1.4)**	(13.0)	**-**	-
Fair value change on financial instruments	**8.5**	12.0	**-**	-
Share of net profit/(loss) in joint ventures	**21.1**	24.9	**-**	-
Impairment of assets and goodwill	**37.0**	60.6	**-**	-
Increase/(decrease) in deferred tax	**68.1**	80.2	**-**	-
Non-cash movements in provisions	**-**	0.3	**-**	-
Other non-cash items	**(1.3)**	(1.0)	**-**	-
	356.2	385.0	**-**	-
Changes in assets and liabilities				
Trade and other payables from exchange transactions	**(16.6)**	(46.4)	**0.1**	-
Provisions	**(8.5)**	(17.1)	**-**	-
Contract liabilities	**(22.3)**	(3.0)	**-**	-
Contract assets	**11.8**	(12.4)	**-**	-
Inventories	**14.9**	(5.3)	**-**	-
Trade and other receivables from exchange transactions	**1.9**	42.4	**(0.2)**	(0.3)
Income tax	**16.1**	14.1	**0.2**	(1.9)
Distributions payable	**19.7**	12.1	**19.7**	12.1
Provision for unclaimed distributions	**3.4**	3.5	**3.4**	3.5
	20.4	(12.1)	**23.2**	13.4
Net cash flows from/(used in) operating activities	**329.1**	274.3	**23.2**	13.4

27. Cash flows (continued)

27.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

Reconciliation of movement of liabilities to cash flows arising from financing activities	BORROWINGS	DERIVATIVES	TOTAL
Balance at 1 July 2024	2,038.5	79.8	2,118.3
Net repayments	**(45.0)**	**-**	**(45.0)**
Financing cash flows	**(45.0)**	**-**	**(45.0)**
Fair value changes	**54.9**	**(2.2)**	**52.7**
Borrowing fees paid	**(3.7)**	**-**	**(3.7)**
Amortisation of debt raising costs	**4.4**	**-**	**4.4**
As at 30 June 2025	**2,049.1**	**77.6**	**2,126.7**

28. Equity

28.1 Share Capital

Trust Distributions

The Trust's net distribution of $364 per beneficiary will be paid in September 2025 (2024: $350).

The Group recognises distributions as a payable in the financial statements on the date the dividend is declared and in accordance with note 20 – Distributions Payable.

Shares

Vector Limited's total number of authorised and issued shares is 1,000,000,000 (2024: 1,000,000,000).

All ordinary issued shares are fully paid, have no par value and carry equal voting rights and equal rights to a surplus on winding up of the parent.

At balance date 26,343 shares (2024: 26,343) are allocated to the employee share purchase scheme.

28.2 Capital Management

Policies

The Parent's objectives in managing capital are:

- To safeguard the ability of entities within the group to continue as a going concern;
- To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk; and
- Maintain an investment grade credit rating.

Vector manages and may adjust its capital structure in light of changes in economic conditions and for the risk characteristics of the underlying assets. To achieve this Vector may:

- Adjust its dividend policy;
- Return capital to shareholders; or
- Sell assets to reduce debt.

28. Equity (continued)

28.3 Reserves

Hedge reserves

Hedge reserves comprise the cash flow hedge reserve and cost of hedging.

The cash flow hedge reserve records the effective portion of changes in the fair value of derivatives that are designated as cash flow hedges.

The gain or loss relating to the ineffective portion is recorded in profit or loss within interest costs (net).

During the year, a $13.7 million gain (2024: $2.4 million loss) was transferred from the cash flow hedge reserve to interest expense.

Cost of hedging records the change in the fair value of the cost to convert foreign currency into New Zealand dollars as required under NZ IFRS 9.

Other reserves

Other reserves comprise:

- A share-based payment reserve relating to the employee share purchase scheme. When shares are vested to the employee, the reserve is offset with a reduction in treasury shares.
- A foreign currency translation reserve to record exchange differences arising from the translation of the group's foreign operations.
- A reserve to record the fair value movements in the group's investments in financial assets.

29. Related party transactions

Related parties

Related parties of the group are:

- Vector Limited;
- Bluecurrent, made up of the consolidated groups of Bluecurrent NZ Holdings Limited and Bluecurrent Holdings (Australia) Pty Limited; and
- Key management personnel, including the group's directors and the executive team.

	PARENT 2025 $M	PARENT 2024 $M
Transactions with Vector Limited		
Dividends received	**200.9**	174.6

Transactions with associates and other joint operations.	GROUP 2025 $M	GROUP 2024 $M	PARENT 2025 $M	PARENT 2024 $M
Transactions with Bluecurrent				
Interest from shareholder loans	**12.5**	15.4	**-**	-
Provision of metering data services	**7.4**	5.1	**-**	-
Provision of transitional services	**6.5**	8.3	**-**	-
Transactions with directors of Vector Limited				
Directors' fees paid to Entrust trustees directors of Vector Limited	**0.2**	0.2	**-**	-
Directors' fees paid to non-trustee directors of Vector Limited	**0.7**	1.0	**-**	-
Transactions with key management personnel				
Salary and other short-term employee benefits (Entrust)	**0.4**	0.4	**0.4**	0.4
Salary and other short-term employee benefits (Vector Limited)	**8.1**	7.2	**-**	-

Advances to related parties	2025 $M	2024 $M
Shareholder loans to Bluecurrent		
Balance at start of period	**208.9**	229.0
Interest capitalised	**16.0**	11.9
Repayments	**(51.8)**	(30.6)
Effect of changes in exchange rates	**(1.9)**	(1.4)
Balance at end of period	**171.2**	208.9

29. Related party transactions (continued)

Trustees' remuneration:	2025 $	2024 $
Trustees		
D Lee	**114,357**	67,450
R Langton	**67,962**	-
P Hutchison	**74,817**	67,450
A Bell	**74,817**	67,450
A Ogilvie (elected effective 1 November 2024)	**52,333**	-
W Cairns (retired 31 October 2024)	**26,570**	98,100
M Buczkowski (resigned 31 May 2024)	**-**	64,350
Total	**410,856**	364,800

Trustees' fees are paid by the Parent.

Related parties

The Parent is the majority shareholder of the subsidiary Vector Limited. Note 16 identifies all entities including associates, partnerships and joint ventures in which the group has an interest. All of these entities are related parties of the subsidiary Vector Limited. Other than Vector Limited's directors themselves, there are no additional related parties with whom material transactions have taken place.

Key management personnel include remuneration of Vector Limited's Group CEO and the members of his Executive Team during the periods presented as well as the remuneration of the Parent's trustees and executive officer.

30. Contingent liabilities

Disclosures

The directors are aware of claims that have been made against entities of the group and, where appropriate, have recognised provisions for these within note 21.

No material contingent liabilities have been identified.

31. Events after balance date

Sale of subsidiary

On 1 August 2025, Vector entered an agreement to sell E-Co Products Group Limited and its subsidiaries, for $2.5 million. The transaction completed on 1 August 2025. No adjustment is required to these financial statements in respect of this event.

Approval

The financial statements were approved by the board on 25 August 2025.

Final dividend

On 22 August 2025, the Vector board declared a final unimputed dividend for the year ended 30 June 2025 of 13.00 cents per share.

On 25 August 2025, the Trustees resolved to make a net distribution to beneficiaries of $364 (2024: $350) per beneficiary.

No adjustment is required to these financial statements in respect of this event.

32. Guidelines of access to information

Disclosure

We wish to advise that, pursuant to paragraph 10.2 of the Guidelines of Access to Information by Beneficiaries of Electricity Community and Consumer Trusts, no requests for information were received by the trust office during the reporting period.

Year	No. of Requests Received	Costs incurred to process those requests and any recoveries made (includes external costs incurred and an allocation of internal costs based on Official Information Act guidelines)	No. of Trust decisions which were subject to review	Summary of outcome of those reviews and costs incurred in reviews
2025	Nil	$Nil	Nil	N/A
2024	Nil	$Nil	Nil	N/A