Entrust
2026

GENERAL PURPOSE FINANCIAL REPORT

General Purpose Financial Report
for the year ended 30 June 2026

CONTENTS

2026 FINANCIAL STATEMENTS

These financial statements for the year ended 30 June 2026 are dated 18 August 2026, 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

Termination Date

27 August 2073

Accountant

Findex
P O Box 158
Auckland

Auditor

Moore Markhams Auckland Audit
P O Box 2194
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Legal Advisor

Lowndes Jordan
P O Box 5966
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MOORE Markhams

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Independent auditor's report

To the Beneficiaries of Entrust

Opinion

We have audited the General Purpose Financial Report including consolidated statement of service performance and consolidated and separate financial statements (the "General Purpose Financial Report") of Entrust (the "Trust") and its subsidiaries (collectively referred as "the Group") which comprise the consolidated and separate financial statements on pages 8 to 46, and the consolidated statement of service performance on pages 5 to 7. The complete set of consolidated and separate financial statements comprise the statement of financial position as at 30 June 2026, 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 and other explanatory information.

In our opinion, the accompanying General Purpose Financial Report present fairly, in all material respects:

- the financial position of the Trust and Group as at 30 June 2026, and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2026 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 General Purpose Financial Report 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*. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the General Purpose Financial Report' 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 Standards (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 General Purpose Financial Report and our auditor's report thereon.

Our opinion on the General Purpose Financial Report 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 General Purpose Financial Report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the General Purpose Financial Report 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 General Purpose Financial Report

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

- The preparation, and fair presentation of the General Purpose Financial Report 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 entity'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 Public Benefit Entity Standards (Not-for-profit); and

- Such internal control as Trustees determine is necessary to enable the preparation of the General Purpose Financial Report that is free from material misstatement, whether due to fraud or error.

In preparing the General Purpose Financial Report, 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 General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the General Purpose Financial Report 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 this General Purpose Financial Report.

A further description of the auditor's responsibilities for the audit of the General Purpose Financial Report is located at the XRB's website at https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/.

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, as a body, 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
18 August 2026

Consolidated Statement of Service Performance

for the year ended 30 June 2026

Entrust is an 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 372,000 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.

In preparing the Statement of Service Performance, the Trustees exercised judgement in determining the appropriate reporting boundary for service performance reporting under PBE FRS 48.

The Group presents both consolidated financial statements and separate financial statements for the Parent entity. The Trustees considered whether separate service performance information should also be presented for the Parent entity.

The Trustees concluded that presenting a separate Statement of Service Performance for the Parent entity would not provide information materially different from that presented in the consolidated Statement of Service Performance. This is because the Group's service objectives are established and monitored by the Parent entity and the activities of subsidiary entities are undertaken primarily to support the achievement of those objectives. Although the service performance measures presented are substantially those of the Parent entity, the Trustees concluded that these measures appropriately reflect the service outcomes and objectives of the Group as a whole. The Trustees consider that a consolidated Statement of Service Performance best reflects how service performance is monitored, managed and reported to those charged with governance and provides the most relevant information to users of the general-purpose financial report.

Accordingly, service performance information has been presented on a consolidated basis only.

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.

Consolidated Statement of Service Performance (continued)

for the year ended 30 June 2026

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 FY26	Result FY25
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 2026, the dividend was paid on 24 September 2025.	In the year to 30 June 2025, the dividend was paid on 18 September 2024.
	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 2026, the accuracy rate of direct credits to beneficiary bank accounts was 99.988%	In the year to 30 June 2025, the accuracy rate of direct credits to beneficiary bank accounts was 99.986%
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 on undergrounding and/or new technology projects as detailed in the NDREOR of an amount (Base Amount) per year being the greater of (i) $12.5 million and (ii) a variable amount calculated in accordance with a prescribed formula set out in the NDREOR (generally likely to be higher than $12.5 million) or, if expenditure is less than the Base Amount in any given year, then a spend in that year which, when aggregated with the spend in the immediately preceding 4 financial years, is equal to or greater than the Base Amount for that financial year.	In the financial year to 30 June 2025, Vector invested $16.6 million in the undergrounding of overhead lines in locations and has met its annual obligation of $12.8 million under the revised NDREOR of 26 February 2025, as well as making up the $1.4m shortfall when the target was not met last year.	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.

Consolidated Statement of Service Performance (continued)

for the year ended 30 June 2026

Outputs and measurement of service performance (continued)

Level of Service	Measure	Result FY26	Result FY25
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 2026, so there is no update for the year to 30 June 2026.	The most recent State of the Network Review was completed in August 2024 and is available on the Entrust website.
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 2026, Entrust submitted to regulators and parliamentary committees on eight different matters, being: To the Commerce Commission: Gas DPP4 Issues Paper Cross-submission Gas DPP4 Issues paper Gas Draft DPP4 To the Electricity Authority: Improved billing, consumer plan comparison and switching Level Playing Field Code Amendment and Mandated Super Peak Product Work Priorities and Appropriations 2026/27 Distribution Connection Pricing Distributed Injection Pricing Principles Copies of all submissions are available on our website.	In the year to 30 June 2025, Entrust submitted to regulators, ministries and select 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 prior year (2024), Entrust submitted on six matters.

Summary

Trustees were pleased with progress in the year to 30 June 2026, 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 of $12.8 million was exceeded in the period under review. Total undergrounding spend was $16.6 million, which included making up the $1.4 million shortfall in spend from the prior 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.

Comprehensive Revenue and Expense

for the year ended 30 June

	NOTE	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Continuing operations:					
Revenue from exchange transactions	5	**1,195.3**	1,104.0	**191.5**	200.9
Operating expenses	6	**(525.8)**	(508.8)	**(4.2)**	(5.1)
Non-operating losses		**(9.5)**	-	**-**	-
Depreciation and amortisation		**(226.7)**	(222.8)	**-**	-
Interest income	7	**20.5**	29.2	**2.9**	3.6
Interest costs	8	**(95.8)**	(94.7)	**-**	-
Impairment of goodwill	12.1	**-**	(37.0)	**-**	-
Fair value change on financial instruments	23.2	**4.3**	(8.5)	**-**	-
Share of net profit/(loss) in joint ventures		**(21.6)**	(21.1)	**-**	-
Surplus before income tax		**340.7**	240.3	**190.2**	199.4
Tax benefit/(expense)	16	**(100.1)**	(87.4)	**1.1**	(0.9)
Net surplus for the period from continuing operations		**240.6**	152.9	**191.3**	198.5
Net surplus for the period from discontinued operations	4	**-**	13.0	**-**	-
Net surplus for the period		**240.6**	165.9	**191.3**	198.5
Net surplus/(deficit) for the period attributable to					
Non-controlling interests in subsidiaries		**60.0**	42.8	**-**	-
Beneficiaries of the Parent – continuing operations		**180.6**	114.3	**191.3**	198.5
Beneficiaries of the Parent – discontinued operations		**-**	8.8	**-**	-
Total		**240.6**	165.9	**191.3**	198.5

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

Other Comprehensive Revenue and Expense

for the year ended 30 June

		GROUP		PARENT	
	NOTE	2026 $M	2025 $M	2026 $M	2025 $M
Net surplus/(deficit) for the period		**240.6**	165.9	**191.3**	198.5
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	23.3	**2.1**	(37.4)	-	-
Translation of foreign operations		**20.0**	(2.3)	-	-
Items that will not be re-classified to surplus or deficit:					
Share of other comprehensive income of joint ventures		**20.7**	(19.9)	-	-
Other comprehensive revenue and expense for the period net of tax- continuing operations		**42.8**	(59.6)	-	-
Total comprehensive revenue and expense for the period net of tax		**283.4**	106.3	**191.3**	198.5
Total comprehensive revenue and expense for the period attributable to					
Non-controlling interests in subsidiaries		**70.6**	28.0	-	-
Beneficiaries of the Parent – continuing operations		**212.8**	69.5	**191.3**	198.5
Beneficiaries of the Parent – discontinued operations		**-**	8.8	**-**	-

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

MARKED FOR IDENTIFICATION BY MOORE MARKHAMS

Financial Position

as at 30 June

	NOTE	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
CURRENT ASSETS					
Cash and cash equivalents	9	**40.3**	60.5	**34.9**	37.2
Deposits	9	**90.0**	80.0	**90.0**	80.0
Trade and other receivables from exchange transactions	11	**84.5**	102.3	**0.9**	1.4
Contract assets		**116.4**	92.5	**-**	-
Derivatives	23	**2.8**	2.5	**-**	-
Inventories		**-**	11.5	**-**	-
Contingent consideration	10	**5.0**	8.1	**-**	-
Intangible assets		**-**	-	**-**	-
Income tax	16	**37.0**	19.9	**-**	-
Total current assets		**376.0**	377.3	**125.8**	118.6
NON-CURRENT ASSETS					
Receivables from exchange transactions	11	**3.4**	4.4	**-**	-
Derivatives	23	**97.0**	63.8	**-**	-
Contingent consideration	10	**21.6**	20.0	**-**	-
Investments in subsidiaries		**-**	-	**300.0**	300.0
Investment in joint venture	15.1	**580.4**	605.5	**-**	-
Intangibles	12	**1,046.7**	1,051.9	**-**	-
Property, plant and equipment (PPE)	13	**5,119.0**	4,808.1	**-**	-
Income tax	16	**-**	71.2	**-**	-
Deferred tax	17	**0.1**	0.1	**-**	-
Total non-current assets		**6,868.2**	6,625.0	**300.0**	300.0
Total assets		**7,244.2**	7,002.3	**425.8**	418.6
CURRENT LIABILITIES					
Distributions payable	19	**99.0**	95.0	**99.0**	95.0
Trade and other payables from exchange transactions	18	**220.7**	214.0	**0.8**	0.6
Provisions		**0.5**	0.9	**-**	-
Provision for unclaimed distributions	20	**25.6**	22.6	**25.6**	22.6
Borrowings	22	**170.0**	-	**-**	-
Deferred revenue		**57.0**	52.6	**-**	-
Derivatives	23	**-**	0.3	**-**	-
Income tax		**0.4**	0.4	**0.4**	0.4
Total current liabilities		**573.2**	385.8	**125.8**	118.6
NON-CURRENT LIABILITIES					
Payables from exchange transactions		**0.4**	0.1	-	-
Borrowings	22	**2,084.6**	2,049.1	**-**	-
Deferred revenue		**2.0**	2.9	-	-
Derivatives	23	**88.4**	143.6	-	-
Deferred tax	17	**863.0**	816.9	-	-
Total non-current liabilities		**3,038.4**	3,012.6	**-**	-
Total liabilities		**3,611.6**	3,398.4	**125.8**	118.6
NET ASSETS					
Net Assets attributable to beneficiaries of the Parent		**2,734.8**	2,713.2	**300.0**	300.0
Non-controlling interests in subsidiaries		**897.8**	890.7	**-**	-
Total net assets		**3,632.6**	3,603.9	**300.0**	300.0
Total net assets and liabilities		**7,244.2**	7,002.3	**425.8**	418.6

Cash Flows

for the year ended 30 June

	NOTE	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**997.9**	973.1	**-**	-
Customer contributions received		**191.5**	190.0	**-**	-
Interest received		**18.0**	27.7	**3.3**	3.3
Dividends received		**32.6**	-	**191.5**	200.9
Payments to suppliers and employees		**(504.4)**	(571.5)	**(4.1)**	(5.0)
Lease payments		**(8.7)**	(11.7)	**-**	-
Distribution to beneficiaries		**(122.2)**	(116.9)	**(122.2)**	(116.9)
Dividend withholding tax paid		**(62.1)**	(58.4)	**(62.1)**	(58.4)
Interest paid		**(99.3)**	(99.8)	**-**	-
Income tax paid		**(0.1)**	(3.4)	**1.3**	(0.7)
Net cash flows from/(used in) operating activities	25.1	**443.2**	329.1	**7.7**	23.2
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale PPE and software intangibles		**0.8**	0.4	-	-
Purchase and construction of PPE		**(503.9)**	(443.7)	-	-
Purchase and development of software intangibles		**(27.4)**	(31.2)	-	-
Proceeds from contingent consideration	10	**11.7**	10.8	-	-
Proceeds from sale of discontinued operations		**1.7**	158.0	-	-
Cash balance disposed in sale of discontinued operations		**-**	(5.6)	-	-
Repayments of loans advanced		**12.1**	36.2	-	-
Other investing cash flows		**0.1**	0.7	-	-
Net cash flows from/(used in) investing activities		**(504.9)**	(274.4)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**410.0**	260.0	-	-
Repayment of borrowings		**(295.0)**	(305.0)	-	-
Dividends paid		**(63.5)**	(67.8)	-	-
Net cash flows from/(used in) financing activities		**51.5**	(112.8)	-	-
Net increase/(decrease) in cash and cash equivalents and term deposits		**(10.2)**	(58.1)	**7.7**	23.2
Cash and cash equivalents and term deposits at beginning of the period		**140.5**	198.6	**117.2**	94.0
Cash and cash equivalents and term deposits at end of the period		**130.3**	140.5	**124.9**	117.2
Cash and cash equivalents comprise:					
Bank balances and on-call deposits	9	**40.3**	60.5	**34.9**	37.2
Short term deposits	9	**90.0**	80.0	**90.0**	80.0
		130.3	140.5	**124.9**	117.2

Discontinued operations

The cash flows above reflect the entire group cash flows for the year ended 30 June 2026. Comparative information also includes cash flows from discontinued operations from Vector's natural gas and gas trading businesses, refer to note 4 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 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
Net surplus/(deficit) for the period		**-**	**-**	**180.6**	**60.0**	**240.6**
Other comprehensive revenue and expense		**1.6**	**30.6**	**-**	**10.6**	**42.8**
Total comprehensive revenue and expense		**1.6**	**30.6**	**180.6**	**70.6**	**283.4**
Dividends and distributions	3	**-**	**-**	**(195.2)**	**(63.5)**	**(258.7)**
Distribution payable		**-**	**-**	**4.0**	**-**	**4.0**
Total transactions with beneficiaries		**-**	**-**	**(191.2)**	**(63.5)**	**(254.7)**
Balance at 30 June 2026		**(7.1)**	**3.3**	**2,738.0**	**897.8**	**3,632.6**

PARENT	NOTE	TRUSTEE FUNDS $M	RETAINED EARNINGS $M	TOTAL NET ASSETS $M
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	27	-	(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**
Net surplus/(deficit) for the period		**-**	**191.3**	**191.3**
Other comprehensive revenue and expense		**-**	**-**	**-**
Total comprehensive revenue and expense		**-**	**191.3**	**191.3**
Dividends and distributions	27	**-**	**(195.2)**	**(195.2)**
Distribution payable		**-**	**3.9**	**3.9**
Total transactions with beneficiaries		**-**	**(191.3)**	**(191.3)**
Balance at 30 June 2026		**300.0**	**-**	**300.0**

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

Notes to the financial statements .... Page

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.

These consolidated financial statements comprise the Trust and its subsidiaries (together referred to as the "Group").

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, with the 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 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

The group'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	10, 21
Intangible assets: valuation of goodwill, risk of impairment	Estimates	12
Property, plant and equipment: classification of costs	Judgements	13
Valuation of derivative financial instruments	Estimates	23, 24

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2. Summary of material accounting policies (continued)

New standards and interpretations adopted	A number of new standards and interpretations are effective from 1 July 2025, but they do not have a material effect on the group's financial statements. A number of new standards and interpretations are effective for annual periods beginning on or after 1 July 2026 and earlier application is permitted, however the group has not early adopted the new or amended standards in preparing these consolidated financial statements. The Trust has considered the impact of standards and interpretations not yet effective and do not expect any of these to have a material impact. The group is currently assessing the impact of amendments to PBE IPSAS 1 *Presentation of Financial Reports*, which is mandatory from the year ended 30 June 2027. The standard provides further guidance on the current/non-current distinction in the Financial Position. The Trust will continue to monitor changes to the standards, any amendments, and additional guidance from regulators to determine the impact they will have on the consolidated financial statements.

Entrust
Majority shareholder of Vector

3. Material transactions and events

Material transactions and events that have impacted the financial year ended 30 June 2026:

Sale of E-Co Products Group Limited	On 1 August 2025, Vector entered and completed an agreement with HRV NZ Limited for the sale of its entire shareholding in Eco- Products Group Limited for $2.5 million. A non-operating loss of $9.5 million has been recognised on this transaction.
Commerce commission decisions	On 27 May 2026, the Commerce Commission ("the Commission") released its final default price path determination for gas distribution businesses applying from 1 October 2026 through to 30 September 2031 ("DPP4"). While New Zealand's gas production has halved since 2016 and gas demand is expected to decline over time, the Commission considers gas will remain an important part of New Zealand's energy mix for at least the next two decades. Given this expectation, gas pipelines must be maintained and operated to provide reliable services to consumers who continue to use gas. The DPP4 decision reflects the Commission's long-term approach to setting prices and revenues in a way that can be sustained over time. This includes balancing the right incentives for maintaining gas distribution networks while recognising a potentially shorter economic life for the assets. The Commission have addressed this in their final DPP4 decision by retaining accelerated depreciation, which enables us to recover the residual value of the residual regulatory asset base faster. This decision impacts 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 2025 and 31 March 2026, Vector was within the unplanned SAIDI and SAIFI quality limits.
Regulatory consultations	In November 2025, the Electricity Authority (the "Authority") released a round of consultation on its network connection pricing reform. This consultation ("Reducing barriers for new connections: upfront charges and distributor obligations") proposed to introduce targeted intervention of connection pricing where upfront connection costs are too high, along with distributor obligations for connecting customers. The Authority's decision paper was released in July 2026, along with two further consultations. It has introduced an interim measure (the "targeted intervention" framework) that enables the Authority to examine distributors' pricing methodologies and requires them to be adjusted to comply with the new "balance point" principle. The targeted intervention came into effect on 1 August 2026 and is set to expire in 2030, although directions under the framework may continue. The Authority has not introduced an obligation for distributors to connect customers, but this remains its preferred direction. Instead, it will monitor supply issues and work towards its preferred direction. The first consultation was on the Authority's proposed guidance on the balance point principles. Vector has submitted its response on this consultation. The second consultation is an issues paper for further reform of connection pricing. This paper sets out the Authority's initial thinking on possible reforms and seeks feedback on the scope of the next stage of work. This includes how connection costs and one-off charges are determined, pricing for areas not currently covered by the rules, and related issues such as contestability in connection service. Vector will submit on this consultation by 24th August 2026. These determinations will influence how Vector manages its customer connections.
Debt programme	During the year ended 30 June 2026, the group drew down $410.0 million and repaid $295.0 million of bank facilities for a net drawdown of $115.0 million from the bank facilities (year ended 30 June 2025: net $205.0 million movement). Refer to note 22 for more details on borrowings.
Dividends	Vector Limited's final dividend for the year ended 30 June 2025 of 13.0 cents per share (unimputed) was paid on 17 September 2025. The total dividend paid was $130.0 million. Vector Limited's interim dividend for the year ended 30 June 2026 of 12.5 cents per share (unimputed) was paid on 31 March 2026. The total dividend paid was $125.0 million.

4. Discontinued operations

On 31 January 2025, Vector completed the sale of the Ongas LPG business, and shares in Liquigas Limited (the gas trading business").

The disposal group was presented as discontinued operations in the 2025 Annual Report. Comparatives show the discontinued operations separately from the continuing operations.

5. Revenue from exchange transactions

5.1 Revenue from contracts with customers

	GROUP		PARENT	
	2026 $M	2025 $M	2026 $M	2025 $M
Regulated networks – sale of distribution service	**971.9**	829.4	**-**	-
Regulated networks - third party contributions	**190.2**	209.2	**-**	-
Other	**33.2**	65.4	**-**	-
Dividends received	**-**	-	**191.5**	200.9
Total	**1,195.3**	1,104.0	**191.5**	200.9

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 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 stage of completion of the underlying construction activity. The group recognises deferred revenue 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. Deferred revenue is recognised to account for payments received from customers for construction activities completed which are eligible for rebates in the future, based on the stage of 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 as the service is provided.

Energy solutions services comprise predominantly the sale of home and commercial ventilation and solar services. Revenue is recognised based on the stage completion of each ventilation and solar system install.

5. Revenue (continued)

5.2 Revenue in relation to deferred revenue

The following table sets out the expected timing of future recognition of revenue relating to consideration received, but service not provided (or partially provided) at balance date:

2026	1 - 2 YEARS $M	3 - 4 YEARS $M	TOTAL $M
Electricity distribution services	**0.3**	**-**	**0.3**
Telecommunication services	**0.3**	**0.9**	**1.2**
Total	**0.6**	**0.9**	**1.5**

2025	1 - 2 YEARS $M	3 - 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

Policies	No information is provided in relation to the deferred revenue at 30 June 2026 or 30 June 2025 that has an expected duration of one year or less.
Revenue recognised	Of the revenue recognised this year, $41.2 million was included in the deferred revenue balance at the beginning of the reporting period. (2025: $61.2 million).

6. Operating expenses

	NOTE	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Electricity transmission		**231.3**	200.7	**-**	-
Energy solutions cost of sales		**1.8**	18.3	**-**	-
Network and asset maintenance		**95.6**	87.6	**-**	-
Other direct expenses		**46.5**	48.6	**-**	-
Employee benefit expenses		**69.5**	80.2	**0.4**	0.4
Administration expenses		**13.2**	14.4	**1.3**	1.2
Distribution expenses		**1.2**	1.3	**1.2**	1.3
Trustee Remuneration	27	**0.4**	0.4	**0.4**	0.4
Trustee elections		**-**	0.9	**-**	0.9
Professional fees		**15.1**	8.3	**0.7**	0.7
IT expenses		**40.0**	32.0	-	-
Lease expenses		**8.8**	11.3	-	-
Other indirect expenses		**2.4**	4.8	**0.2**	0.2
Total		**525.8**	508.8	**4.2**	5.1

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 (2025: $65,000);
- other services: $Nil (2025: $Nil).

Fees paid to other auditors

KPMG are the auditors of Vector Limited and group. Fees were paid to KPMG as follows:

		2026 $	2026 $	2025 $	2025 $
Audit or review of financial statements			**670,200**		671,200
Audit related services:	Regulatory assurance	**420,000**		378,000	
	Regulatory agreed upon procedures	**68,185**		121,300	
	ESG assurance	**195,000**		176,500	
	Other assurance	**25,700**		25,700	
	Other agreed upon procedures	**10,300**		10,300	
	Total audit related services		**721,185**		711,800
Tax services:	R&D tax credits		**100,000**		74,000
Other services:	Risk management		-		60,000
Total			**1,491,385**		1,517,000

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.

7. Interest income

	NOTE	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Interest income		**17.8**	24.8	**2.9**	3.6
Unwinding of discount of contingent consideration	10	**2.7**	4.4	**-**	-
Total		**20.5**	29.2	**2.9**	3.6

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

8. Interest costs

	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Interest on borrowings	**98.1**	95.9	**-**	-
Amortisation of borrowing costs	**3.6**	4.4	**-**	-
Capitalised interest	**(5.9)**	(5.6)	**-**	-
Total	**95.8**	94.7	**-**	-

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

Capitalised interest The group has capitalised interest to PPE and software intangibles while under construction at an average rate of 4.5% per annum (2025: 4.4%).

9. Cash and cash equivalents and short-term deposits

	MATURITY DATES	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Cash and cash equivalents		**40.3**	60.5	**34.9**	37.2
Short-term deposits	Sep 2026- Oct 2026	**90.0**	80.0	**90.0**	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 include deposits with a maturity date.

10. Contingent consideration

GROUP	NOTE	2026 $M	2025 $M
Carrying value of contingent consideration			
Opening balance		**28.1**	42.3
Unwinding of discount	7	**2.7**	4.4
Payments received		**(11.7)**	(10.8)
Fair value movement	23.2	**7.5**	(7.8)
Closing balance at 30 June		**26.6**	28.1
Comprising:			
Current		**5.0**	8.1
Non-current		**21.6**	20.0

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, 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 contingent consideration at balance date. Refer to note 21 for details and sensitivity analysis material unobservable inputs used in measuring fair values.

11. Trade and other receivables from exchange transactions

Current	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Trade receivables from exchange transactions	**62.5**	75.4	**-**	-
Interest receivable	**11.9**	13.0	**0.8**	1.3
Prepayments	**7.8**	8.8	**0.1**	0.1
Other receivables	**2.3**	5.1	-	-
Balance at 30 June	**84.5**	102.3	**0.9**	1.4
Non-current				
Other contract receivables	**-**	0.9	**-**	-
Other receivables	**3.4**	3.5	**-**	-
Balance at 30 June	**3.4**	4.4	**-**	-

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

	2026 $M Not credit impaired	2026 $M Credit impaired	2025 $M Not credit impaired	2025 $M Credit impaired
Business customers	**35.4**	**-**	54.2	1.1
Mass market customers (includes customer contributions)	**22.4**	**-**	15.2	-
Third party asset damages	**-**	**11.6**	-	10.0
Residential and other	**-**	**-**	2.0	0.1
Total gross amount	**57.8**	**11.6**	71.4	11.2
Loss allowance	**-**	**(6.9)**	-	(6.3)
Total carrying amount	**57.8**	**4.7**	71.4	4.9

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

	2026 $M Gross amount	2026 $M Loss allowance	2025 $M Gross amount	2025 $M Loss allowance
Not past due	**53.5**	**(0.1)**	37.4	(0.3)
Past due 1-30 days	**3.7**	**(0.2)**	30.6	(0.1)
Past due 31-120 days	**3.6**	**(0.1)**	5.1	(0.3)
Past due more than 120 days	**8.6**	**(6.5)**	9.5	(5.6)
Balance at 30 June	**69.4**	**(6.9)**	82.6	(6.3)

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 defines a financial asset as being in default when available information indicates that full recovery is unlikely. 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.

12. Intangible assets

	EASEMENTS $M	SOFTWARE $M	GOODWILL $M	CAPITAL WORK IN PROGRESS $M	TOTAL $M
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)
Additions	**-**	**-**	**-**	**29.2**	**29.2**
Transfers	**1.4**	**21.9**	**-**	**(23.3)**	**-**
Disposals	**-**	**(0.5)**	**-**	**-**	**(0.5)**
Amortisation for the period	**-**	**(33.9)**	**-**	**-**	**(33.9)**
Carrying amount 30 June 2026	**20.8**	**45.7**	**953.1**	**27.1**	**1,046.7**
Cost	**20.8**	**341.2**	**1,202.0**	**27.1**	**1,591.1**
Accumulated amortisation	**-**	**(295.5)**	**-**	**-**	**(295.5)**
Accumulated impairment	**-**	**-**	**(248.9)**	**-**	**(248.9)**

12.1 Goodwill

Goodwill by cash generating unit	2026 $M	2025 $M
Electricity	**881.0**	881.0
Gas Distribution	**72.1**	72.1
Total	**953.1**	953.1

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 ("CGU"s), for impairment testing purposes.

This is the highest level permissible under PBE IPSAS. The CGUs within the group are electricity, gas distribution, communications and technology solutions. The E-Co Products CGU ceased to exist following sale of the business on 1 August 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.

12. Intangible assets (continued)

12.1 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 CGU, a ten-year period has been used due to the long-term nature of the group's capital investment in this business and the predictable nature of the cash flows. A five-year period has been used for the technology solutions and communications CGUs.

For the gas distribution CGU, a twenty-year period has been used due to the long-term nature of the group's capital investment in this business and to better reflect the potential customer change due to gas supply uncertainty.

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.

Electricity

Management have applied the practical expedient from NZ IAS 36 *Impairment of Assets* in carrying out their annual impairment assessment of the electricity CGU at 31 December 2025. The practical expedient allows an entity to use the recoverable amount calculation prepared in the prior year provided all of the following criteria are met:

(a) the carrying value of the assets and liabilities of the electricity CGU have not changed significantly in the intervening period;

(b) the previous calculation of the CGU's recoverable amount exceeded the carrying value by a substantial margin; and

(c) based on an analysis of events and circumstances that have occurred since the previous recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

No indicators of impairment were observed for the electricity CGU at 30 June 2026.

Gas Distribution

No impairment was found for the gas distribution CGU at 30 June 2026. The group had recognised an impairment of $37.0 million of goodwill allocated to the gas distribution CGU at 30 June 2025. The recoverable amount of the gas distribution CGU has been determined based on value in use. Post-tax discount rates between 6.2% to 6.5% (2025: 6.4% to 6.6%) have been applied in determining the recoverable amount for the gas distribution CGU.

Management have also assessed the recoverable amount of the gas distribution CGU on the basis of fair value less costs of disposal based on recent market transactions and determined that is in excess of the carrying value of the CGU. Accordingly, no reasonably possible change in the value-in-use assumption would result in an impairment.

Risk of impairment

The uncertainty of future price-quality path regulation for gas distribution poses a risk for further impairment, along with lower forecast connections and the decline in gas supply in New Zealand.

At 30 June 2026, the carrying value of the gas distribution CGU was $494.3m 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 2026.

The group's next impairment test will be carried out at 31 December 2026.

Entrust
Majority shareholder of Vector

12. Intangible assets (continued)

12.2 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.

13. 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 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)
Additions	**-**	**-**	**-**	**0.4**	**505.5**	**505.9**
Transfers	**383.0**	**10.3**	**7.7**	**2.1**	**(403.1)**	**-**
Disposals	**(6.5)**	**(0.2)**	**-**	**(0.9)**	**-**	**(7.6)**
Depreciation for the period	**(170.8)**	**(4.7)**	**(10.4)**	**(1.5)**	**-**	**(187.4)**
Carrying amount 30 June 2026	**4,517.9**	**220.1**	**96.6**	**35.2**	**249.2**	**5,119.0**
Cost	**6,505.7**	**271.2**	**230.6**	**224.1**	**249.2**	**7,480.8**
Accumulated depreciation	**(1,987.8)**	**(51.1)**	**(134.0)**	**(188.9)**	**-**	**(2,361.8)**

13. 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 $209.0 million for the group (2025: $111.7 million).

14. Operating Leases

Aggregate minimum lease payments under non-cancellable operating leases where the Group is the lessee	GROUP 2026 $M	2025 $M
Within one year	**7.4**	9.0
One to five years	**28.3**	25.6
Beyond five years	**24.7**	25.3
Total	**60.4**	59.9

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.

15. Investments

15.1 Investment in joint venture

Bluecurrent	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EQUITY INTEREST HELD 2026	2025
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	2026 $M	2025 $M
Opening carrying value		**605.5**	684.2
Shareholder loans	27	**8.4**	(37.7)
Dividends received	27	**(32.6)**	-
Share of net profit/(loss) after tax		**(21.6)**	(21.1)
Share of other comprehensive income		**20.7**	(19.9)
Closing carrying value		**580.4**	605.5

Summary financial information

Summary information for Bluecurrent is not adjusted for the percentage ownership held by the Group (unless stated)	2026 $M	2025 $M
Current assets	**137.9**	115.6
Non-current assets	**2,872.8**	2,746.4
Total assets	**3,010.7**	2,862.0
Current liabilities	**39.5**	40.4
Non-current liabilities	**2,172.9**	1,956.3
Total liabilities	**2,212.4**	1,996.7
Net assets (100%)	**798.3**	865.3
Group's share of net assets	**399.2**	432.7
Revenue	**349.9**	324.6
Depreciation and amortisation	**(136.4)**	(123.0)
Interest expense	**(134.6)**	(117.3)
Income tax (expense)/benefit	**1.8**	(3.6)
Net profit/(loss) after tax	**(43.2)**	(42.1)
Other comprehensive revenue and expense	**41.3**	(39.0)
Total other comprehensive revenue and expense	**(1.9)**	(81.1)

Included in the summary financial information above, Bluecurrent held cash and cash equivalents at 30 June 2026 of $63.9 million (30 June 2025: $55.2 million), and non-current financial liabilities excluding payables and provisions at 30 June 2026 of $2,037.0 million (30 June 2025: $1,827.6 million).

Reconciliation of the carrying amount of the Group's investment in Bluecurrent:	2026 $M	2025 $M
Group's share of net assets	**399.2**	432.7
Add: Effect of translation on foreign operations	**1.6**	1.6
Add: Shareholder loans	**179.6**	171.2
Carrying value of investment in joint venture	**580.4**	605.5

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.

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 Bluecurrent are long-term in nature. and as such Vector has included these within the investment in joint venture. Refer to note 27 for more details on the shareholder loans.

15. Investments (continued)

15.2 Investments in subsidiaries

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

	Principal Activity	PERCENTAGE HELD 2026	2025
Trading subsidiaries			
Vector Investment Holdings Limited	Holding company	**75.1%**	75.1%
Vector MeterCo Limited	Holding company	**75.1%**	75.1%
Vector Communications Limited	Telecommunications	**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%
Cristal Air International Limited	Ventilation, heating and water systems sales and assembly	**-**	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	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%
Vector Gas Trading Limited	Holding company	**-**	75.1%
Vector SPV No. 1 Limited	Holding company	**75.1%**	75.1%
Vector SPV No. 2 Limited	Holding company	**75.1%**	75.1%
Vector SPV No. 3 Limited (formerly Vector ESPS Trustee Limited)	Holding company	**75.1%**	75.1%
Vector SPV No. 4 Limited	Holding company	**75.1%**	-
Vector Asset Co No. 1 Limited	Assets holding company	**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.
Amalgamation of subsidiaries	On 27 November 2025, Vector Advanced Metering Assets (Australia) Limited and Vector Gas Trading Limited were both amalgamated into Vector Investment Holdings Limited. On 1 July 2026, Vector SPV No.2 Limited was amalgamated into Vector Energy Solutions Limited.

16. Income tax expense/(benefit)

Reconciliation of income tax expense/(benefit) – continuing operations	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Surplus/(deficit)before income tax- continuing operations	**340.7**	227.3	**190.2**	199.4
Tax at current rate	**95.4**	63.6	**62.8**	65.8
Current tax adjustments:				
Share of net loss in joint ventures	**6.1**	5.9	**-**	-
Dividends from joint ventures	**9.1**	-	**-**	-
Fair value movements	**-**	2.1	**-**	-
Impairment of goodwill	**-**	14.0	**-**	-
Non-deductible expenses	**4.5**	0.6	**-**	-
Other	**(0.5)**	(1.9)	**(63.9)**	(64.9)
(Over)/under provisions in prior periods	**-**	(3.3)	-	-
Deferred tax adjustments:				
(Over)/under provisions in prior periods	**(14.5)**	2.7	-	-
Income tax expense/(benefit)- continuing operations	**100.1**	87.4	**(1.1)**	0.9
Comprising				
Current tax	**54.8**	14.1	**(1.1)**	0.9
Deferred tax	**45.3**	73.3	**-**	-

Current tax rates

The Parent is a discretionary trust and its undistributed profit (if any) is taxed at a rate of 33%.

Vector Limited is a 75.1% owned subsidiary of the Parent. Its profit is taxed at the current corporate tax rate of 28%.

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 surplus or deficit 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. The group 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 2026, the group recognised a current income tax asset of $37.0 million (2025: $19.9 million) and a non-current income tax asset of nil (2025: $71.2 million).

Imputation credits

There are no imputation credits available for use as at 30 June 2026 (2025: 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, from 1 July 2025. For some entities within the group, such as subsidiaries in Australia, the Pillar Two rules 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 PBE 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 New Zealand. For the period ended 30 June 2026, 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 New Zealand.

17. 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 2024	735.1	(1.8)	10.2	14.1	757.6
Recognised in surplus or deficit- continuing operations	70.4	(3.1)	-	6.0	73.3
Recognised in other comprehensive revenue	-	-	(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
Recognised in surplus or deficit	**60.5**	**(4.5)**	**-**	**(10.7)**	**45.3**
Recognised in other comprehensive revenue	**-**	**-**	**0.8**	**-**	**0.8**
Balance at 30 June 2026	**864.2**	**(7.2)**	**(3.5)**	**9.4**	**862.9**

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

	2026 $M	2025 $M
Deferred tax asset	**(0.1)**	(0.1)
Deferred tax liability	**863.0**	816.9
Total	**862.9**	816.8

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.

18. Trade and other payables from exchange transactions

	GROUP		PARENT	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Trade payables from exchange transactions	**181.9**	176.8	**0.7**	0.5
Employee benefits	**18.1**	17.4	**0.1**	0.1
Finance leases	**0.1**	0.1	**-**	-
Interest payable	**20.6**	19.7	**-**	-
Balance at 30 June	**220.7**	214.0	**0.8**	0.6
Non-current				
Finance leases	**0.4**	0.1	**-**	-
Balance at 30 June	**0.4**	0.1	**-**	-

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.

19. Distributions payable

	GROUP		PARENT	
	2026 $M	2025 $M	2026 $M	2025 $M
Current				
Distributions payable	**99.0**	95.0	**99.0**	95.0

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 20).

As at 30 June 2026 no distribution roll had been struck to determine the allocation of this surplus to the beneficiaries, therefore the funds are held as distributions payable.

20. Provision for unclaimed distributions

	GROUP		PARENT	
	2026 $M	2025 $M	2026 $M	2025 $M
Balance at beginning of the reporting period	**22.6**	19.2	**22.6**	19.2
Additions	**14.7**	13.4	**14.7**	13.4
Claimed and paid	**(2.7)**	(2.8)	**(2.7)**	(2.8)
Cancelled	**(9.0)**	(7.2)	**(9.0)**	(7.2)
Balance at end of the reporting period	**25.6**	22.6	**25.6**	22.6

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.

21. Fair values

	NOTE	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2026 $M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2026 $M	MATERIAL OBSERVABLE INPUTS (LEVEL 2 INPUTS) 2025 $M	MATERIAL UNOBSERVABLE INPUTS (LEVEL 3 INPUTS) 2025 $M
Assets measured at fair value					
Derivative financial instruments	23	**99.8**	**-**	66.3	-
Contingent consideration	10	**-**	**26.6**	-	28.1
Balance at 30 June		**99.8**	**26.6**	66.3	28.1
Liabilities measured at fair value					
Derivative financial instruments	23	**(88.4)**	**-**	(143.9)	-
Balance at 30 June		**(88.4)**	**-**	(143.9)	-

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 10.7% (2025: 10.8%), representing market discount rates as applicable to the remaining life of the Kapuni gas field.

21. 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.

2026	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	**10.7%**	+1.0%	**-0.8**	-1.0%	**+0.8**
	Future raw gas volume	**73PJ**	-2PJ per annum	**-6.2**	+2PJ per annum	**+5.2**
	LPG pricing (long-term)	**US$480/ tonne**	-US$50/ tonne	**-1.8**	+US$50/ tonne	**+1.8**
	Oil pricing (long-term)	**US$75/ barrel**	-US$7/ barrel	**-1.7**	+US$7/ barrel	**+1.7**

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

22. Borrowings

GROUP **2026**	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 2027–Jul 2031	**320.0**	**(0.6)**	**-**	**319.4**	**320.2**
Capital bonds – fixed rate	NZD	-	**307.2**	**(0.4)**	**-**	**306.8**	**315.6**
Wholesale bonds - fixed rate	NZD	Oct 2026	**170.0**	**-**	**-**	**170.0**	**169.4**
Senior notes – fixed rate	USD	Oct 2027–Mar 2035	**1,212.9**	**(1.9)**	**22.6**	**1,233.6**	**1,298.3**
Senior bonds –fixed rate	NZD	Nov 2027	**225.0**	**(0.2)**	**-**	**224.8**	**225.7**
Balance at 30 June			**2,235.1**	**(3.1)**	**22.6**	**2,254.6**	**2,329.2**

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

Policies

The Parent has no borrowings. All borrowings are held by Vector, a subsidiary of the Group.

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.

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 2026 and 30 June 2025.

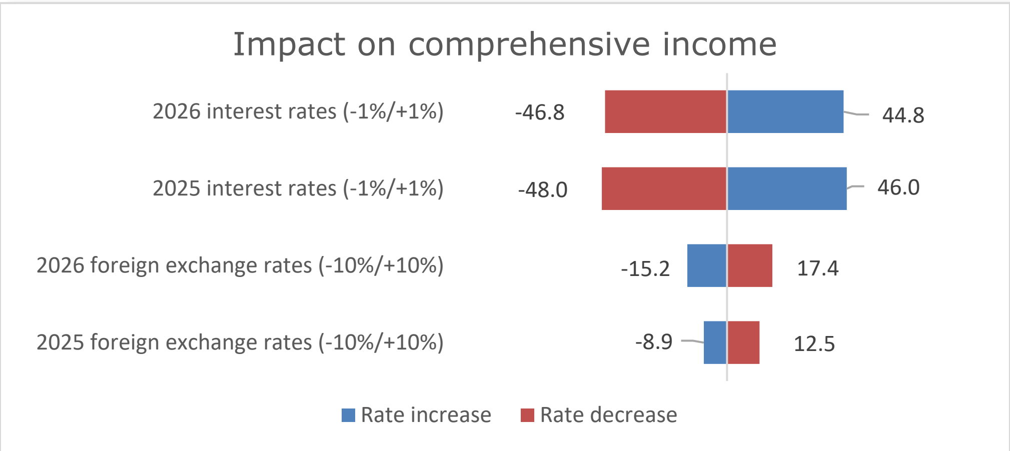
23. Derivatives and hedge accounting

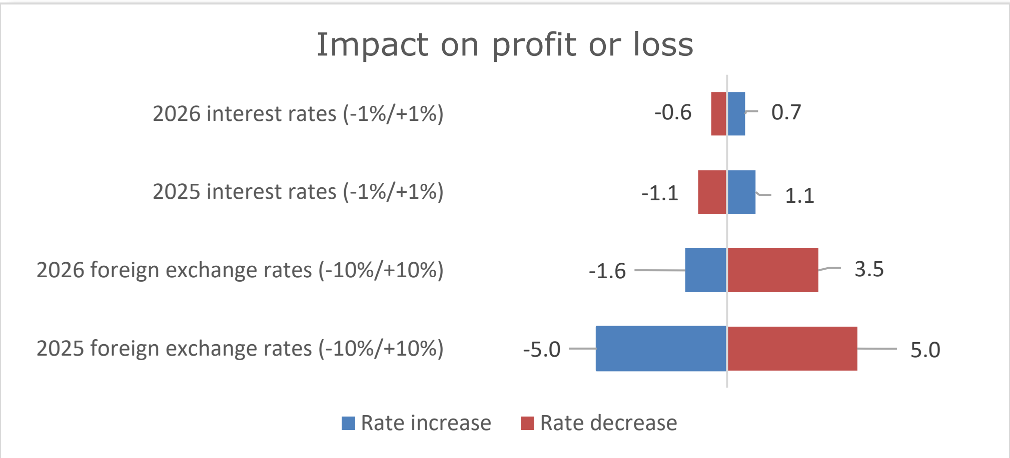
GROUP	CASH FLOW HEDGES 2026 $M	CASH FLOW HEDGES 2025 $M	FAIR VALUE HEDGES 2026 $M	FAIR VALUE HEDGES 2025 $M	COST OF HEDGING 2026 $M	COST OF HEDGING 2025 $M	TOTAL 2026 $M	TOTAL 2025 $M
Derivative assets								
Cross currency swaps	**-**	-	**94.3**	57.2	**(2.0)**	(3.0)	**92.3**	54.2
Interest rate swaps	**5.2**	11.9	**-**	-	**-**	-	**5.2**	11.9
Forward exchange contracts	**2.3**	0.2	**-**	-	**-**	-	**2.3**	0.2
Total	**7.5**	12.1	**94.3**	57.2	**(2.0)**	(3.0)	**99.8**	66.3
Derivative liabilities								
Cross currency swaps	**89.3**	27.1	**(155.5)**	(146.8)	**(8.7)**	(9.3)	**(74.9)**	(129.0)
Interest rate swaps	**(13.5)**	(14.1)	**-**	(0.5)	**-**	-	**(13.5)**	(14.6)
Forward exchange contracts	**-**	(0.3)	**-**	-	**-**	-	**-**	(0.3)
Total	**75.8**	12.7	**(155.5)**	(147.3)	**(8.7)**	(9.3)	**(88.4)**	(143.9)

Key observable market data for fair value measurement	2026	2025
Foreign currency exchange (FX) rates as at 30 June		
NZD-USD FX rate	**0.5678**	0.6096
Interest rate swap rates		
NZD	**2.58% to 4.00%**	3.16% to 4.08%
USD	**3.66% to 4.31%**	3.40% to 4.33%

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.





23. Derivatives and hedge accounting (continued)

Policies

The Parent does not hold any derivatives. All derivatives are held by Vector, a subsidiary of the Group.

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 21.

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 cross currency 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 (the hedged items). These transactions have been designated into fair value hedges.

The following are recognised in surplus or deficit:

- 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 surplus or deficit from that date through to maturity of the hedged item.

Cash flow hedges

Vector has entered 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 surplus or deficit:

- 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 surplus or deficit.

Once hedging is discontinued, any cumulative gain or loss previously recognised in other comprehensive income is recognised in surplus or deficit 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 the group'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.

23. Derivatives and hedge accounting (continued)

GROUP	2026 $M DERIVATIVES POSITION AS PER BALANCE SHEET	2026 $M AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS	2025 $M DERIVATIVES POSITION AS PER BALANCE SHEET	2025 $M AMOUNT AFTER APPLYING RIGHTS OF OFFSET UNDER ISDA AGREEMENTS
Derivative assets	**99.8**	**28.3**	66.3	12.4
Derivative liabilities	**(88.4)**	**(16.9)**	(143.9)	(90.0)
Net amount	**11.4**	**11.4**	(77.6)	(77.6)

Rights to offset

Vector enters 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.

23.1 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 $1,070.0 million arising from hedging the USD senior bonds (2025: $1,030.0 million) as allowable under PBE IPSAS 41 *Financial Instruments*;
- The fixed rate interest rate swaps include $420.0 million of forward starting swaps (2025: $695.0 million).

GROUP 2026	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 RECOGNISD IN COST OF HEDGING $M
Cash flow hedge - Interest risk								
Hedged item: NZD floating rate exposure on borrowings	**(1,325.0)**		**-**	**-**	**(8.3)**	**-**	**-**	**-**
Hedging instrument: Fixed rate interest rate swaps	**(1,745.0)**	**3.3%**	**-**	**(8.3)**	**(8.3)**	**-**	**6.0**	**-**
Cash flow and fair value hedge - Interest and exchange risks								
Hedged item: USD fixed rate exposure on borrowings	**(1,212.9)**		**-**	**(1,233.6)**	**87.9**	**(28.3)**	**-**	**-**
Hedging instrument: Cross currency swaps	**(1,212.9)**	**floating**	**(22.7)**	**17.4**	**89.4**	**28.3**	**(5.0)**	**1.5**
Fair value hedge - Interest risk								
Hedged item: NZD fixed rate exposure on borrowings	**-**		**-**	**-**	**-**	**(0.5)**	**-**	**-**
Hedging instrument: Interest rate swap	**-**	**floating**	**-**	**-**	**-**	**0.5**	**-**	**-**
				Ineffectiveness	**1.5**	**-**		

23. Derivatives and hedge accounting (continued)

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

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 RECOGNISED 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 borrowing	(50.0)		0.5	-	-	(2.2)	-	-
Hedging instrument: Interest rate swap	(50.0)	floating	-	(0.5)	-	2.2	-	-
				Ineffectiveness	4.6	-		

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 23 derivatives and hedge accounting table above.

23.2 Fair value changes on financial instruments

GROUP	NOTE	2026 $M	2025 $M
Recognised in surplus or deficit			
Fair value movement on hedging instruments		**28.8**	56.2
Fair value movement on hedged items		**(28.8)**	(56.2)
Ineffectiveness from cash flow hedge relationships		**(3.2)**	(0.7)
Fair value change on contingent consideration	10	**7.5**	(7.8)
Total gains/(losses)		**4.3**	(8.5)

Entrust
Majority shareholder of Vector

23. Derivatives and hedge accounting (continued)

23.3 Reconciliation of changes in hedge reserves

Hedge reserves

GROUP 2026	CASHFLOW HEDGE RESERVE $M	COST OF HEDGING $M	TOTAL $M
Opening balance	**2.2**	**9.0**	**11.2**
Hedging gains or losses recognised in OCRE – Interest rate swaps	**5.7**	**-**	**5.7**
Hedging gains or losses recognised in OCRE – Cross currency swaps	**20.3**	**(1.5)**	**18.8**
Hedging gains or losses recognised in OCRE – Forward exchange contracts	**(2.7)**	**-**	**(2.7)**
Transferred to surplus or deficit – Interest rate swaps	**0.3**	**-**	**0.3**
Transferred to surplus or deficit – Cross currency swaps	**(25.3)**	**-**	**(25.3)**
Recognised as basis adjustment to non-financial assets	**0.3**	**-**	**0.3**
Deferred tax on change in reserves	**0.4**	**0.4**	**0.8**
Closing balance	**1.2**	**7.9**	**9.1**

Hedge reserves

GROUP 2025	CASH FLOW HEDGE RESERVE $M	COST OF HEDGING $M	TOTAL $M
Opening balance	(35.3)	9.1	(26.2)
Hedging gains or losses recognised in OCRE – Interest rate swaps	24.5	-	24.5
Hedging gains or losses recognised in OCRE – Cross currency swaps	41.7	(0.2)	41.5
Hedging gains or losses recognised in OCRE – Forward exchange contracts	(0.2)	-	(0.2)
Transferred to surplus or deficit – Interest rate swaps	26.4	-	26.4
Transferred to surplus or deficit – 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

24. 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.

24.1 Interest rate risk

Interest rate exposure
GROUP

2026	< 1 YEAR $M	1 – 2 YEARS $M	2 – 5 YEARS $M	> 5 YEARS $M	TOTAL $M
Interest rate exposure: borrowings	**797.2**	**502.2**	**138.6**	**797.1**	**2,235.1**
Derivative contracts:					
Interest rate swaps	**(1,300.0)**	**280.0**	**800.0**	**220.0**	**-**
Cross currency swaps	**1,212.9**	**(277.2)**	**(138.6)**	**(797.1)**	**-**
Net interest rate exposure	**710.1**	**505.0**	**800.0**	**220.0**	**2,235.1**

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

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.

Vector's board of directors has set and actively monitors maximum and minimum limits for the net interest rate exposure profile.

24. Financial risk management (continued)

24.2 Credit risk

Policies

Credit risk represents the risk of cash flow losses arising from counterparty defaults. The group and Vector are 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:

- Vector's board of directors 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 2026, all financial instruments are held with financial institutions with credit rating above A+;
- Vector's board of directors 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.

24.3 Liquidity risk

Contractual cash flows maturity profile

GROUP **2026**	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	**99.0**	**-**	**-**	**-**	**99.0**
Trade payables from exchange transactions and deferred payables	**181.9**	**-**	**-**	**-**	**181.9**
Unclaimed distributions	**10.9**	**14.7**	**-**	**-**	**25.6**
Contract liabilities	**0.5**	**1.0**	**-**	**-**	**1.5**
Lease liabilities	**7.9**	**10.5**	**21.9**	**27.9**	**68.2**
Borrowings: interest	**73.3**	**40.1**	**80.0**	**43.8**	**237.2**
Borrowings: principal	**797.2**	**577.3**	**176.1**	**880.7**	**2,431.3**
Derivative financial (assets)/liabilities					
Cross currency swaps: inflow	**(41.9)**	**(388.3)**	**(256.0)**	**(924.4)**	**(1,610.6)**
Cross currency swaps: outflow	**60.0**	**335.9**	**292.1**	**877.7**	**1,565.7**
Forward exchange contracts: inflow	**(33.6)**	**(30.1)**	**(7.1)**	**-**	**(70.8)**
Forward exchange contracts: outflow	**32.3**	**28.7**	**6.7**	**-**	**67.7**
Net settled derivatives					
Interest rate swaps	**5.6**	**3.1**	**0.6**	**(0.6)**	**8.7**
Group contractual cash flows	**1,193.1**	**592.9**	**314.3**	**905.1**	**3,005.4**

Entrust
Majority shareholder of Vector

24. Financial risk management (continued)

24.3 Liquidity risk (continued)

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

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 year as the next election date set for the capital bonds is 15 June 2027 (2025: 1-2 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 $255.0 million (2025: $435.0 million).

24.4 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.

24.5 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 22.

Vector's board of directors has set the maximum amount of debt that may mature in any one financial year.

25. Cash flows

25.1 Reconciliation of net profit/(loss) 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	2026 $M	2025 $M	2026 $M	2025 $M
Net surplus/(deficit)for the period	**240.6**	165.9	**191.3**	198.5
Transactions with beneficiaries				
Distribution to beneficiaries	**(195.2)**	(218.2)	**(195.2)**	(218.2)
Distributions payable	**3.9**	19.7	**3.9**	19.7
	(191.3)	(198.5)	**(191.3)**	(198.5)
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)	**-**	-
Dividend received from joint venture	**32.6**	-		
Contingent consideration associated with investing activities	**(2.7)**	(10.8)	**-**	-
PPE items associated with investing activities	**3.0**	8.6	**-**	-
Movements in emission units associated with investing activities	**-**	(7.4)	**-**	-
Other investing activities	**(0.3)**	-	**-**	-
	32.6	(14.9)	**-**	-
Non-cash items				
Non-operating losses	**9.5**	-	**-**	-
Depreciation and amortisation	**226.6**	224.2	**-**	-
Non-cash portion of interest costs (net)	**(5.2)**	(1.4)	**-**	-
Fair value change on financial instruments	**(4.3)**	8.5	**-**	-
Share of net profit/(loss) in joint ventures	**21.6**	21.1	**-**	-
Impairment of assets and goodwill	**-**	37.0	**-**	-
Increase/(decrease) in deferred tax	**44.5**	68.1	**-**	-
Working capital balances disposed of	**(8.8)**	-	**-**	-
Other non-cash items	**(0.6)**	(1.3)	**-**	-
	283.3	356.2	**-**	-
Changes in assets and liabilities				
Trade and other payables from exchange transactions	**7.9**	(16.6)	**0.1**	0.1
Provisions	**(0.4)**	(8.5)	**-**	-
Contract liabilities	**3.6**	(22.3)	**-**	-
Contract assets	**(23.9)**	11.8	**-**	-
Inventories	**11.5**	14.9	**-**	-
Trade and other receivables from exchange transactions	**18.9**	1.9	**0.6**	(0.2)
Income tax	**53.4**	16.1	**-**	0.2
Distributions payable	**3.9**	19.7	**3.9**	19.7
Provision for unclaimed distributions	**3.1**	3.4	**3.1**	3.4
	78.0	20.4	**7.7**	23.2
Net cash flows from/(used in) operating activities	**443.2**	329.1	**7.7**	23.2

25. Cash flows (continued)

25.2 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 2025	2,049.1	77.6	2,126.7
Net repayments	**115.0**	**-**	**115.0**
Financing cash flows	**115.0**	**-**	**115.0**
Fair value changes	**89.2**	**(89.2)**	**-**
Borrowing fees paid	**(2.3)**	**-**	**(2.3)**
Amortisation of borrowing costs	**3.6**	**-**	**3.6**
As at 30 June 2026	**2,254.6**	**(11.4)**	**2,243.0**

26. Equity

26.1 Share Capital

Trust Distributions

The Trust's net distribution of $377 per beneficiary will be paid in September 2026 (2025: $364).

The Group recognises distributions as a payable in the financial statements on the date the dividend is declared and in accordance with note 19 – Distributions Payable.

Shares

Vector Limited's total number of authorised and issued shares is 1,000,000,000 (2025: 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 there are no shares (2025: 26,343) allocated to the employee share purchase scheme.

26.2 Capital Management

Policies

The Parent's objectives in managing capital are:

- To safeguard the ability of the Trust to continue as a going concern;
- To provide an adequate level of distribution to the Trust's income beneficiaries commensurate with the level of risk.

The Parent has taken Trustee's liability insurance as part of the Trust's risk management policy.

The Group'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.

The subsidiary, Vector Limited, 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.

26. Equity (continued)

26.3 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 $25.0 million gain (2025: $13.7 million gain) 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 PBE IPSAS 41.

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.

27. 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 2026 $M	PARENT 2025 $M
Transactions with Vector Limited		
Dividends received	**191.5**	200.9

Transactions with associates and other joint operations.	GROUP 2026 $M	GROUP 2025 $M	PARENT 2026 $M	PARENT 2025 $M
Transactions with Bluecurrent				
Interest from shareholder loans	**10.5**	12.5	**-**	-
Provision of metering data services	**7.9**	7.4	**-**	-
Provision of transitional services	**-**	6.5	**-**	-
Dividends received	**32.6**	-	**-**	-

	GROUP 2026 $M	GROUP 2026 FTE	GROUP 2025 $M	GROUP 2025 FTE	PARENT 2026 $M	PARENT 2026 FTE	PARENT 2025 $M	PARENT 2025 FTE
Transactions with directors of Vector Limited								
Directors' fees paid to Entrust trustees directors of Vector Limited	**0.3**	**2**	0.2	2	**-**	**-**	-	-
Directors' fees paid to non-trustee directors of Vector Limited	**0.7**	**5**	0.7	6	**-**	**-**	-	-
Transactions with key management personnel								
Salary and other short-term employee benefits (Entrust)	**0.4**	**2**	0.4	2	**0.4**	**2**	0.4	-
Salary and other short-term employee benefits (Vector Limited)	**9.3**	**8**	8.1	7	**-**	**-**	-	-

Number of full-time equivalent directors and key management personnel is shown in the "FTE" columns above.

Advances to related parties	2026 $M	2025 $M
Shareholder loans to Bluecurrent		
Balance at start of period	**171.2**	208.9
Interest capitalised	**10.5**	16.0
Repayments	**(22.3)**	(51.8)
Effect of changes in exchange rates	**20.2**	(1.9)
Balance at end of period	**179.6**	171.2

27. Related party transactions (continued)

Trustees' remuneration:	2026 $	2025 $
Trustees		
D Lee	**127,000**	114,357
R Langton	**78,500**	67,962
P Hutchison	**78,500**	74,817
A Bell	**78,500**	74,817
A Ogilvie	**78,500**	52,333
W Cairns (retired 31 October 2024)	**-**	26,570
Total	**441,000**	410,856

Trustees' fees are paid by the Parent.

Related parties

The Parent is the majority shareholder of the subsidiary Vector Limited. Note 15 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.

Shareholder loans

The shareholder loan receivable from Bluecurrent is denominated in Australian dollars, and carried at amortised cost, translated into New Zealand dollars. Interest is charged quarterly based on the Australian Bank Bill Swap Yield, plus a margin of 2.2%. Unpaid interest is capitalised to the loan balance. The average interest rate for the year ended 30 June 2026 was 6.1% (year ended 30 June 2025: 6.6%).

The loan is intended to be long-term in nature and is not repayable on demand, with a maturity date of 30 June 2032. The loan is not secured, and no guarantees have been given or received.

Settlement of the shareholder loans is expected to occur through repayment from future cashflows of the joint venture. During the year, Bluecurrent fully repaid the shareholder loan relating to its New Zealand Business.

28. Contingent Liabilities

Disclosures

The subsidiary, Vector Limited's directors are aware of claims that have been made against Vector and entities within the Vector group and, where appropriate, have recognised provisions for these.

The board of Trustees is not aware of claims that have been made against the Parent.

No material contingent liabilities have been identified.

29. Events after balance date

Approval

The financial statements were approved by the Trustees on 18 August 2026.

Final dividend

On 17 August 2026, the Vector board declared a final unimputed dividend for the year ended 30 June 2026 of 13.50 cents per share.

On 18 August 2026, the Trustees resolved to make a net distribution to beneficiaries of $377 (2025: $364) per beneficiary.

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

MARKED FOR IDENTIFICATION BY MOORE MARKHAMS

Entrust
Majority shareholder of Vector

30. 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
2026	Nil	$Nil	Nil	N/A
2025	Nil	$Nil	Nil	N/A