



# Independent Reasonable Assurance Report to Directors of Vector Limited and to the New Zealand Commerce Commission

## Conclusion

We have concluded that, in all material respects, Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) ("the Schedules") are prepared in compliance with the Commerce Commission Information Disclosure Determination 2012 and the related Reasons Paper and Input Methodologies (together "the Determination") for the period ended on 31 March 2017.

We also conclude that:

- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the Schedules as at 31 March 2017 have been kept by Vector Limited; and
- As far as appears from examination, the information used in the preparation of the Schedules as at 31 March 2017 has been properly extracted from Vector Limited's accounting and other records and has been sourced, where appropriate, from Vector Limited's financial and non-financial systems.

## Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to Vector Limited's Electricity Distribution Information Disclosure Requirements Information Templates comprising the following; Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) for the period ended 31 March 2017.

## Criteria

We have performed an engagement to provide reasonable assurance in relation to the attached statement, which is a set of Schedules in respect of Vector Limited's Electricity Distribution Information Disclosure Requirements Information Templates comprising the following; Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7, 10 ((i)-(iv)) and 14 (boxes 1-12) prepared by Vector Limited for the period ended on 31 March 2017 and dated 23 August 2017 for the purposes of section 2.8.1 of the Electricity Distribution Information Disclosure Determination 2012 ("the Determination"). Our procedures include obtaining an understanding of the Schedules and examination, on a test basis, of evidence supporting the Schedules.

## Standards we followed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* (ISAE (NZ) 3000) and Standard on Assurance Engagements SAE 3100 *Compliance Engagements*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with ISAE (NZ) 3000 we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the [information subject to assurance] is free from material misstatement, whether due to fraud or error;



- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

### **How to interpret reasonable assurance and material misstatement**

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

Misstatements, including omissions, within the Schedules are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Schedules.

### **Use of this assurance Report**

Our report should not be regarded as suitable to be used or relied on by any party other than Vector Limited and the Commerce Commission in relation to section 2.8.1 of the Electricity Distribution Information Disclosure Determination 2012 for any purpose or in any context. Any party other than Vector Limited and the Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Vector Limited and the Commerce Commission for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to Vector Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (except for Vector's own internal purposes) or in part, without our prior written consent.

### **Directors' responsibility for the Schedules**

The directors of Vector Limited are responsible for the preparation and fair presentation of the Schedules in accordance with the Determination. This responsibility includes such internal control as the directors determine is necessary to enable the preparation of Schedules that are free from material misstatement whether due to fraud or error.

### **Our responsibility**

Our responsibility is to express a conclusion to the directors and the New Zealand Commerce Commission on the preparation and presentation of the Schedules in compliance with the Determination.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance conclusion.

### **Our independence and quality control**

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our firm has also provided other services to Vector Limited such as the annual audit and half-yearly review of the financial statements, regulatory assurance services, and other assurance services and have provided short-term corporate finance support. Partners and employees of our firm may also deal with Vector Limited on normal terms within the ordinary course of trading activities of the business of Vector Limited. These matters have not impaired our independence as auditors of Vector Limited for this engagement. The firm has no other relationship with, or interest in, Vector Limited.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG  
Auckland  
23 August 2017