



**SPARK FINANCE LIMITED**

**Interim financial statements**

For the six months ended 31 December 2024

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These interim financial statements do not include all the notes and information normally included in the annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements for the year ended 30 June 2024.

## DIRECTORS' REPORT

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Spark Finance Limited ('Spark Finance' or 'the Company') is a wholly-owned subsidiary of Spark New Zealand Limited ('Spark New Zealand' and together with its subsidiaries, the 'Spark New Zealand Group').

### Principal activities

The principal activity of Spark Finance is that of a finance company for the Spark New Zealand Group and was incorporated in 1991. Spark Finance raises debt funding in New Zealand and internationally. The majority of these funds are then advanced to other members of the Spark New Zealand Group in order to assist in funding their operations.

### Principal risks

The key risks to Spark Finance are currency, interest rate, credit and liquidity risks. A summary of these risks and Spark Finance's risk management objectives and policies are set out in note 10 in the Company's annual report for the year ended 30 June 2024. The Directors of Spark Finance do not believe there is any significant financial risk to Spark Finance as financial assets are matched by financial liabilities with similar characteristics. Spark Finance enters into derivative financial instruments in order to manage the currency and interest rate risks associated with its borrowings, as well as to manage the currency risk associated with the operations of the Spark New Zealand Group. As the proceeds of debt are advanced to other members of the Spark New Zealand Group, the ability of Spark Finance to meet its obligations under the debt issues depends upon the payment of principal and interest due from other Spark New Zealand Group companies.

### Business review

Spark Finance recorded net earnings after tax for the six months ended 31 December 2024 of \$95 million (31 December 2023: \$86 million).

The net assets of Spark Finance as at 31 December 2024 were \$968 million compared to \$1,072 million as at 30 June 2024. The share capital of Spark Finance as at 31 December 2024 is \$883 million (30 June 2024: \$883 million) consisting of 882,872,600 issued and fully paid shares, of which 342,872,600 are ordinary shares. Spark Finance did not acquire any of its own shares during the six months ended 31 December 2024 (31 December 2023: nil).

On 30 August 2024, Spark Finance paid a dividend of 18.69 cents per share or \$165 million to Spark New Zealand Limited, which was paid through the intercompany current account (31 December 2023: 20.95 cents per share or \$185 million).

On 28 November 2024, Spark Finance extended the term of its \$100 million committed revolving sustainability linked loan (SLL) facility with Commonwealth Bank of Australia by three years, to mature on 30 November 2027. Spark Finance's SLL has a dual focus on Spark New Zealand Group's environmental and gender diversity performance. For the SLL extension, the gender representation target has been replaced with a median gender pay gap target. The environmental targets remain unchanged.


On 28 November 2024, Spark Finance established a NZ\$100 million committed revolving facility with Commonwealth Bank of Australia, to mature on 28 May 2025.

The Directors of Spark Finance consider the results of the Company to be satisfactory and the Company to be in a sound financial position.

Spark Finance solely lends to other companies within the Spark New Zealand Group and, accordingly, its financial performance should be considered in conjunction with the financial performance of the Spark New Zealand Group. A copy of the Spark New Zealand Group's results for the six months ended 31 December 2024 can be found at [investors.sparknz.co.nz](https://investors.sparknz.co.nz).

Based on current expectations, Spark Finance will continue to operate as the principal finance company for the Spark New Zealand Group. Spark Finance does not engage in research and development activities.

On behalf of the Board

Signed by:  
  
 Stewart Taylor  
 DIRECTOR

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 Matthew Sheppard  
 DIRECTOR

Date: 25 February 2025

## Statement of profit or loss and other comprehensive income

		2024 UNAUDITED \$M	2023 UNAUDITED \$M
<b>SIX MONTHS ENDED 31 DECEMBER</b>	NOTE		
Finance income	2	215	204
Finance expense	2	(83)	(84)
Net finance income		132	120
Net earnings before income tax		132	120
Income tax expense		(37)	(34)
Net earnings for the period		95	86
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Change in hedge reserves net of tax		(34)	(11)
Other comprehensive loss for the period		(34)	(11)
<b>Total comprehensive income for the period</b>		<b>61</b>	<b>75</b>

See accompanying notes to the interim financial statements.

## Statement of changes in equity

		SHARE CAPITAL \$M	RETAINED EARNINGS \$M	HEDGE RESERVES \$M	TOTAL EQUITY \$M
<b>SIX MONTHS ENDED 31 DECEMBER 2024</b>	NOTE				
Balance at 1 July 2024		883	178	11	1,072
Net earnings for the period		-	95	-	95
Other comprehensive loss for the period		-	-	(34)	(34)
<b>Total comprehensive income for the period</b>		-	<b>95</b>	<b>(34)</b>	<b>61</b>
Dividends	4	-	(165)	-	(165)
<b>Balance at 31 December 2024</b>		<b>883</b>	<b>108</b>	<b>(23)</b>	<b>968</b>

		SHARE CAPITAL \$M	RETAINED EARNINGS \$M	HEDGE RESERVES \$M	TOTAL EQUITY \$M
<b>SIX MONTHS ENDED 31 DECEMBER 2023</b>	NOTE				
Balance at 1 July 2023		883	195	11	1,089
Net earnings for the period		-	86	-	86
Other comprehensive loss for the period		-	-	(11)	(11)
<b>Total comprehensive income for the period</b>		-	<b>86</b>	<b>(11)</b>	<b>75</b>
Dividends	4	-	(185)	-	(185)
<b>Balance at 31 December 2023</b>		<b>883</b>	<b>96</b>	<b>-</b>	<b>979</b>

See accompanying notes to the interim financial statements.


# Statement of financial position

	NOTE	AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
<b>Current assets</b>			
Cash		40	1
Short-term derivative assets		7	2
Due from other Spark New Zealand Group companies		4,637	3,849
<b>Total current assets</b>		<b>4,684</b>	<b>3,852</b>
<b>Non-current assets</b>			
Long-term prepayments		1	1
Due from other Spark New Zealand Group companies		1,330	1,842
Long-term derivative assets		13	25
Deferred tax assets		9	-
<b>Total non-current assets</b>		<b>1,353</b>	<b>1,868</b>
<b>Total assets</b>		<b>6,037</b>	<b>5,720</b>
<b>Current liabilities</b>			
Bank overdraft		-	1
Taxation payable		102	65
Due to other Spark New Zealand Group companies		2,776	2,944
Short-term derivative liabilities		7	1
Debt due within one year	3	524	393
Accrued interest		6	6
<b>Total current liabilities</b>		<b>3,415</b>	<b>3,410</b>
<b>Non-current liabilities</b>			
Long-term derivative liabilities		76	78
Long-term debt	3	1,262	1,156
Due to other Spark New Zealand Group companies		316	-
Deferred tax liabilities		-	4
<b>Total non-current liabilities</b>		<b>1,654</b>	<b>1,238</b>
<b>Total liabilities</b>		<b>5,069</b>	<b>4,648</b>
<b>Equity</b>			
Share capital		883	883
Reserves		(23)	11
Retained earnings		108	178
<b>Total equity</b>		<b>968</b>	<b>1,072</b>
<b>Total liabilities and equity</b>		<b>6,037</b>	<b>5,720</b>

See accompanying notes to the interim financial statements.


On behalf of the Board of Spark Finance Limited

Signed by:

  
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**Stewart Taylor**  
DIRECTOR

DocuSigned by:

  
EAE6EF45F755407...

**Matthew Sheppard**  
DIRECTOR

Authorised for issue on: 25 February 2025

## Statement of cash flows

	2024	2023
	UNAUDITED	UNAUDITED
	\$M	\$M
<b>SIX MONTHS ENDED 31 DECEMBER</b>		
<b>Cash flows from operating activities</b>		
Receipts from interest	1	1
Payments for interest	(50)	(37)
Net advances to other Spark New Zealand Group companies	(112)	(432)
<b>Net cash flows from operating activities</b>	<b>(161)</b>	<b>(468)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term debt	1,297	896
Repayments of short-term debt	(1,166)	(725)
Proceeds from long-term debt	4,129	6,410
Repayments of long-term debt	(4,060)	(6,085)
<b>Net cash flows from financing activities</b>	<b>200</b>	<b>496</b>
<b>Net cash flow</b>	<b>39</b>	<b>28</b>
Opening cash position	1	13
<b>Closing cash position</b>	<b>40</b>	<b>41</b>

### Reconciliation of net earnings to net cash flows from operating activities

		2024	2023
		UNAUDITED	UNAUDITED
		\$M	\$M
<b>SIX MONTHS ENDED 31 DECEMBER</b>	NOTE		
<b>Net earnings for the period</b>		<b>95</b>	<b>86</b>
Adjustments to reconcile net earnings to net cash flows from operating activities			
Non-cash intercompany income	2	(214)	(203)
Non-cash intercompany expenses	2	34	45
Non-cash tax expense		37	34
Revaluation of long-term debt in fair value hedge		37	21
Revaluation of derivatives in a fair value hedge		(36)	(22)
Movement in amounts with Spark New Zealand Group companies		(113)	(432)
Accrued interest and other expenses		(1)	3
<b>Net cash flows from operating activities</b>		<b>(161)</b>	<b>(468)</b>

See accompanying notes to the interim financial statements.

# Notes to the financial statements

## Note 1 About this report

These unaudited interim financial statements are for Spark Finance Limited ('Spark Finance') for the six months ended 31 December 2024.

Spark Finance is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013.

### Basis of preparation

The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Accounting Standard 34: Interim Financial Reporting and International Accounting Standard 34: Interim Financial Reporting, as appropriate for profit-oriented entities.

The accounting policies adopted are consistent with those followed in the preparation of Spark Finance's annual financial statements for the year ended 30 June 2024. The preparation of the interim financial statements requires management to make judgements, estimates and assumptions. Spark Finance has been consistent in applying the judgements, estimates and assumptions adopted in the annual financial statements for the year ended 30 June 2024. Certain comparative information has been updated to conform with the current year's presentation.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The only financial instrument held at amortised cost for which there is a significant variance to its fair value is long-term debt. There were no changes in valuation techniques during the period. Spark Finance's derivatives are classified as being within level two of the fair value hierarchy. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the period end date, with the resulting value discounted back to present value.

### New and amended standards

NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) will replace NZ IAS 1 Presentation of Financial Statements and may have a material impact on Spark Finance's disclosures. NZ IFRS 18 has been issued but is not yet effective until periods commencing on or after 1 January 2029.

NZ IFRS 18 sets out the requirements for the presentation and disclosure of information in financial statements, and will not change net profit reported, but how results are presented on the statement of profit or loss and other comprehensive income and what information is disclosed in the notes. Spark Finance is yet to determine the disclosure impacts of this standard and whether it will adopt it prior to the year ending 30 June 2028. The key changes of NZ IFRS 18 are expected to be:

- A more structured statement of profit or loss and other comprehensive income, including new subtotals, and income and expenses classified into three categories (operating, investing and financing).
- Non-GAAP, management performance measures are required to be disclosed in the financial statements and subject to audit.
- New disclosures are required for items currently labelled as 'other', with enhanced guidance on how to group information within the financial statements.

## Note 2 Finance income and expense

	2024	2023
	UNAUDITED	UNAUDITED
	\$M	\$M
<b>SIX MONTHS ENDED 31 DECEMBER</b>		
Finance income:		
Interest income on loans to other Spark New Zealand Group companies	214	203
Interest income on cash	1	1
<b>Total finance income</b>	<b>215</b>	<b>204</b>
Finance expense:		
Net finance expense on debt:		
Foreign Currency Medium Term Notes	20	21
Domestic Notes	17	11
Bank Funding	13	7
Other Long-term Debt <sup>1</sup>	(8)	(6)
Interest expense on loans from other Spark New Zealand Group companies	34	45
Other interest and finance expense	7	6
<b>Total finance expense</b>	<b>83</b>	<b>84</b>

<sup>1</sup> This is net finance expense on interest rate swaps.

## Notes to the financial statements

### Note 3 Debt

				AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
	FACILITY	COUPON RATE	MATURITY		
<b>Debt due within one year</b>					
Commercial paper		Variable	< 3 months	199	208
				<b>199</b>	<b>208</b>
Bank funding					
MUFG Bank, Ltd. <sup>1</sup>	125 million NZD	Variable	30/11/2025	125	-
Commonwealth Bank of Australia	100 million NZD	Variable	28/05/2025	100	-
Commonwealth Bank of Australia <sup>1</sup>	100 million NZD	Variable	30/11/2024	-	100
Bank of New Zealand	100 million NZD	Variable	30/05/2025	100	85
				<b>325</b>	<b>185</b>
<b>Total debt due within one year</b>				<b>524</b>	<b>393</b>
<b>Long-term debt</b>					
Bank funding					
Westpac New Zealand Limited <sup>1</sup>	200 million NZD	Variable	30/11/2026	94	-
Commonwealth Bank of Australia <sup>1</sup>	100 million NZD	Variable	28/11/2027	100	-
MUFG Bank, Ltd. <sup>1</sup>	125 million NZD	Variable	30/11/2025	-	125
				<b>194</b>	<b>125</b>
Domestic notes					
125 million NZD		3.94%	7/09/2026	123	117
100 million NZD <sup>2</sup>		4.37%	29/09/2028	100	100
125 million NZD		5.21%	18/09/2029	130	124
175 million NZD		5.45%	18/09/2031	182	174
				<b>535</b>	<b>515</b>
Foreign currency medium term notes					
Australian Medium Term Notes - 100 million AUD		1.90%	5/06/2026	106	102
Australian Medium Term Notes - 150 million AUD		4.00%	20/10/2027	161	156
Australian Medium Term Notes - 125 million AUD		2.60%	18/03/2030	121	116
Norwegian Medium Term Notes - 1 billion NOK <sup>3</sup>		3.07%	19/03/2029	145	142
				<b>533</b>	<b>516</b>
<b>Total long-term debt</b>				<b>1,262</b>	<b>1,156</b>
<b>Total debt</b>				<b>1,786</b>	<b>1,549</b>

<sup>1</sup> These facilities are sustainability linked loans. Spark Finance will receive lower interest rates for the next annual period if it achieves annual sustainability targets or pay higher rates on the loans for the next annual period if it falls short of these annual targets.

<sup>2</sup> This bond is a sustainability linked bond. The bond includes an interest rate step up if Spark fails to meet its sustainability target as at 30 June 2026.

<sup>3</sup> Norwegian krone.

On 28 November 2024, Spark Finance extended the term of its \$100 million committed revolving sustainability linked loan (SLL) facility with Commonwealth Bank of Australia by three years, to mature on 30 November 2027. Spark Finance's SLL has a dual focus on Spark New Zealand Group's environmental and gender diversity performance. For the SLL extension, the gender representation target has been replaced with a median gender pay gap target. The environmental targets remain unchanged.

On 28 November 2024, Spark Finance established a NZ\$100 million committed revolving facility with Commonwealth Bank of Australia, to mature on 28 May 2025.

The fair value of total debt based on market observable prices, was \$1,808 million compared to a carrying value of \$1,786 million as at 31 December 2024 (30 June 2024: fair value of \$1,571 million compared to a carrying value of \$1,549 million).

### Note 4 Dividends

On 30 August 2024, Spark Finance paid a dividend of 18.69 cents per share or \$165 million to Spark New Zealand Limited, which was paid through the intercompany current account (31 December 2023: 20.95 cents per share or \$185 million).

**Contact details**

Registered office

The registered office of Spark Finance is:

Level 1  
50 Albert St  
Auckland 1010  
New Zealand  
Ph +64 4 471 1638 or 0800 108 010

Inquiries

Bondholders with inquiries about transactions, changes of address or interest payments should contact:

**MUFG Pension & Market Services**

A division of MUFG Pension & Market Services

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Visit the Spark New Zealand website at **www.sparknz.co.nz**