MARITIME KIWISAVER SCHEME

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

MARITIME KIWISAVER SCHEME

Table of Contents
For the year ended 31 March 2019

INDEX

Maritime KiwiSaver Scheme
Statement of Net Assets
As at 31 March 2019
(All amounts are in NZD unless otherwise stated)

	Note	2019	2018
Assets			
Investments in the Maritime Retirement Scheme		13,357,528	13,108,221
Total Assets		**13,357,528**	**13,108,221**
Liabilities			
Benefits Payable		(129,441)	-
Tax Payable		(12,191)	(107,675)
Total Liabilities		**(141,632)**	**(107,675)**
NET ASSETS AVAILABLE FOR BENEFITS		**13,215,896**	**13,000,546**
LIABILITY FOR PROMISED RETIREMENT BENEFITS			
Represented by:			
		13,215,896	13,000,546
		13,215,896	**13,000,546**

For and on behalf of the Trustees, who authorised the issue of these financial statements on:

Trustee ____________________ Date 17/7/19

Trustee ____________________ Date 17-07-2019

Maritime KiwiSaver Scheme
Statement of Changes in Net Assets
For the year ended 31 March 2019
(All amounts are in NZD unless otherwise stated)

INVESTMENT ACTIVITIES	Note	2019	2018
Investment Revenue			
Investment Revenue		758,258	912,088
Investment Expenses			
Investment Management Fees		(49,618)	(45,821)
Net Investment Revenue		**708,640**	**866,267**
Other Expenses			
Scheme Expenses		(40,444)	(38,648)
Change in Net Assets before Membership Activities		**668,196**	**827,619**
MEMBERSHIP ACTIVITIES			
Contributions			
Members' Contributions		781,108	728,241
Employers' Contributions		450,906	430,882
Member Tax Credits		105,415	132,026
Kiwisaver Transfers In		50,096	140,692
Total Contributions		1,387,526	1,431,841
Benefits Paid			
Members' PIE Tax	6	(90,517)	(107,675)
Kiwisaver Transfers Out		(527,748)	(44,180)
Retirement		(728,363)	(566,159)
First Home Purchase		(111,813)	-
Partial withdrawals		(240,000)	(206,008)
Hardships		(11,348)	-
Withdrawal		(44,406)	(18,210)
Disablement		-	(24,303)
Death Benefit		(86,178)	(9,714)
Total Benefits Paid		(1,840,373)	(976,249)
Net Membership Activities		**(452,847)**	**455,592**
Net Increase in Net Assets During The Year		**215,349**	**1,283,211**
Net Assets Available for Benefits at Beginning of Year		13,000,546	11,717,335
Net Assets Available for Benefits at End of Year		**13,215,896**	**13,000,546**

Maritime KiwiSaver Scheme
Statement of Cash Flows
For the year ending 31 March 2019
(All amounts are in NZD unless otherwise stated)

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from			
Contributions from Members and Employers		-	-
Contributions from The Crown		-	-
Kiwisaver Transfers In		-	-
Interest and Other Income		-	-
		-	-
Cash applied to			
Benefits Paid		-	-
Transfer Out		-	-
Other Expenses		-	-
Provisional Tax paid		-	-
		-	-
Net Cash Flows from Operating Activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from			
Sale of Investments		-	-
Cash was applied to			
Purchase of Investments		-	-
Net Cash Flows from Investing Activities		-	-
		-	-
Cash at Beginning of Year		-	-
Cash at End of Year		-	-

Since the Scheme has no bank account, there are no cash flow. Refer to Summary of Significant Accounting Policies.

Maritime KiwiSaver Scheme

Notes to the Financial Statements
For the year ending 31 March 2019

1. Plan Description

The Maritime KiwiSaver Scheme (the "Scheme") is a Scheme created under clause 28 (repealed 1 December 2016) of Schedule 4 of the Financial Markets Conduct Act 2013 that is the amalgamation of the SRF KiwiSaver Scheme and the Waterfront Industry KiwiSaver Scheme that took affect on 31 March 2016. The Scheme is a restricted KiwiSaver scheme registered under the FMCA.

Details of membership as at 31 March 2019 were:

	Defined Contribution	Total
01 April 2018	287	287
New member	19	19
Death	(2)	(2)
Withdrawal/Resignations	0	0
Retirements	(12)	(12)
Transfers Out	(12)	(12)
31 March 2019	280	280

The Fund is a Reporting Entity under the Financial Reporting Act 2013 and is registered under the KiwiSaver Act 2006.

The Scheme is domiciled in New Zealand and the address of their registered office is c/o Melville Jessup Weaver, Level 5, 40 Mercer Street, Wellington 6142. The Administration Manager is Melville Jessup Weaver which is Incorporated and domiciled in New Zealand. The Scheme is one of the members of Maritime Retirement Scheme ("MRS") which is a restricted workspace savings scheme domiciled in New Zealand.

The Trustees of the Fund are:

David Young
Simon Brodie
Joe Fleetwood
David Scott
Ray Welson
Diane Edwards resigned 06.11.2018. Replaced by Deepthi Swarnapuri Feb 2019
Alan Windsor resigned 06.11.2018. Replaced by Ray Fife Feb 2019
Mike Clark resigned 06.11.2018. Replaced by Gary Horan Feb 2019
Russel Mayn
Mark Thompson

Funding Arrangements

The Fund receives contributions from members and their participating employers in accordance with the terms of the Trust Deed. Each Member contributes to the Scheme any minimum contribution required by the KiwiSaver Act.

Members can choose to contribute either 3%, 4% or 8% of gross salary or wage. The Employer is required to make the following contributions:

- Waterside members: higher of 3% and such amount (if any) as agreed with the member; and
- Seafarer members: an amount equal to 4% of the member's salary or wages (as defined and in accordance with the KiwiSaver Act).

The Crown makes a member tax credit contribution up to $10 per week, matching Member contributions during the year up to $521. Employers were required to deduct Employer Superannuation Contribution Tax ("ESCT").

Retirement Benefits

Member benefits are locked into the Scheme until the later of the date for reaching the qualifying age for New Zealand Superannuation or the date on which the Member has been a member of any KiwiSaver Scheme or a member of a complying superannuation scheme for a period of five years. The retirement benefits are determined by contributions to the Scheme together with investment earnings on these contributions over the period of membership.

Termination Terms

The Trust Deed sets out the basis on which the Scheme can be terminated.

Changes In the Scheme

During the year there was no change to the scheme.

2. Summary of Significant Accounting Policies

Basis of Preparation
The financial statements have been prepared in accordance with the Trust Deed governing the Scheme, the Financial Reporting Act 2013, the KiwiSaver Act 2006, and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

Statement of Compliance
The financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Measurement Base
The measurement base adopted is that of historical cost modified by the revaluation of certain assets which are measured at fair values at balance date.

Functional and Presentation Currency
These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Scheme operates.

Classification of Assets and Liabilities
The assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

Taxation
Under the Portfolio Investment Entity ("PIE") regime, income earned by the Scheme is attributed to all Members in accordance with the proportion of their interest in the relevant Investment Portfolio within the Scheme. The income attributed to each Member is taxed at the Member's 'prescribed investor rate".

Income and Expenses
Income and Expenses are accounted for on an accruals basis.

Financial Instruments
Financial assets and financial liabilities are recognised on the Scheme's Statement of Net Assets when the Scheme becomes a party to the contractual provisions of the instrument. The Scheme shall offset financial assets and financial liabilities if the Scheme has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

(i) Classification
Investments at fair value through profit or loss are classified as financial assets at fair value through profit or loss and comprise investments in unlisted unit trusts.

These investments are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

Based on the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets, the Trustee has determined that all financial assets of the Scheme are classified as fair value through profit or loss with the exception of cash and cash equivalents, prepaid pensions and trade and other receivables, which are classified as financial assets at amortised cost.

Financial liabilities at amortised cost comprise trade and other payables, and benefits payable. These amounts are unsecured and are usually paid within 30 days from recognition.

(ii) Recognition/Derecognition
The Scheme recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date. Financial assets are derecognised when the right to receive cash flows from the assets have expired or the Scheme has transferred substantially all risks and rewards of ownership. All gains and losses on investments at fair value through profit or loss are recognised in the Statement of Changes in Net Assets.

(iii) Measurement
(1) Financial assets and liabilities at fair value through profit or loss
Investments held at fair value through profit or loss are measured initially at fair value excluding any transaction costs. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Changes in Net Assets.

(2) Financial assets and liabilities at amortised cost
Financial assets and liabilities at amortised cost are initial recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or liability and subsequently measured at amortised cost.

2. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

(iv) Impairment of Financial Assets

The Scheme recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Scheme expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the scheme applies a simplified approach in calculating ECLs. Therefore, the scheme does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Goods and Services Tax (GST)

The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Statement of Cash Flows

The Scheme has no bank account. All member and employer contributions are deposited in a bank account held by Maritime Retirement Scheme ("MRS"). The money is then invested in the MRS. MRS pays the Scheme expenses, and benefits to members, in the first instance and processes redemptions from itself on behalf of the Scheme on a regular basis.

Promised Retirement Benefits

The liability for promised retirement benefits is the Scheme's present obligation to pay benefits to members and beneficiaries. It has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities as at balance date.

Contributions and Benefits

Contributions are recognised in the Statement of Changes in Net Assets when they become receivable, resulting in a financial asset. Benefits are recognised in the Statement of Changes in Net Assets when they become payable resulting in a financial liability.

Transfers in and transfers out

Transfers in and transfers out of other schemes are accounted for on an accrual basis.

Critical Accounting Estimates and Judgements

It is possible to determine the fair values of all financial assets through prices provided by the investment managers. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of making material adjustments to the carrying amounts of assets and liabilities at year end. However, as with all investments their value is subject to variation due to market fluctuations. For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Trustees have to apply their judgement as to what constitutes quoted price in an active market.

Standards and Interpretations Issued and Adopted During the Year.

The following standards/ interpretations and new amendments which are considered relevant to the Scheme are effective for the year ended 31 March 2019 have been applied in preparing these financial statements.

NZ IFRS 9 - Financial instruments became effective for annual periods beginning on or after 1 January 2018. NZ IFRS 9, was issued in September 2014 as a complete version of the standard. It addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. It replaces the multiple classification and measurement models in NZ IAS 39 – Financial Instruments: Recognition and Measurement. Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. NZ IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

3. Accounting for Investments, Income and Expenses

The Scheme solely invests into and is a member of the Maritime Retirement Scheme. The Scheme offers two investment options, the Balanced portfolio and the Conservative portfolio. The Scheme does not prepare financial statements at the investment choice level as the liabilities of the individual investment choices are not exclusive to the assets of each investment choice. Therefore assets of one investment choice could be used to meet the liabilities of another.

The Scheme's gain/(losses) is based on the return declared by the Maritime Retirement Scheme. The investment holdings of the Scheme are a result of the contributions received and units redeemed on investments within the Maritime Retirement Scheme in addition to the gains/(losses) received on these investments.

All expenses are jointly incurred with the Maritime Retirement Scheme.

4. Liability for Promised Retirement Benefits

Changes in promised retirement benefits as at 31 March 2019:

	Member Account $	Employer Account $	Total 2019 $
Balance 1 April 2018	8,949,427	4,051,119	13,000,546
Contributions	935,259	452,267	1,387,526
Withdrawals	(1,255,135)	(494,721)	(1,749,856)
Net Income Allocated	432,435	145,245	577,680
Balance 31 March 2019	9,061,986	4,153,910	13,215,896

Changes in promised retirement benefits as at 31 March 2018:

	Member Account $	Employer Account $	Total 2018 $
Balance 1 April 2017	8,093,010	3,624,325	11,717,335
Contributions	1,000,959	430,882	1,431,841
Withdrawals	(631,590)	(236,985)	(868,575)
Net Income Allocated	487,049	232,896	719,945
Balance 31 March 2018	8,949,427	4,051,119	13,000,546

Guaranteed Benefits Available for Benefits
No guarantees have been made in respect of any part of the liability for promised benefits. (2018: Nil).

5. Vested Benefits

Vested benefits are benefits payable to members or beneficiaries under the conditions of the Trust Deed, on the basis of all members ceasing to be members of the Scheme at balance date.

	2019 $	2018 $
	13,215,896	13,000,546

6. Taxation

The Scheme invests in Maritime Retirement Scheme ("MRS") which in turn invests in a number of funds that are Portfolio Investment Entities. For these investments, the MRS can elect to apply a Prescribed Investor Rate ("PIR") of either 0% or 28%. Taxable income calculated within the investments to which a 0% PIR is applied is taxable directly within the Scheme, with the resultant tax charge present on the face of the Statement of Changes in Net Assets as income tax expense/(credit). Taxable income calculated within the investments to which a 28% PIR is applied is taxable within those investments, with any tax deducted/credited reflected in the valuation of investments at year end, with investment returns shown gross of tax.

	2019 $	2018 $
Change in Net Assets before Tax and membership activities	668,196	827,619
Income Tax @ 28%	187,095	231,733
Tax effect of:		
(Non taxable income)/Non deductible losses	(187,095)	(231,733)
PIE attributed income liability	121,739	149,740
Prior period adjustment	-	-
Tax Credits	(21,757)	(30,236)
Members with PIRs less than the maximum rate	(9,465)	(11,829)
Tax Expense	90,517	107,675
Tax Expense comprises:		
Current tax	90,517	107,675
Deferred tax	-	-
	90,517	107,675

As the Scheme is a PIE, tax payable is determined with reference to individual members' PIRs rather than payable by the Scheme at a flat rate of 28%.

7. Financial Risk Management

The Maritime KiwiSaver Scheme invests solely into and is a member of the Maritime Retirement Scheme.

The Trustees have approved a Statement of Investment Policies and Objectives which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations undertaken as required.

Financial Instruments by Category

	As at 31 March 2019		As at 31 March 2018	
	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Profit or Loss
	$	$	$	$
Assets as per Statement of Net Assets				
Investments at Fair Value through Profit or Loss	-	13,357,528	-	13,108,221
Total	-	13,357,528	-	13,108,221
	Financial Liabilities at Amortised Cost	Financial Liabilities at Fair Value Through Profit or Loss	Financial Liabilities at Amortised Cost	Financial Liabilities at Fair Value Through Profit or Loss
Liabilities as per Statement of Net Assets				
Benefit Payables	129,441		-	-
Other Payables	12,191	-	107,675	-
Total	141,632	-	107,675	-

Credit Risk

Credit Risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Scheme is exposed directly and indirectly to credit risk through its investments in the Maritime Retirement Scheme.

The Trustees manage and monitor credit risk by setting benchmark asset allocations and appointing investment managers to manage each asset class, thereby diversifying the Scheme's assets. The Trustees, with advice of Melville Jessup Weaver, perform due diligence of all investment managers before appointment. The Trustees invite an investment manager to each Trustees meeting to discuss performance and risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, currency risk and interest rate risk.

The Scheme is exposed directly and indirectly to foreign exchange risk and interest rate risk through its investments in the Maritime Retirement Scheme. The Scheme is exposed directly and indirectly to other price risks through its investments in the Maritime Retirement Scheme.

Risk management activities are undertaken by the Trustees to manage the market risks outlined below (i.e. Other Price Risk, Currency Risk, and Interest Rate Risk). The Trustees use the services of Melville Jessup Weaver to actively manage the cashflow according to benchmark asset allocations. The Trustees review the overall asset allocation and decide on rebalancing at certain Trustee meetings. The Trustees invite investment managers to each Trustee meeting to discuss performance and risk.

Other Price Risk

Other price risk is the risk that the value of the Scheme's investments will increase/decrease due to a change in the prices of the Scheme's investments in the Maritime Retirement Scheme.

A thirteen percent (2018: ten) decrease in the value of the Scheme's investments would have an adverse impact on the value of the Scheme's assets of $1,736,479. Conversely, a thirteen percent (2018: ten) increase in the value of the Scheme's investments would have a positive impact on the value of the Scheme's assets of $1,736,479. The maximum exposure to other price risk is the carrying value of these financial instruments.

Interest Rate Risk

The Scheme is indirectly exposed to interest rate risk in that future interest rate movements will indirectly affect the valuation of investments in unitised products which invest in cash and fixed interest investments. There is no maturity period for unitised investments.

Liquidity Risk

Liquidity risk is the risk that the Scheme will encounter difficulty is raising funds to meet its obligations to pay Members. Due to the nature of a KiwiSaver Scheme, it is unlikely that a significant number of members would exit at the same time. In ordinary circumstances the investment in the Maritime Retirement Scheme is readily redeemable.

8. Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Scheme's accounting policies.

The Scheme classifies fair value measurements of financial instruments at fair value through profit or loss using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Valuation techniques using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Valuation techniques using inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Scheme invests solely into the Maritime Retirement Scheme. Given their investments are in investments where the fair value is determined using observable market inputs, the total investment in the Scheme has been allocated as Level 2 fair value measurement.

	31 March 2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total Balance**
	$	**$**	**$**	**$**
Financial assets designated at fair value through profit or loss	-	13,357,528	-	13,357,528
Total Assets		**13,357,528**		**13,357,528**

	31 March 2018			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total Balance**
	$	**$**	**$**	**$**
Financial assets designated at fair value through profit or loss	-	13,108,221	-	13,108,221
Total Assets	**-**	**13,108,221**	**-**	**13,108,221**

9. Auditor's Remuneration - Audit Fees

Audit and tax advisory services for the Scheme during the year were undertaken by Deloitte Limited. Auditor's fees consisted of the audit of the financial statements to the amount of $10,350 and the audit of the Register to the amount of $2,358. Taxation advisory services were provided as combined service and the fees paid to adviser amounted to $1,955.

10. Related Parties

The Scheme holds no investments in any of the employer companies or any of its related parties and during the period had no related party transactions, except for employer contributions of $450,906.

The Scheme is a member of and invests through the Maritime Retirement Scheme.The Scheme invests in the Maritime Retirement Scheme and the investment balance of $13,357,528 represents the value of the KiwiSaver member account at year-end. The Maritime Retirement Scheme pays secretarial fees to the Trustee, trustee liability insurance and reimburses the Trustees' costs for travelling, etc. During the year, the Trustee fees were $120,007 (2018: $146,948). Trustee fees have been proportionally allocated to Maritime KiwiSaver Scheme and included in Scheme's expenses.

11. Events after Balance date

There have been no material events after balance date that require adjustment to, or disclosure in, the financial statements.

Deloitte.

Independent Auditor's Report

To the Members of Maritime KiwiSaver Scheme

Opinion

We have audited the financial statements of Martime KiwiSaver Scheme (the 'Scheme'), which comprise the statement of net assets as at 31 March 2019, and the statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 1 to 9, present fairly, in all material respects, the financial position of the Scheme as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further describedpl in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Scheme in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, the provision of other assurance services, and the provision of taxation advice, we have no relationship with or interests in the Scheme. These services have not impaired our independence as auditor of the Scheme.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Trustees are responsible on behalf of the Scheme for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustees and consider further appropriate actions.

Trustees' responsibilities for the financial statements

The Trustees are responsible on behalf of the Scheme for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Scheme for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board’s website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2

This description forms part of our auditor’s report.

Restriction on use

This report is made solely to the Scheme’s members, as a body. Our audit has been undertaken so that we might state to the Scheme’s members 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 Scheme’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Silvio Bruinsma, Partner
for Deloitte Limited
Wellington, New Zealand
17 July 2019