

BCF KIWISAVER SCHEME

Financial Statements

For the year ended 31 March 2018

BCF KIWISAVER SCHEME

Financial Statements

For the year ended 31 March 2018

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Independent Auditor's Report

To the Members of BCF KiwiSaver Scheme

Opinion	<p>We have audited the financial statements of BCF KiwiSaver Scheme (the 'Scheme'), which comprise the statement of net assets, as at 31 March 2018, 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.</p> <p>In our opinion, the accompanying financial statements, on pages 3 to 12, present fairly, in all material respects, the financial position of the Scheme as at 31 March 2018, 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').</p>
Basis for opinion	<p>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 described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>We are independent of the Scheme in accordance with Professional and Ethical Standard 1 (Revised) <i>Code of Ethics for Assurance Practitioners</i> issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' <i>Code of Ethics for Professional Accountants</i>, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>Other than in our capacity as auditor, we have no relationship with or interests in the Scheme.</p>
Other matter	<p>The financial statements of the Scheme for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 July 2017.</p>
Other information	<p>The Trustee is 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.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>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. If so, we are required to report that fact. We have nothing to report in this regard.</p>
Trustee's responsibilities for the financial statements	<p>The Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, the Trustee is 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 Trustee either intends to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.</p>
Auditor's responsibilities for the audit of the financial statements	<p>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.</p> <p>A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:</p>

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-6>

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.



**Silvio Bruinsma, Partner
for Deloitte Limited**
Wellington, New Zealand
6 July 2018

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Statement of Net Assets As at 31 March 2018

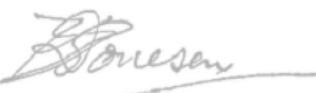
	Note	2018 \$	2017 \$
ASSETS			
Cash And Cash Equivalents		53,113	40,030
Investments	6	7,403,439	6,048,760
Income Tax Receivable	7	-	30,820
Total Assets		<u>7,456,552</u>	<u>6,119,610</u>
LIABILITIES			
Sundry Creditors	10	41,638	29,783
Benefits Payable	9	20,410	-
Income Tax Payable	7	13,243	-
Total Liabilities		<u>75,291</u>	<u>29,783</u>
NET ASSETS AVAILABLE FOR BENEFITS		<u><u>7,381,261</u></u>	<u><u>6,089,827</u></u>
LIABILITY FOR PROMISED BENEFITS			
<i>Represented by:</i>			
KiwiSaver Member Accounts	4	7,381,261	6,089,827
		<u><u>7,381,261</u></u>	<u><u>6,089,827</u></u>

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

Director: 

John Mason

Date: 06/07/2018

Director: 

Kevin Sorensen

Date: 06/07/2018

This statement is to be read in conjunction with the notes on pages 6 to 12

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Statement of Changes in Net Assets For the year ended 31 March 2018

INVESTMENT ACTIVITIES	Note	2018 \$	2017 \$
Investment Revenue			
Interest Received		239,850	196,804
Other Expenses			
Administration & Actuarial Fees		30,000	31,737
Auditor's Remuneration - Audit of Financial statements	13	16,683	13,685
Auditor's Remuneration - Custodial Service Assurance	13	14,822	-
Auditor's Remuneration - Register fees	13	-	6,900
Taxation services	13	8,165	1,495
Legal Fees		34,617	50,773
Sundry Expenses		33,168	25,709
Total Other Expenses		<u>137,455</u>	<u>130,299</u>
Surplus before Taxation and Membership Activities		<u>102,395</u>	<u>66,505</u>
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		823,820	788,045
Employer Contributions		489,693	476,189
Crown Tax Credits		183,443	181,734
Transfers in		77,867	90,230
Kickstart		3,000	9,000
Total Contributions		<u>1,577,823</u>	<u>1,545,198</u>
Less:			
Death Payment		21,254	-
First Home Withdrawal		164,883	119,004
Retirement		88,601	117,978
Partial Withdrawal		63,400	4,000
Transfer Out		4,771	13,163
Tax Expense	7	45,875	16,932
Net Membership Activities		<u>1,189,039</u>	<u>1,274,121</u>
Net Increase in Net Assets During Year		1,291,434	1,340,626
KiwiSaver Member Accounts at the start of the year	4	6,089,827	4,749,201
KiwiSaver Member Accounts at the end of the year		<u><u>7,381,261</u></u>	<u><u>6,089,827</u></u>

This statement is to be read in conjunction with the notes on pages 6 to 12

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Statement of Cash Flows For the year ended 31 March 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from			
Member Contributions		823,820	789,321
Employer Contributions		489,693	476,189
Crown Tax Credits		183,443	181,734
Transfers In		80,867	99,230
Tax Refund Received		12,182	-
		<u>1,590,005</u>	<u>1,546,474</u>
Cash applied to			
Withdrawals		(317,728)	(254,144)
Administration Fees		(30,000)	(31,737)
Transfer Out		(4,771)	-
Resident Withholding Tax		(13,994)	(16,932)
Audit Fee		(18,293)	(13,570)
Tax Advice		(5,290)	(3,795)
Legal Fees		(43,442)	(55,173)
General Expenses		(28,574)	(25,812)
		<u>(462,092)</u>	<u>(401,163)</u>
Net Cash Flows from Operating Activities	8	<u>1,127,913</u>	<u>1,145,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from			
Interest Received		-	(18,640)
Sale of investments		-	(757,881)
Cash applied to			
Purchase of investments		(1,114,830)	(901,000)
Net Cash Flows from Investing Activities		<u>(1,114,830)</u>	<u>(1,677,521)</u>
Net Increase/(Decrease) in Cash And Cash Equivalents held		13,083	(532,210)
Cash And Cash Equivalents at Beginning of Year		40,030	572,240
Cash And Cash Equivalents at End of Year		<u><u>53,113</u></u>	<u><u>40,030</u></u>

This statement is to be read in conjunction with the notes on pages 6 to 12

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Notes to the Financial Statements For the year ended 31 March 2018

1. Scheme Description

The BCF KiwiSaver Scheme ("The Scheme") is a defined contribution scheme for members of the Brethren Christian Fellowship. It was registered under the KiwiSaver Act 2006 on the 2nd of September 2010. The Scheme started accepting members' contribution on 20th May 2011. There were 587 members in total as at 31 March 2018 (2017: 569).

Details of membership as at 31 March 2018 were:

	Defined Contribution
1 April 2017	569
New Pensioners	31
Death	(1)
Joined in Error	(1)
Retirements	(9)
Transfers Out	(2)
31 March 2018	587

The Scheme is domiciled in New Zealand and the address of their registered office is 5 Noel Rogers Place, Palmerston North, 4441. Arotahi Trust Limited, is the Trustee of the Scheme and the address of their registered office is 5 Noel Rogers Place, Palmerston North, 4441.

As at 31 March 2018, the Directors of the Trustee are:

- Maurice Hall
- John Mason
- Kevin Sorensen

Funding Arrangements

Members can choose to contribute either 3%, 4% or 8% of gross salary or wages. Members may from time to time make additional voluntary contributions to the Scheme. In certain circumstances, employers are required to contribute to KiwiSaver schemes in respect of their employees who are members at a rate of 3%. Employer contributions are subject to Employer Superannuation Contribution Tax. The Government pays 50 cents for every dollar of Member contribution annually up to a maximum of \$521.43.

Retirement Benefits

Member benefits will be locked in to 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. 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

The Trust Deed was established on 31 August 2010. The trust Deed was amended on 5th September 2016. There have been no changes to the Trust Deed in the current year.

Investment Pools

As per the Trust Deed there are potentially two separate distinct investment pools within the Scheme, as follows:

1. the "Main Pool", which is intended solely for Brethren members; and
2. the "Segregated Pool", which is intended primarily for any members who cease to break bread with the Brethren Christian Fellowship, as determined by the Trustee.

If assets are attributed to the Segregated Pool, then both it and the Main Pool will contain their own separately identifiable assets.

Any balance in Segregated pool shall be invested in bank deposits only. Currently, there is no balance in Segregated Pool therefore no separate accounts are prepared for the year.

2. Statement of compliance

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRS) and the requirements of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013 ("FMCA").

3 Summary of Significant Accounting Policies

Basis of Preparation

The Scheme is registered under the Financial Markets Conduct Act 2013 (FMCA 2013). The financial statements have been prepared in accordance with the requirements of the FMCA 2013.

BCF KIWISAVER SCHEME

Notes to the Financial Statements (cont'd) For the year ended 31 March 2018

3 Summary of Significant Accounting Policies (Cont'd)

Measurement base

The measurement base adopted is that of historical cost modified by the revaluation of investments which are measured at fair value at balance date.

Functional and Presentational 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 BCF KiwiSaver Scheme operates as a superannuation scheme. As such, the assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

Standards and Interpretations and other new amendments in issue not yet adopted

The following standards/ interpretations and new amendments which are considered relevant to the Scheme but not yet effective for the year ended 31 March 2018 have not been applied in preparing these financial statements.

NZ IFRS 9 Financial Instruments (effective 1 January 2018)

Annual improvements to NZ IFRS: 2014-2016 cycle.

NZ IFRS 9 'Financial Instruments' - was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. All the Scheme's financial assets are held at fair value, which will continue under NZ IFRS 9 meaning the only impact will be on disclosures and any change in valuation at the underlying unit investment levels (as this may be further impacted by NZ IFRS 9). This standard is effective for reporting periods beginning on or after 1 January 2018.

Interest Income

Interest income is recognised in the Statement of Changes in Net Assets using the effective interest method.

Income and Expenses

All income and expenses are accounted for on an accrual basis.

Taxation

Under the PIE regime, the Scheme attributes the taxable income of the Scheme to members in accordance with the proportion of their overall interest in the Scheme. The income attributed to each member is taxed at the member's "prescribed investor rate" which is capped at 28%. Under the PIE regime, income is effectively taxed in the hands of the members and is therefore shown as part of Net Membership Activities in the Statement of Changes in Net Assets.

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.

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Receivables

Receivables do not carry any interest, are short-term in nature and are stated at amortised cost.

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Notes to the Financial Statements (cont'd) For the year ended 31 March 2018

3 Summary of Significant Accounting Policies (Cont'd)

Sundry Creditors

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. These amounts are unsecured and are usually paid within 30 days of recognition. These financial liabilities are stated at amortised cost.

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.

Transfers In and Transfers Out

Transfers in and transfers out are accounted for on an accruals basis.

Contributions and Benefits

Contributions and benefits are accounted for on an accruals basis.

Benefits Payable

Benefits payable are not interest-bearing and are stated at their fair value.

Statement of Cash Flows

The following are definitions of the terms used in the Statement of Cash Flows:

* *Cash and Cash Equivalents* - comprises cash balances held with banks in New Zealand and overseas.

* *Investing activities* - comprise acquisition and disposal of investments. Investments include securities not falling within the definition of cash and cash equivalents.

* *Operating activities* - include all transactions and other events that are not investing activities.

Promised Retirement Benefits

The liability for promised benefits is calculated as the difference between the carrying amounts of all assets and the carrying amounts of all the liabilities as at balance date.

Capital Risk Management

The Scheme's primary purpose is to ensure that its net assets are sufficient to meet all present and future obligations of the Scheme, as defined by the liability for promised benefits.

The Scheme achieves this through obtaining contributions from members and employers and investing these into financial assets.

Changes to significant accounting policies

No changes to accounting policies have been made during the year, and policies have been consistently applied to all years presented in these financial statements.

Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Financial assets designated as at fair value through profit or loss, are measured at subsequent reporting dates at fair value, which is the exit price of the exchange on which the investment is quoted.

Gains and losses on investments are determined by the valuation change between the opening and closing exit prices of assets.

During the year 2018 and 2017 the Scheme's invested solely in Term Deposit with a view to earn a return in the form of interest. Term Deposits are recognised and derecognised on the trade date of the contract and interest earned are accounted on accrual basis.

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Notes to the Financial Statements (Cont'd) For the year ended 31 March 2018

4. Changes in promised benefits as at 31 March 2018:

	Member Account \$	Reserve Account \$	Total 2018 \$
Balance 1 April 2017	6,089,827	-	6,089,827
Contributions	1,577,823	-	1,577,823
Benefits Paid	(342,909)	-	(342,909)
Change in net assets after tax	-	56,520	56,520
Interest Allocated	56,520	(56,520)	-
Balance 31 March 2018	<u>7,381,261</u>	<u>-</u>	<u>7,381,261</u>

Changes in promised benefits as at 31 March 2017:

	Member Account \$	Reserve Account \$	Total 2017 \$
Balance 1 April 2016	4,749,201	-	4,749,201
Contributions	1,545,198	-	1,545,198
Benefits Paid	(254,145)	-	(254,145)
KiwiSaver Deductions	-	-	-
Change in net assets after tax	-	49,573	49,573
Interest Allocated	49,573	(49,573)	-
Balance 31 March 2017	<u>6,089,827</u>	<u>-</u>	<u>6,089,827</u>

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.

	2018 \$	2017 \$
Vested benefits	<u>7,381,261</u>	<u>6,106,759</u>

Guaranteed benefits

No guarantees have been made in respect of any part of the liability for promised benefits. (2017: Nil).

6. Investments

	2018 \$	2017 \$
Term Deposits		
ASB	1,663,807	1,554,028
BNZ	1,714,682	1,099,117
TSB Bank	1,899,848	1,335,885
Westpac	672,846	1,522,681
Kiwibank	1,452,256	537,049
Total Investments	<u>7,403,439</u>	<u>6,048,760</u>

7. Income tax

Tax expense

Current tax expense	<u>45,875</u>	<u>16,932</u>
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The total tax expense for the year can be reconciled to the Change in Net Assets as follows:

Change in Net Assets before Tax and membership activities	102,395	66,505
Interest Adjustment	-	(6,035)
Taxable income	<u>102,395</u>	<u>60,470</u>

Income Tax @ 28%	28,670	16,932
RWT prior year adjustment	17,205	-
Tax Expense	<u>45,875</u>	<u>16,932</u>

Current Tax

Opening Balance	(30,820)	(12,180)
Add Tax Assessed	45,875	16,932
Refund	12,182	-
Less RWT Paid and accrued during the year	(13,994)	(35,572)
Closing Balance	<u>13,243</u>	<u>(30,820)</u>

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Notes to the Financial Statements (Cont'd) For the year ended 31 March 2018

8. Reconciliation of net cash flows from operating activities to net increase in net assets	2018 \$	2017 \$
Net increase In Net Assets During Year	1,291,434	1,340,626
Net Interest on Investments (non-cash)	(239,849)	(196,804)
Movements in Other Working Capital Items		
Increase in trade and other payables	32,265	213
(Increase) / Decrease in other receivable	44,063	1,276
Net Cash Flows from Operating Activities	1,127,913	1,145,311
9. Benefits Payable		
Death Withdrawal payable	20,410	-
	20,410	-
10. Sundry Creditors		
Administration Fees	2,500	2,500
Audit of Financial statements	16,675	18,285
Custodial Service Assurance	14,822	-
Register of Member	2,300	-
Taxation Services	2,875	-
Trustees Fees	2,358	-
Legal Fees	-	8,825
Sundry Expenses	108	173
Total	41,638	29,783

11. Fair Value

The Scheme's investments are measured at fair value in the Statement of Net Assets. It is possible to determine the fair value as all investments are deposits with reputable banks.

The Scheme classifies fair value measurements 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:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial value at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Hierarchy of Fair Value Measurements - 2018

Investments	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Term Deposits				
ASB	-	1,663,807	-	1,663,807
BNZ	-	1,714,682	-	1,714,682
TSB	-	1,899,848	-	1,899,848
Westpac	-	672,846	-	672,846
Kiwibank	-	1,452,256	-	1,452,256
Total Investments	-	7,403,439	-	7,403,439

Hierarchy of Fair Value Measurements - 2017

Investments	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Term Deposits				
ASB	-	1,554,028	-	1,554,028
BNZ	-	1,099,117	-	1,099,117
TSB	-	1,335,885	-	1,335,885
Westpac	-	1,522,681	-	1,522,681
Kiwibank	-	537,049	-	537,049
Total Investments	-	6,048,760	-	6,048,760

There were no transfers between level 1, 2 or 3 in the year.

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Notes to the Financial Statements (Cont'd) For the year ended 31 March 2018

12 Financial Risk Management

The Scheme is involved with a number of financial instruments in the course of its normal investing activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

Categories of financial instruments

As at 31 March 2018

	Cash and Cash Equivalents	Financial assets as at fair value through profit or loss	Financial Liabilities at Amortised Cost	Total
Assets				
Cash And Cash Equivalents	53,113	-	-	53,113
Investments	-	7,403,439	-	7,403,439
Total assets	53,113	7,403,439	-	7,456,552
Liabilities				
Sundry Creditors	-	-	41,638	41,638
Benefit Payable	-	-	20,410	20,410
Total liabilities	-	-	62,048	62,048

As at 31 March 2017

	Cash and Cash Equivalents	Financial assets as at fair value through profit or loss	Financial Liabilities at Amortised Cost	Total
Assets				
Cash And Cash Equivalents	40,030	-	-	40,030
Investments	-	6,048,760	-	6,048,760
Total assets	40,030	6,048,760	-	6,088,790
Liabilities				
Sundry Creditors	-	-	29,783	29,783
Total liabilities	-	-	29,783	29,783

Risk Management

Risk management activities are undertaken by the Scheme's investment managers to operate within the guidelines provided by the Trustees.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. The maximum exposure to credit risk for the Scheme is the carrying amount of its assets as disclosed in the Statement of Net Assets.

As at balance date, all investments were held as cash on call with ANZ and term deposits with ASB, BNZ, Westpac, TSB and Kiwibank. The Scheme's investing activities expose it to credit risk. ANZ Bank New Zealand Limited, ASB Bank New Zealand Limited, BNZ, and Westpac New Zealand have credit ratings of AA- with both Standard & Poors and Fitch. TSB Bank Limited has a credit rating of A- credit rating with Fitch. Kiwibank has a credit rating of A with Standard & Poors.

Liquidity risk management

Liquidity risk is the risk that the Scheme will encounter difficulty in 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. However, to control liquidity risk, the Scheme invests in deposits with registered New Zealand banks.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate because of changes in market interest rates. The maturity period for term deposits varies from 3 months to 24 months during the year.

A 1% movement in interest rates would have an impact on the value of the Scheme's assets of +/- \$74,566. (2017: \$60,888).

Capital management

Net assets attributable to members are considered to be the Scheme's capital for the purposes of capital management. The Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and to maximise the Scheme's members' value as well as ensuring its net assets attributable to members are sufficient to meet all present and future obligations.

In order to meet its objectives for capital management the Scheme's management reviews the Scheme's performance on a regular basis.

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Notes to the Financial Statements (Cont'd) For the year ended 31 March 2018

13. Fees for audit and tax services

	2018	2017
	\$	\$
Audit of Financial Statements		
Deloitte Limited	16,675	-
KPMG	8	13,685
Audit of Register of Members		
KPMG	-	6,900
Audit of Custodian Controls		
Deloitte Limited	11,500	-
MJW	3,322	
	<u>28,183</u>	<u>20,585</u>
Tax Services		
Crowe Howarth	8,165	1,495
	<u>8,165</u>	<u>1,495</u>

Deloitte Limited replaced KPMG as the Scheme's auditor during the year.

14 Related Parties

Under FMCA Kevin Sorensen is appointed as the Licensed Independent Trustee with the fee of of \$7,053 p.a. (2017: \$7,226 p.a.) for Trusteeship services paid by the Company. There are three directors for Arotahi Trust Limited, the Trustee. None of these directors are members of the Scheme.

The Scheme holds no investments in any of the employer companies and had no related party transactions during the year except for contributions of \$489,693 (2017: \$476,189)

15 Commitments and Contingent Liabilities

There were no commitments or contingent liabilities outstanding as at 31 March 2018. (2017: Nil).

16 Events After Balance Date

There were no significant events after balance date that would impact the financial statements as at 31 March 2018 (2017: Nil).