AMP KIWISAVER SCHEME

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

AMP KIWISAVER SCHEME

CONTENTS

For the year ended 31 March 2016

AMP KIWISAVER SCHEME

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended 31 March 2016

	Notes	2016 $000's	2015 $000's
INCOME			
Dividend and distribution income		**1,841**	1,777
Interest income		**2,209**	1,762
Net gains on financial assets at fair value through profit or loss		**84,904**	330,916
TOTAL INCOME		**88,954**	334,455
EXPENSES			
Management fees	10	**14,989**	12,438
Audit fees	10	**41**	62
Other assurance services by auditor	10	**10**	23
Other expenses	10	**2,188**	454
TOTAL EXPENSES		**17,228**	12,977
NET PROFIT BEFORE TAX		**71,726**	321,478
Tax expense		**-**	-
NET PROFIT AFTER TAX		**71,726**	321,478
MEMBERSHIP ACTIVITIES			
Contributions			
Members' contributions		**358,476**	365,266
Crown contributions		**75,248**	88,763
Employer contributions		**195,763**	197,984
Transfers from other superannuation schemes		**56,230**	35,229
Members' PIE tax rebates		**555**	186
Total Contributions		**686,272**	687,428
Withdrawals			
Withdrawal benefits		**119,091**	88,661
Transfers to other superannuation schemes		**218,162**	223,383
Inland Revenue refunds		**3,124**	2,408
Members' PIE tax withdrawals		**23,891**	29,160
Member fees	10	**5,777**	6,713
Administration fees	10	**14,387**	12,335
Total Withdrawals		**384,432**	362,660
NET CONTRIBUTIONS		**301,840**	324,768
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS		**373,566**	646,246

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

EY

AMP KIWISAVER SCHEME
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
As at 31 March 2016

	Notes	**2016 $000's**	2015 $000's
ASSETS			
Cash and cash equivalents	3	**52,669**	75,911
Financial assets at fair value through profit or loss	3	**3,946,482**	3,551,656
Receivables	3	**15,024**	25,413
TOTAL ASSETS		**4,014,175**	3,652,980
LIABILITIES			
Payables	4	**16,241**	28,612
TOTAL LIABILITIES		**16,241**	28,612
NET ASSETS AVAILABLE FOR BENEFITS		**3,997,934**	3,624,368
VESTED BENEFITS	5	**3,997,934**	3,624,368

For and on behalf of AMP Wealth Management New Zealand Limited (the Manager) who authorised the issue of these financial statements as at the date below:

Director

19 May 2016
Date

Director

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

EY

AMP KIWISAVER SCHEME
STATEMENT OF CASH FLOWS
For the year ended 31 March 2016

	Notes	2016 $000's	2015 $000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Sale of financial assets at fair value through profit or loss		**51,000**	103,185
Purchase of financial assets at fair value through profit or loss		**(359,099)**	(391,070)
Interest received		**2,203**	1,759
Management fees and other expenses paid		**(16,182)**	(12,594)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8	**(322,078)**	(298,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received		**686,377**	687,444
Withdrawals paid		**(360,630)**	(333,443)
Net PIE tax paid		**(26,911)**	(26,076)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**298,836**	327,925
Net (decrease)/increase in cash and cash equivalents		**(23,242)**	29,205
Cash and cash equivalents at the beginning of the year		**75,911**	46,706
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**52,669**	75,911

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

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1. GENERAL INFORMATION

These financial statements are for the AMP KiwiSaver Scheme (the Scheme) for the year ended 31 March 2016 (balance date).

The Scheme is a defined contribution KiwiSaver Scheme domiciled in New Zealand and established under a Trust Deed dated 29 March 2007 between AMP Services (NZ) Limited and The New Zealand Guardian Trust Company Limited (the Supervisor). It is currently governed by an amended Trust Deed dated 18 March 2016 between AMP Wealth Management New Zealand Limited (the Manager) and the Supervisor.

The main purpose of the Scheme is to provide benefits to Members in accordance with the KiwiSaver Act 2006. It was registered on 30 March 2007 as a Default KiwiSaver Scheme.

The Scheme commenced operations on 1 July 2007 and Members were accepted into the Scheme from that date. On 24 March 2016 the Scheme registered under the Financial Markets Conduct Act 2013 (the FMCA). The Scheme is a profit-oriented reporting entity under XRB A1 - External Reporting Board Standard A1 'Application of the Accounting Standards Framework'.

The Manager of the Scheme is a wholly owned subsidiary of AMP Life Limited. The Manager's ultimate holding company is AMP Limited, a company incorporated in Australia. The Manager is incorporated and domiciled in New Zealand. The registered office of the Manager is located at Level 21, AMP Centre, 29 Customs Street West, Auckland.

The Scheme is comprised of various underlying funds (the Funds). Notwithstanding the division of the Scheme into Funds, the Scheme comprises a single trust fund with the value of the Members' interests in the Scheme determined by reference to the value of the units they hold in the Funds.

The Funds as at 31 March 2016 were as follows:

AMP Default Fund
Cash Fund
AMP Conservative Fund
AMP Moderate Fund
AMP Moderate Balanced Fund
AMP Balanced Fund
AMP Growth Fund
AMP Aggressive Fund
Nikko AM Balanced Fund
ANZ Balanced Plus Fund
Fisher Balanced Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that materially affect the financial statements are set out below.

(a) Basis of preparation

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

The following accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis as modified by the revaluation of certain financial assets at fair value through profit or loss. The going concern assumption has been applied.

The Statement of Net Assets Available for Benefits is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

Certain prior year comparatives and the presentation of cash flows have been reclassified to align with current year disclosures.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Investment entities
The Scheme meets the definition of an investment entity.

The Manager determined that the Scheme met the definition of an investment entity by considering the number of Members in the Scheme, the Scheme's business purpose which is to generate a return to Members from capital appreciation and that substantially all of the Scheme's financial assets are measured and evaluated on a fair value basis.

(c) Currency
The Scheme's Members are primarily located within New Zealand, with contributions and withdrawals to and from Members denominated in New Zealand Dollars (NZD). The performance of the Scheme is measured and reported to Members in NZD. The Manager considers the NZD as the currency that most faithfully represents the effects of the underlying events and conditions. The financial statements are presented in NZD, which is the Scheme's functional and presentation currency. All values are rounded to the nearest thousand dollars ($000's).

(d) Income
Income is recognised to the extent that it is probable that the economic benefits will flow to the Scheme and the income can be readily measured.

Dividend and distribution income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest rate method.

Net gains or losses on financial assets at fair value through profit or loss includes realised gains and losses on the disposal of financial assets and unrealised gains and losses arising from changes in the fair value of financial assets.

(e) Expenses
Expenses are recognised on an accrual basis.

(f) Financial instruments
(i) Classification
The Scheme's financial instruments are categorised as:

(1) Financial assets at fair value through profit or loss
<u>Financial assets designated at fair value through profit or loss upon initial recognition</u>
These include financial assets that do not meet the definition of the category 'held for trading' and are therefore designated at fair value through profit or loss. These financial assets may be sold in the short term.

Financial assets designated at fair value through profit or loss upon initial recognition are those that are managed and their performance is evaluated on a fair value basis in accordance with the risk management policies of the Scheme.

(2) Loans and receivables
These include non-derivative assets with fixed and determinable payments that are not quoted in an active market. These may include cash and cash equivalents, receivables for sale of financial assets and accrued income receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Financial instruments *(continued)*

(ii) Recognition/derecognition

The Scheme recognises financial instruments on the date they become party to the contractual agreement (trade date) and recognises changes in fair value from this date.

Financial assets are derecognised when the right to receive cash flows from the asset has expired or the Scheme has transferred substantially all risks and rewards of ownership.

(iii) Measurement

(1) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are measured initially at fair value. After initial recognition, financial assets at fair value through profit or loss are revalued to fair value with changes in their fair value recognised in the profit or loss.

(2) Loans and receivables
Loans and receivables are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses (if any). Such assets are reviewed at each balance date to determine whether there is objective evidence of impairment, for example, when payments or debts are more than 90 days overdue.

(iv) Offsetting financial instruments

Financial instruments are offset and the net amount reported in the Statement of Net Assets Available for Benefits when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term liquid financial assets with an original date of maturity up to 90 days and bank overdrafts.

Payments and receipts relating to the purchase and sale of financial assets at fair value through profit and loss are classified as cash flows from operating activities, as movements in the fair value of these financial assets represent the Scheme's main income generating activity.

(h) Receivables

Receivables may include amounts for dividends and distributions, interest and fee rebates from underlying fund managers. Dividends and distributions are accrued when the right to receive payment is established (ex-date). Interest is accrued as at balance date from the time of last payment. Fee rebates are accrued as at balance date from the date of the last rebate period. Sales of financial assets that are unsettled at balance date are included in other receivables. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified.

(i) Payables

Payables may include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. Purchases of financial assets that are unsettled at balance date are included in other payables. Payables are initially recognised at fair value and subsequently measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Income tax and other taxes

(i) Portfolio Investment Entity (PIE) Tax

The Scheme qualifies as and has elected to be a PIE for tax purposes.

Under the PIE regime, detailed in the Income Tax Act 2007, income is effectively taxed in the hands of the Member and therefore the Scheme has no income tax expense recognised in the statement of changes in net assets available for benefits.

The Manager attributes the taxable income of the Scheme to Members in accordance with the proportion of their interest in each Fund. The income attributed to each Member is taxed at the Member's prescribed investor rate (which is capped at 28%) and is recognised as a reduction or increase in the value of Member funds in the statement of changes in net assets available for benefits when the PIE tax is paid or received.

(ii) Goods and Services Tax (GST)

The Scheme is not registered for GST. All components of the financial statements are stated as inclusive of GST where applicable.

(k) Contributions

Contributions are recognised when the Manager has confirmed the validity of a Member's application details and instructions. Each Member contributes to the Scheme in accordance with the KiwiSaver Act 2006 and the Trust Deed and at a rate determined by the Member.

(l) Withdrawals

Withdrawals are recognised when the Manager has confirmed that a Member meets the conditions required for withdrawal eligibility. Withdrawals are paid on or after a Member's qualifying date for retirement. Early withdrawals are permitted for first home purchase, significant financial hardship, serious illness, permanent emigration, and death.

(m) Members' funds

Each unit issued confers an equal interest in that Fund of the Scheme to which the unit relates. A unit does not confer any rights or interests in the individual investments of the Fund or Scheme to the Member.

Members have various rights under the KiwiSaver Act 2006. The rights, obligations and restrictions attached to each unit, within a Fund, are identical in all respects.

(n) Amounts available for benefits

Amounts available for benefits is the Scheme's present obligation to pay benefits to Members and is the difference between the carrying amount of the assets and the carrying amount of the liabilities.

(o) Significant judgements and estimates

The Manager makes estimates and judgements regarding the future of the Scheme. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(p) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:
The Scheme has adopted the following new and amended NZ IFRS standards and interpretations as of 1 April 2015:

Amendments to NZ IFRSs arising from the Annual Improvements Projects (2010-2012), (2011-2013) and (2012-2014);
2014 Omnibus Amendments to NZ IFRS; and
Fair Value Disclosures by Retirement Benefit Plans – Amendments to NZ IAS 26.

The adoption of these standards did not have a material impact on the financial statements of the Scheme.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) New accounting standards and interpretations *(continued)*

(ii) Accounting standards issued but not yet effective

The following standards and interpretations have been issued, but not yet effective at balance date. Initial application of these standards and interpretations are not expected to have any material impact on the financial statements of the Scheme:

Standard/Interpretation	Application date of standard	Application date for the Scheme
NZ IAS 1 Disclosure Initiative	1 January 2016	1 April 2016
NZ IFRS 15 Revenue from Contracts with Customers	1 January 2018	1 April 2018
NZ IFRS 9 (2014) Financial Instruments	1 January 2018	1 April 2018

3. FINANCIAL ASSETS

Financial assets designated at fair value through profit or loss:	2016 $000's	2015 $000's
AMP Capital NZ Cash Fund	75,280	65,947
AMP Capital Diversified Fund 1 *	1,210,181	1,219,076
AMP Capital Diversified Fund 2 *	268,266	221,337
AMP Capital Diversified Fund 3 *	315,903	254,283
AMP Capital Diversified Fund 4 *	450,891	372,469
AMP Capital Diversified Fund 5 *	676,775	587,250
AMP Capital Diversified Fund 6 *	503,499	454,358
AMP Capital Diversified Fund 7 *	219,589	206,092
Nikko AM Balanced Fund	28,605	18,382
ANZ Balanced Plus Fund	170,934	129,919
Fisher Institutional Balanced Fund	26,559	22,543
Total financial assets designated at fair value through profit or loss	3,946,482	3,551,656
Total financial assets at fair value through profit or loss	3,946,482	3,551,656

* Financial assets exceeding 5% of net assets available for benefits.

As at balance date, the AMP Default Fund has a 100% holding in the AMP Capital Diversified Fund 1. The AMP Capital Diversified Fund 1 is a unit trust domiciled in New Zealand. It is managed by AMP Capital Investors (New Zealand) Limited and its place of business is 113-119 The Terrace, Wellington. The Scheme has no contractual arrangements with its underlying investments to provide financial support and has not made, nor intends to make, any commitments to provide financial or other support.

	2016 $000's	2015 $000's
Loans and receivables		
Cash and cash equivalents	52,669	75,911
Receivables	15,024	25,413
Total loans and receivables	67,693	101,324
Total financial assets	4,014,175	3,652,980
Analysis of receivables		
Fee rebates receivable from underlying fund managers	228	204
Contributions receivable from Members	1,230	1,890
PIE tax receivable	13,566	23,319
Total receivables	15,024	25,413

4. FINANCIAL LIABILITIES

	2016 $000's	2015 $000's
Financial liabilities measured at amortised cost		
Payables	**16,241**	28,612
Total financial liabilities	**16,241**	28,612
Analysis of payables		
Management fees payable	**1,334**	1,228
Withdrawals payable to Members	**291**	380
PIE tax payable	**13,566**	26,894
Other expenses payable	**1,005**	42
Audit fees payable	**45**	68
Total payables	**16,241**	28,612

5. VESTED BENEFITS

Vested benefits are benefits, the rights to which, under the conditions of the Scheme are not conditional on continued membership. The vested benefits as at 31 March 2016 are $3,997,934,000 (2015: $3,624,368,000).

6. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the amounts available for benefits (2015: nil).

7. CAPITAL MANAGEMENT

The Scheme's capital is represented by redeemable units with no par value and is reflected as net assets available for benefits in the Statement of Net Assets Available for Benefits. In accordance with the accounting policies and the risk management policies in note 9, the Scheme endeavours to invest contributions received in appropriate investments whilst maintaining sufficient liquidity to meet any withdrawal requests. The terms and conditions attached to units in the Scheme can be found in note 2(m).

8. RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2016 $000's	2015 $000's
Net profit after tax	**71,726**	321,478
Reinvested investment income	**(1,847)**	(1,780)
Net gains on financial assets at fair value through profit or loss	**(84,904)**	(330,916)
Sale of financial assets at fair value through profit or loss	**51,000**	103,185
Purchase of financial assets at fair value through profit or loss	**(359,099)**	(391,070)
Net change in operating cash payables	**1,046**	383
Net cash outflow from operating activities	**(322,078)**	(298,720)

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial risk management objectives, policies and processes

The Scheme may be exposed to credit risk, market risk (including unit price risk and interest rate risk) and liquidity and cash flow risk arising from the financial instruments it holds.

The Manager is responsible for identifying and controlling the risks that arise from these financial instruments. The Manager agrees policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on the results and net assets available for benefits of the Scheme from reasonably possible changes in the relevant risk variables. Information about these risk exposures at balance date, measured on this basis, is disclosed below.

The Manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Scheme, as well as the level of risk that the Scheme is willing to accept. This information is prepared and reported to relevant parties within the Manager on a regular basis as deemed appropriate, including key management personnel and appropriate committees.

Concentration of risk arises when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. In order to avoid excessive concentration of risk, the Manager monitors the Scheme's exposure to ensure concentrations of risk remain within acceptable levels and reduces exposure to manage excessive risk concentrations when they arise.

(b) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part under a contract. The Scheme's cash and cash equivalents and receivables are not past due or impaired. The carrying amount of these assets best represents their maximum credit risk exposure at balance date.

Cash and cash equivalents are held with registered banks with high financial strength.

(c) Market risk

Market risk is the risk that the Scheme's profit or loss will fluctuate as a result of changes in market conditions. Two components of market risk have been identified for the Scheme: unit price risk and interest rate risk.

These risks are managed by ensuring that all investment activities are transacted in accordance with established mandate limits and investment strategies.

The Scheme invests primarily in units in managed investment funds, either single-sector or diversified portfolios of domestic or international securities. This reduces the impact of a particular security underperforming.

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9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(c) Market risk *(continued)*

(i) Unit price risk

Unit price risk is the risk that the Scheme's profit or loss will fluctuate as a result of changes in unit price.

The table below shows the impact on the Statement of Changes in Net Assets Available for Benefits and Statement of Net Assets Available for Benefits due to a reasonably possible change in the unit price with all other variables held constant:

	2016		2015	
	Increase/ (decrease) on profit before tax $000's	**Increase/ (decrease) on net assets available for benefits $000's**	Increase/ (decrease) on profit before tax $000's	Increase/ (decrease) on net assets available for benefits $000's
Unit price change:				
+10%	**394,648**	**394,648**	355,166	355,166
-10%	**(394,648)**	**(394,648)**	(355,166)	(355,166)

(ii) Interest rate risk

Interest rate risk is the risk that the Scheme's profit or loss will fluctuate as a result of changes in interest rates.

The Scheme's exposure to interest rate risk primarily arises from changes in interest rates applicable to cash and cash equivalents.

The Manager actively monitors interest rate risk exposure and takes actions as necessary. This includes regular review of interest rates applicable to cash balances. The Scheme has no significant direct investments subject to interest rate risk. The Scheme's exposure to interest rate risk is not deemed to be significant.

(d) Liquidity and cash flow risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy its financial obligations. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate.

Due to the nature of a superannuation 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 financial instruments which, under normal market conditions are readily convertible to cash. In addition, the Scheme invests within established limits to ensure there is no concentration of risk.

Payables have no contractual maturities but are typically settled within 30 days. Receivables outstanding at balance date are due to be settled within 90 days of balance date. Due to the short term nature of these instruments the carrying value approximates fair value. The effect of discounting is not significant as there is little difference between undiscounted and discounted cash flows.

(e) Fair values of financial instruments

The fair value of units held in managed investment funds is determined by reference to published exit prices, being the redemption price established by the underlying fund.

NZ IFRS 7 'Financial Instruments: Disclosures' require fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:
Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as 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).

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(e) Fair values of financial instruments *(continued)*
The fair value of the Scheme's financial assets at fair value through profit or loss are classified as being Level 2 as they are measured using inputs that are directly observable at balance date (2015: Level 2).

10. RELATED PARTIES

Under the terms of the Trust Deed, the Manager is entitled to charge fees in relation to the administration and management of the Scheme.

Administration and management fees are as follows:

	Administration Fee		Management Fee	
	2016	2015	2016	2015
	%pa	%pa	%pa	%pa
Fund				
AMP Default Fund	0.15	0.15	0.20	0.20
Cash Fund	0.53	0.53	0.20	0.20
AMP Conservative Fund	0.53	0.53	0.35	0.35
AMP Moderate Fund	0.53	0.53	0.45	0.45
AMP Moderate Balanced Fund	0.53	0.53	0.50	0.50
AMP Balanced Fund	0.53	0.53	0.50	0.50
AMP Growth Fund	0.53	0.53	0.51	0.51
AMP Aggressive Fund	0.53	0.53	0.60	0.60
Nikko AM Balanced Fund	0.53	0.53	0.55	0.55
ANZ Balanced Plus Fund	0.53	0.53	0.55	0.55
Fisher Balanced Fund	0.53	0.53	0.60	0.60

A Member fee of $1.95 per month or $23.40 per annum (2015: $26.40) is also charged.

Fees charged by the Manager during the year are shown separately in the Statement of Changes in Net Assets Available for Benefits. Fees payable to the Manager are disclosed within note 4. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

The Manager pays the Supervisor fees and underlying fund managers' fees on behalf of the Scheme.

Under the terms of the Trust Deed, the Manager may recover costs and expenses such as audit costs, printing and postage, legal fees, and system costs charged by third parties. These expenses are reflected as audit fees, other assurance services by auditor and other expenses in the Statement of Changes in Net Assets Available for Benefits.

The Supervisor is entitled under the Trust Deed to be paid an annual fee, calculated daily and payable quarterly in arrears, as the Supervisor and Manager may agree from time to time.

Supervisor fees for the year ended 31 March 2016 amounted to $607,757 (2015: $941,557).

All related party transactions are conducted on normal commercial terms and conditions. No related party debts have been written off or forgiven during either the current or prior year.

11. CONTINGENT ASSETS, LIABILITES AND COMMITMENTS

There are no contingent assets, liabilities or commitments as at balance date (2015: nil).

12. CHANGES TO THE TRUST DEED

On 22 September 2015 the Manager and the Supervisor amended the Trust Deed in order to reflect the appointment of the Manager as manager of the Scheme, as replacement for AMP Services (NZ) Limited, and to reflect legislative and other developments.

On 18 March 2016 the Manager and the Supervisor amended the Trust Deed in order to comply with the requirements of the FMCA, the KiwiSaver Act and all other relevant legislation and to make a number of other minor amendments as a consequence of the introduction of the FMCA, amendments to other legislation and for the more efficient operation of the Scheme.

On 12 April 2016 the Trust Deed was amended in order to clarify the date on which the management agreement was entered into between the Manager and the Supervisor.

13. EVENTS AFTER BALANCE DATE

There have been no significant events since 31 March 2016 that require disclosure in these financial statements (2015: nil).

EY

Chartered Accountants

Independent Auditor's Report

To the Members of the AMP KiwiSaver Scheme

Report on the Financial Statements

We have audited the financial statements of the AMP KiwiSaver Scheme (the "Scheme") on pages 1 to 13, which comprise the statement of net assets available for benefits of the Scheme as at 31 March 2016, and the statement of changes in net assets available for benefits and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and the Scheme's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Manager's Responsibility for the Financial Statements

The Manager is responsible on behalf of the Scheme for the preparation and fair presentation of the financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We provide other assurance services and agreed upon procedures to the Scheme. We have no other relationship with, or interest in, the Scheme.

Partners and employees of our firm may deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme.

Opinion

In our opinion, the financial statements on pages 1 to 13 present fairly, in all material respects, the financial position of the Scheme as at 31 March 2016 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Ernst + Young

19 May 2016
Wellington