AMANAH KIWISAVER PLAN

Annual Financial Statements

For the year ended 31 March 2017

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DIRECTORY

Fund Management Company
AmanahNZ Kiwisaver Limited

Management Company Registered Office
5 Hauraki Road
Takapuna
Auckland

Directors of the Management Company
Gregory Fortuin
Claudio S Oberto
Faruk Balli
Brian P Henry

Trustee
Trustees Executors Limited
Level 7, 51 Shortland Street
Auckland

Auditors
William Buck Christmas Gouwland Audit Limited
Level 4, 21 Queen St
Auckland

APPROVAL OF FINANCIAL STATEMENTS

The directors of AmanahNZ Kiwisaver Limited are pleased to present the financial statements of Amanah Kiwisaver Plan for the year ended 31 March 2017.

Director – Brian Henry

Director – Claude Oberto

Date: 27 July 2017

AMANAH KIWISAVER PLAN
Statement of Changes in Net Assets Available for Benefits
For the year ended 31 March 2017

	Notes	2017 $	2016 $
Investment activities			
Investment Income			
Net changes in fair value of financial assets	3	132,379	(66,663)
Net Investment Income / (Deficit)		132,379	(66,663)
Other Income			
Management fee rebates from AmanahNZ Unit Trust	4,9	97,087	47,478
Total Income		229,466	(19,185)
Expenses			
Management fee and administration fees	4,9	119,995	60,900
Transaction fees and expenses	4	21	-
Total Expenses		120,016	60,900
Net profit / (loss) before membership activities		**109,450**	**(80,085)**
Membership activities			
Contributions	5	3,732,086	3,863,044
Withdrawals	5	(674,181)	(54,137)
Member Fees paid	5	(15,128)	(15,845)
PIE tax refund attributable to members		9,186	7,894
Net contributions from Members		**3,051,963**	3,800,956
Movements in Members' funds for the Year		3,161,413	3,720,871
Members' fund at the start of the year		4,916,713	1,195,842
Members' Funds at the end of the year		**8,078,126**	**4,916,713**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

AMANAH KIWISAVER PLAN
Statement of Net Assets Available for Benefits
As at 31 March 2017

	Notes	2017 $	2016 $
Members' Funds		**8,078,126**	**4,916,713**
Represented by:			
Assets			
Cash held in application account	6,7	87,550	243,295
Accounts Receivable (AmanahNZ Unit Trust)	9	18,732	11,084
Financial assets held at fair value through profit or loss	7	8,029,019	4,671,268
PIE tax rebate receivable on behalf of members		9,186	7,894
Total Assets		**8,144,487**	**4,933,541**
Liabilities			
Trade & other payables	8	43,078	0
Related party payables	8,9	23,283	16,828
Total Liabilities		**66,361**	**16,828**
Net Assets available for Benefits	10	**8,078,126**	**4,916,713**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

These Financial Statements were authorised for issue by the Manager, AmanahNZ KiwiSaver Limited.

Director ____ Date ________________________

Director ____ Date ________________________

AMANAH KIWISAVER PLAN
Statement of Cash Flows
For the year ended 31 March 2017

	Notes	2017 $	2016 $
Cash flows from operating activities			
Cash was received from:			
Sale of Investments		-	216,547
Contributions not unitised		43,078	-
Cash was applied to:			
Payment to Suppliers		(24,122)	(12,422)
Purchase of Investments		(3,225,372)	(3,776,559)
Net cash flows from operating activities	5	**(3,206,416)**	**(3,572,434)**
Cash flows from financing activities			
Cash was provided from:			
Contributions - voluntary	5	107,485	80,309
Contributions - employee	5	974,930	496,612
Contributions - employee interest	5	0	2,362
Contributions - employer	5	627,008	314,532
Transfers from Other Schemes	5	1,844,689	2,763,016
Crown Contributions	5	185,868	206,213
Cash was applied to:			
Transfers out to Other Funds	5	(379,602)	(40,896)
Withdrawals	5	(294,579)	(13,241)
Member fees	5	(15,128)	(15,845)
Net cash flows from financing activities		**3,050,671**	**3,793,062**
Net increase / (decrease) in cash flows		(155,745)	220,628
Add: Opening cash and cash equivalents		243,295	22,667
Closing cash and cash equivalents	7	**87,550**	**243,295**

The Notes to the Financial Statements set out below should be read in conjunction with these Financial Statements

1. GENERAL INFORMATION

These financial statements are for the reporting entity **Amanah KiwiSaver Plan** (the "Scheme"), and represent the operating result for the year ended 31 March 2017 (the "balance date").

The Scheme is a defined contribution KiwiSaver Scheme with the principal purpose to provide benefits to Members in accordance with the KiwiSaver Act 2006. It was registered on 15 January 2014, registration number 10076.

The Scheme is domiciled in New Zealand and was established under a Trust Deed dated 24 October 2013 between AmanahNZ KiwiSaver Limited (the "Manager") and Trustee Executors Limited (the "Trustee").

The Manager is incorporated (company number: 4674859) and domiciled in New Zealand. The ultimate holding company of the Manager is Amanah Trust Management (NZ) Limited. The registered office of the Manager is located at 5 Hauraki Road, Takapuna, Auckland, 0622.

The Scheme commenced operations on 15 January 2014 and Members were accepted into the Scheme from 24 March 2014.

The Scheme is a profit oriented reporting entity under the Financial Reporting Act 2013.

The Scheme may be comprised of various underlying funds (the "Funds"). Currently the Scheme is comprised of one underlying fund, the Amanah Growth Fund. As at balance date the only investments that the Amanah Growth Fund held were cash and units in the AmanahNZ Unit Trust ("AMNZUT") which is managed by Amanah Trust Management (NZ) Limited.

Nothwithstanding the division of the Scheme into one or more underlying Funds, the Scheme comprises a single fund with the value of Members' interests in the Scheme determined by reference to the value of the units they hold in the Fund.

2. Summary of Significant Accounting Polices:

The following accounting policies that materially affect the financial statements have been consistently applied to all periods presented in these financials statements.

(a) Basis of preparation and statement of compliance

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

The financial statements of the Scheme comply with the Financial Reporting Act 2013 for the year ended 31 March 2017. The Scheme became a FMC Reporting Entity on 1 December 2016 and these financial statements are prepared under the Financial Markets Conduct Act 2013.

These financial statements have been prepared on a historical cost basis as modified by revaluation of certain Financial Assets at fair value through profit & loss. The accrual basis of accounting has been applied as has the going concern assumption.

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.

The following standard has been issued but not yet effective for financial years ending 31 March 2017;

NZ IFRS 9 Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2018).

NZ IFRS 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements.

The changes made to accounting requirements applicable to the Scheme by this standard include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows;
- requirements for impairment of financial assets.

The Scheme does not believe this standard will have any significant impact on the financial statements and does not intend to early adopt the requirements.

The Scheme has adopted the amended *NZ IAS 26: Accounting and Reporting by Retirement Benefit Plans* for the year ended 31 March 2017. This has not had any significant impact on the financial statements as the existing disclosures were already in compliance with the standard

There are no other standards issued but not yet effective that will have a material impact on the Scheme.

(b) Investment entities
These financial statements are the separate financial statements for the Scheme. The Scheme meets the definition of an investment entity and thus is not required to consolidate the assets and liabilities of its underlying investments. The Scheme's investment assets are accounted for at fair value through the Statement of Changes in Net Assets available for Benefits.

(c) Functional and presentation currency
The Scheme's Members are primarily located within New Zealand and contributions and withdrawals made by Members are denominated in New Zealand Dollars ('NZD"). The performance of the Scheme is measured and reported to Members in NZD. These financial statements are presented in NZD, which is the Scheme's functional and presentation currency. All major investments are denominated in United States Dollars ("USD") and are translated into the presentation currency at the prevailing foreign exchange rate between the NZD and USD at balance date.

(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.

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

(e) Financial Instruments

i. *Classification*

The Scheme's financial instruments are categorised as follows:

Financial Assets at Fair Value through Profit & Loss

Financial assets are recoded at fair value through the Statement of Changes in Net Assets available for Benefits upon initial recognition. These include financial assets that do not meet the definition of the category "held for trading". They are not held for trading and may be sold in the short term.

Loans and Receivables

These include assets with fixed and determinable payments that are not quoted in an active market.

ii. *Recognition and 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*

Financial Assets at Fair Value through Profit & Loss

Financial Assets at fair value through Profit & Loss are measured initially at fair value, being the consideration paid excluding transaction costs which are expensed. After initial recognition, Financial Assets at fair value through Profit & Loss are revalued to fair value with changes in their fair value recognised in Statement of Changes in Net Assets available for Benefits.

Loans and Receivables

Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost. Such assets are reviewed at each balance date to determine whether there is objective evidence of impairment to their value, and if necessary, value adjustments are made.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at call with banks and are measured at fair value.

(g) Payables

Payables may include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. Payables are initially recognised at fair value and subsequently measured at amortised cost.

(h) Income tax and other taxes

i. Portfolio Investment Entity Tax

The Scheme has elected to become a Portfolio Investment Entity ("PIE") as defined under the Income Tax Act 2007. Under the PIE regime, income is effectively taxed in the hands of the Scheme's Members and therefore the Scheme has no tax expense. Accordingly, no current or deferred income tax expense is recognised in the Statement of Changes in Net Assets Available for Benefits. For the period ended 31 March 2017, a net amount of PIE tax either paid to or due to be paid to the Inland Revenue on behalf of Members was $nil (2016 - $7,894)

ii. Goods and Services Tax ("GST")

The Scheme is not registered for GST. All items in the Financial Statements are stated inclusive of GST (if any).

(i) Scheme applications account

All contributions received and all benefit withdrawals paid by the Funds are cleared through the Scheme applications bank account. Contributions received via the Inland Revenue, directly from Members, directly from employers, or transfers in from other provider schemes are initially received into the Scheme application bank account, which acts as a clearing account only. When all necessary information has been supplied to identify existing and new Member's contributions, then the contributions are paid across to the appropriate Funds for investing.

Contributions received into the Scheme application bank account and not yet invested in the Funds as at balance date are recognised as a Trade and Other Payables liability in the Statement of Net Assets Available for Benefits.

(j) 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. The unit price of the Fund is determined as the net asset value ("NAV") of the Fund divided by the number of units on issue to Members. Members have various rights under the KiwiSaver Act 2006. The right, obligations and restrictions attached to each unit, within a Fund, are identical in all aspects.

(k) Amounts available for Members' benefits

The amount available for Members' benefits is the Scheme's present obligation to pay benefits to Members and has been calculated as the difference between the carrying value of the assets and the carrying value of the liabilities. All available funds are allocated to Member accounts. The Scheme does not currently have separate employer accounts and does not have any reserve funds.

(l) Statement of Cash Flows

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

"Operating activities" are those relating to the principal revenue producing activities of the entity and other activities that are not financing activities. These include cash flows relating to the acquisition, holding and disposal of investments.

"Financing activities" are those activities that result in changes in the size and composition of Members' funds.

(m) Foreign currency transactions

Transactions in foreign currencies are transacted at the foreign exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in a foreign currency at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised separately through the Statement of Changes in Net Assets available for Benefits, except foreign exchange differences arising on financial assets and which are included in the "net changes in the fair value of financial assets" line in the Statement of Changes in Net Assets Available for Benefits.

(n) Fair value

The methods used to measure fair values are discussed below.

Fair value hierarchy

The carrying amounts of the Scheme's assets and liabilities at balance date are their fair values. Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements.

Level one – fair value in an active market

The fair value of financial assets and liabilities traded in active markets for the same instruments based on their quoted market prices at balance date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices and financial liabilities at the current ask/offer prices. Generally, a level one category financial asset or liability will have the most independent, reliable basis for measurement.

Level two – fair value in an inactive or unquoted market using valuation techniques and observable market data

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques for which all significant inputs are based on observable market data.

Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques for which any significant input is not based on observable market data.

Details of how the Scheme's assets and liabilities have been categorised is provided in Note 7.

3) Net changes in fair value of financial assets and liabilities

Designated at fair value through the Statement of Changes in Net Assets available for Benefits	2017 $	2016 $
- net changes in fair value of investments	194,910	(17)
- foreign currency gain (loss)	(62,531)	(66,646)
	132,379	**(66,663)**

4) Expenses

Expenses may comprise performance fees, management fees, administration fees, trustee fees, custody and accounting fees, auditor's remuneration for audit fees, auditor's remuneration for prospectus and trustee reporting, legal fees, membership communication expenses, regulatory fees and other expenses. These expenses are recognised in Investment Activities in the Statement of Changes in Net Assets Available for Benefits. The manager charges fees according to the formula in Note 9 and from these fees paid the various expenses of the Scheme (refer Note 9).

Members' fees, (which include part of the registry fees) are charged monthly per Member via unit redemption and are recognised in Membership Activities in the Statement of Changes in Net Assets Available for Benefits.

Transaction fees are incurred and expensed directly by the Scheme.

5) Contributions and withdrawals

Contributions are received from Members either directly or via the Inland Revenue (the "IR"). Contributions in the form of kick start payments and member tax credits are received from the Crown via the IR. Members can also arrange to transfer funds in from other sources, such as from previous KiwiSaver providers or registered superannuation schemes and pension funds.

Contributions received for units in the Scheme are recorded net of any entry fees (if applicable) prior to the issue of units. Withdrawals from the Scheme are recorded gross of any exit fees payable (if applicable) after the cancellation of the units. No entry or exit fees were charged during the reporting period. Units confer an equal interest in the Scheme and are of equal value.

All contibutions and withdrawals flow through the Scheme applications bank account which acts as a clearing account only.

The independent outsource service provider, Appello Services Limited (formally The Kiwi Registry Company Limited), maintains the Members' accounts and register of the Scheme and receive a monthly administration fee from each Member by way of unit redemption. This is accounted for as a withdrawal shown in the Membership Activities section of the Statement of Changes in Net Assets Available for Benefits and does not impact net profit or loss in the Investment Activities.

Contributions and withdrawals (continued)

Contributions received during the year ended 31 March:	2017 $	2016 $
- Contributions - voluntary	107,485	80,309
- Contributions - employee	974,930	496,612
- Contributions - employer	627,008	314,532
- Contributions - Crown	185,868	206,213
- Contributions – IRD Interest	-	2,362
Transfers from other funds	1,844,689	2,763,016
	3,739,980	**3,863,044**
Withdrawals for the year ended 31 March:		
- Transfers to other funds	(379,602)	(40,896)
- Withdrawals	(294,579)	(13,241)
	(674,181)	(54,137)
- PIE Tax refund attributable to members	9,186	7,894
- Member fees paid	(15,128)	(15,845)
	(680,123)	(62,088)
Net Contributions	**3,059,857**	**3,800,956**

Reconciliation of benefits accrued as a result of operations to net operating cashflow.

	2017 $	2016 $
Movements in Members' funds for the year	**3,160,121**	**3,721,680**
Add increase in accounts payable	6,455	13,372
Deduct increase in accounts receivable	(7,648)	(8,345)
Increase in cost of investment Assets	(3,225,372)	(3,490,439)
Net movement in Members contributions	(3,050,671)	(3,793,062)
Increase in cash to be unitised	43,078	-
Adjust for non-cash items		
Change in fair value of financial assets	(132,379)	15,640
Net cash from operations	**(3,206,416)**	**(3,572,434)**

6) Cash and cash equivalents

As at 31 March 2017, the Scheme held $87,550 as funds available for investment. As at the prior balance date, the Scheme application bank account contained an amount of $243,295 that had been received but not invested.

7) Fund Investments

Financial assets held at fair value through the Statement of Changes in Net Assets available for Benefits:	2017 $	2016 $
- Units in the AmanahNZ Unit Trust	8,029,019	4,671,268
Other Fund Assets		
- Cash and cash equivalents	87,550	243,295
Total Fund Investments	**8,116,569**	**4,914,563**

Units in AmanahNZ Unit Trust are valued using level 2 inputs on the fair value hierachy.

The Amanah NZ Unit Trust ("AMNZUT") invests in substantial corporations that have a proven track record in satisfying global demand for their products and services. AMNZUT's portfolio is diversified across up to 50 stocks to limit exposure to any market sector with the aim of investing in all 10 of the key Standard & Poor's industry sectors. All of AMNZUT's investments are Shari'ah compliant corporations domiciled internationally but listed on NYSE, AMEX or main board NASDAQ.

Fund investments are measured at fair value and are classified under "net changes in fair value of financial assets" in the Statement of Changes in Net Assets available for Benefits". The underlying value of Amanah Kiwisaver Plan's investment in AMNZUT is determined with reference to the fair value of the underlying securities held by AMNZUT. These securities are level 1 and are accordingly measured at fair value based on the closing market price at the end of the reporting period.

Fund investments are denominated in USD and are converted to the presentation currency of NZD at the prevailing exchange rate at balance date. The applicable NZD/USD rate for 31 March 2017 was 0.7003 (2016 – 0.6924).

8) Trade and other payables

Trade and other payables include liabilities and accrued expenses owed by the Scheme which are unpaid at balance date.

Trade and other payables	2017 $	2016 $
- Scheme application monies not yet processed	43,078	-
- Administration fees payable (Note 9)	23,283	16,828
	66,361	**16,828**

9) Related Party Balances

A party is related to the Scheme if:

a) Directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with the Scheme;
b) It is a parent, subsidiary or fellow subsidiary of a party defined in (a) above;
c) It has an interest in or a relationship with the Scheme that gives it significant influence over the Scheme;
d) The Scheme has an interest in or relationship with the party that gives it significant influence over the party; or
e) They are a member of the Scheme's key management personnel.

Related Party Balances (continued)

Brian Henry, Faruk Balli and Claude Oberto are directors of the Scheme Manager (AmanahNZ KiwiSaver Limited) and directors and shareholders in the Fund Manager of the AmanahNZ Unit Trust (Amanah Trust Management (NZ) Limited). Carmel Barnao is the wife of Brian Henry. Brian Henry also provides legal services to the Scheme in the normal course of business (the value of legal services charged for during the reporting period was $nil (2016 - $nil)).

The total value of units held in the Scheme by related parties at balance date were:

Investments in the Scheme by related parties:	2017 $	2016 $
- Brian Henry	2,900	2,911
- Faruk Balli	21,624	12,960
- Claude Oberto	79,568	72,077
- Carmel Barnao	9,763	6,125
	113,855	**94,073**

Other than to facilitate the payment of Member fees, no units were redeemed by related parties.

The sole investment of the Plan is in AmanahNZ Unit Trust, a unit trust managed by Amanah Trust Management (NZ) Limited. Both AmanahNZ Unit Trust and Amanah Trust Management (NZ) Limited have common directors and shareholdings to AmanahNZ Kiwisaver Limited.

Amanah Trust Management NZ Limited rebates all fees and expenses charged to the AmanahNZ Unit Trust units held by Amanah KiwiSaver Plan then calculates and deducts administration fees (on behalf of Amanah KiwiSaver Plan) in accordance with a charges and expenses formula. These fees comprise 1.39% of FUM per annum as a management fee, 15% per cent return above the benchmark performance fee (management has waived this fee until 31 March 2017), registry fee NZ $ 2.70 per investor per month and 0.08% of FUM, trustee fee 0.06% FUM, audit fees 0.05% FUM and up to 0.2% of FUM for other expenses. Amanah Trust Management (NZ) Limited uses administration fees to pay the registry, trustee, audit and other fees.

Transactions with related parties:	2017 $	2016 $
Management and administration fees - Manager	107,187	60,900
Management fees (rebates) from AmanahNZ Unit Trust	(97,087)	(47,478)
Net transactions	**10,100**	**13,422**
Balances owing from (to) related parties:		
AmanahNZ Unit Trust rebates	18,732	11,084
Admin fees - Manager	(23,283)	(16,828)

All transactions with related parties were on the same terms as transactions with non-related parties. No related party balances were written off or forgiven during the period.

10) Net Assets Available for Benefits

Upon receiving a valid redemption notice and provided the member satisfies the requirements of the Scheme, the Scheme will redeem units in accordance with the Trust Deed. Proceeds are paid to members by the Manager within 35 days of receiving a redemption request.

There were $43,078 in member contributions (2016 - $nil) received but not yet allocated as at 31 March 2017.

Movement in Units on Issue	2017 Units	2016 Units
- Number of Units on issue at the beginning of the year	4,171,650	1,057,466
- Number of Units issued	3,269,813	3,182,944
- Number of Units redeemed	(615,338)	(62,034)
- Number of Units on issue at the end of the year	**6,826,125**	**4,178,356**
Movement in Assets Available for Benefits	**2017 $**	**2016 $**
- Balance at the beginning of the year	4,908,819	1,195,842
- Changes in accrued benefits	3,169,307	3,720,871
- Balance at the end of the year	**8,078,126**	**4,916,713**
Represented by Net Assets Available for Benefits	**8,078,126**	**4,916,713**

11) Financial risk management policies and objectives

Market Risk

Market risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in the fair value of the financial assets resulting from fluctuations in market interest rates (interest rate risk) and foreign exchange rates (currency risk) and to market prices (price risk), whether such a change in price is caused by factors specific to an individual financial instrument or its issuer or to factors affecting the market as a whole.

The Scheme is exposed directly to price risk through unit price fluctuations of the unitised managed funds it may invest in. The scheme is also directly exposed to foreign currency risk due to the major investment being in US dollars.

Interest Rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will impact on the value of the Scheme's future cash flows and financial position. The Scheme does not have any external term debt. There is no bank overdraft facility. Also given the Shari'ah law compliant nature of the Scheme, cash or cash equivalents are not placed into interest bearing accounts. Accordingly the Scheme has no direct exposure to interest rate risk. However through the Scheme's investment in unitised managed funds, the Scheme is indirectly exposed to interest rate risk, which because it is not a direct risk, may be treated as a component of the price risk.

Financial risk management policies and objectives (continued)

Foreign Currency Risk

Foreign currency risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in foreign currency rates.

The Scheme's functional and presentation currency is New Zealand dollars ("NZD"). The Scheme does not invest directly in foreign currencies. However through the Scheme's NZD investment in the unitised Amanah Growth Fund, which in turns invests United States Dollars ("USD") in the Amanah New Zealand Unit Trust, which has USD as it's functional and presentation currency, the Scheme is directly and indirectly exposed to foreign currency risk. Given the terms of the Trust Deed and Shari'ah law compliant nature of the Scheme, the Scheme does not enter into any foreign exchange derivatives or forward cover for any potential foreign currency risk. There are no other methods available to reduce foreign currency risk.

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. Credit risk is managed by monitoring the investments held by AMNZUT on a monthly basis and also reviewing AMNZUT investment strategy.

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.

Price Risk

Price risk is the risk that the value of the Scheme's future cash flows and financial position will fluctuate as a result of changes in the unit prices of the unitised managed funds invested in by the Scheme.

The Scheme is invested in a managed investment fund. The investment fund manager invests in a variety of securities, in a variety of industry classifications. This diversification reduces the impact of a particular security underperforming.

As at 31 March 2017 the fair value of the Scheme's investments by investment type are disclosed in Note 7.

Liquidity Risk

Liquidity risk is the risk that the Scheme may not be able to generate sufficient cash resources to settle its future obligations in full as they fall due, or can only do so on terms that are materially disadvantageous to the Scheme.

Members are able to transfer their balances to another KiwiSaver scheme at any time. As such the liability for promised retirement benefits is deemed to be repayable on demand.

The Amanah Growth Fund is invested in Amanah New Zealand Unit Trust which invests in USD equities. The value of units in the Amanah Growth Fund will change daily.

Financial risk management policies and objectives (continued)

Liquidity Risk (cont'd)

The Scheme however does not have any external borrowings, nor any significant exposure to withdrawal payments / liquidity risk as the Amanah New Zealand Unit Trust holds readily tradable quoted equities with sufficient liquidity to repay investors when required. Should cash available in the Unit Trust be insufficient to meet the needs of a Kiwisaver fund withdrawal, the trustees of the Unit Trust have the ability to sell equities outside of the normal quarterly trading pattern.

Capital Risk

The Scheme's effective capital is the Net Assets available for benefits.

The Statement of Changes in Net Assets Available for Benefits shows the total amount payable to Members. The changes in the net assets available for benefits are brought about by the Scheme's net income earned and the changes in the Schemes' membership activities during the reporting period.

The Scheme redeems units in investments when a Member requires and is eligible to withdraw from the Scheme. As discussed under "Liquidity risk" above, when operating under normal investment market conditions and normal withdrawal levels, there are no foreseen difficulties in meeting Members' requirements for withdrawals. When a Member requires and is eligible to redeem their Member's units in the Scheme, the amount that they can withdraw is calculated as the number of units held multiplied by the unit price on the date of withdrawal.

The Scheme only invests in financial assets when there are adequate Member contributions available.

The Scheme does not take out loans to invest in financial assets or incur liabilities other than normal trade payables for payment of expenses.

12) Contingent Assets and Liabilities and Commitments

There are no contingent assets, liabilities or commitments as at 31 March 2017 (2016 - $nil).

13) Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for accrued benefits (2016 - $nil).

14) Events after balance date

There have been no significant events since balance date that require disclosure in the financial statements (2016 - $nil).

Amanah KiwiSaver Plan

Independent auditor's report to the Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amanah KiwiSaver Plan (the Plan), which comprise the statement of net assets available for benefits as at 31 March 2017, and the statement of changes in net assets available for benefits 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 give a true and fair view of the financial position of the Plan as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Plan 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 (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Plan.

CHARTERED ACCOUNTANTS
& ADVISORS
Level 4, 21 Queen Street
Auckland 1010, New Zealand
PO Box 106 090
Auckland 1143, New Zealand
Telephone: +64 9 366 5000
wbcg.co.nz
William Buck Christmas Gouwland Audit Limited

Manager’s Responsibilities

The Managers are responsible on behalf of the Plan for the preparation of financial statements that give a true and fair view in accordance with New Zealand equivalents to 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.

In preparing the financial statements, the Manager is responsible for assessing the Plan’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 Manager either intends to liquidate the Plan 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 (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.

As part of an audit in accordance with the ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Plan’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

William Buck
Christmas Gouwland

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period.

The engagement director on the audit resulting in this independent auditor's report is Michael Wood.

William Buck Christmas Gouwland Audit Limited
Auckland, 27 July 2017