

SUPER **easy**

KiwiSaver™
Poua he Oranga



FINANCIAL STATEMENTS 2017

SuperEasy KiwiSaver Superannuation Scheme
for the year ended 31 March 2017

Statement of Changes in Net Assets

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Aggressive Fund		Growth Fund		Balanced Fund		Conservative Fund		Automatic Fund		TOTAL	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INVESTMENT ACTIVITIES													
Investment Income													
Gain on Assets held at fair value through profit or loss	7	913,322	436,264	910,477	559,852	435,497	296,152	162,633	169,433	11,770,762	7,854,611	14,192,691	9,316,312
Interest		641	686	913	1,023	903	954	1,460	1,529	12,561	16,585	16,478	20,777
		913,963	436,950	911,390	560,875	436,400	297,106	164,093	170,962	11,783,323	7,871,196	14,209,169	9,337,089
Investment Expenses													
Investment Management Fees	13	49,440	43,449	63,025	56,222	35,365	32,462	22,374	17,241	876,152	747,370	1,046,356	896,744
Net Investment Income		864,523	393,501	848,365	504,653	401,035	264,644	141,719	153,721	10,907,171	7,123,826	13,162,813	8,440,345
OTHER EXPENSES													
Administration Fees	13	14,139	13,690	17,382	17,086	10,362	10,319	9,192	8,728	377,633	359,676	428,708	409,499
Total Other Expenses		14,139	13,690	17,382	17,086	10,362	10,319	9,192	8,728	377,633	359,676	428,708	409,499
Change in Net Assets before Taxation and Membership Activities		850,384	379,811	830,983	487,567	390,673	254,325	132,527	144,993	10,529,538	6,764,150	12,734,105	8,030,846
MEMBERSHIP ACTIVITIES													
Contributions													
Member Contributions	5	639,711	583,002	822,286	879,306	453,962	447,569	377,646	312,983	15,072,067	13,369,293	17,365,672	15,592,153
Employer Contributions		335,308	306,652	426,453	399,590	241,643	224,860	220,751	199,070	7,947,787	7,290,631	9,171,942	8,420,803
Crown Contributions		101,572	105,821	127,032	132,259	67,349	79,018	66,483	68,835	2,531,497	2,710,570	2,893,933	3,096,503
Late Opt-Out		-	-	-	-	-	-	-	-	(23,865)	(12,899)	(23,865)	(12,899)
Transfers In from Other KiwiSaver Schemes		177,390	93,313	144,619	34,544	34,789	48,744	161,417	28,354	939,870	899,792	1,458,085	1,104,747
Transfers In from Other Superannuation Schemes		4,841	36,647	65,079	-	-	10,760	33,177	17,674	1,704,496	254,664	1,807,593	319,745
Trans Tasman Portability Transfers In		57,730	-	25,714	-	-	3,677	-	2,655	529,230	195,335	612,674	201,667
Transfers Between Funds		51,916	74,723	(256,855)	(335,362)	(117,630)	297,141	440,024	235,543	(117,455)	(272,045)	-	-
Total Contributions		1,368,468	1,200,158	1,354,328	1,110,337	680,113	1,111,769	1,299,498	865,114	28,583,627	24,435,341	33,286,034	28,722,719
Benefits Paid													
Benefits Paid	6	328,136	222,609	214,186	470,941	517,410	250,892	373,870	169,372	4,858,716	5,004,032	6,292,318	6,117,846
Transfers Out to Other KiwiSaver Schemes		426,970	307,577	233,292	231,557	154,930	92,291	62,715	200,459	6,108,134	5,426,869	6,986,041	6,258,753
Total Benefits Paid		755,106	530,186	447,478	702,498	672,340	343,183	436,585	369,831	10,966,850	10,430,901	13,278,359	12,376,599
Net Membership Activities		613,362	669,972	906,850	407,839	7,773	768,586	862,913	495,283	17,616,777	14,004,440	20,007,675	16,346,120
Change in Net Assets Before Taxation		1,463,746	1,049,783	1,737,833	895,406	398,446	1,022,911	995,440	640,276	28,146,315	20,768,590	32,741,780	24,376,966
PIE Tax Expense	9	66,535	22,030	85,818	36,794	46,795	31,568	18,479	25,483	1,140,147	702,153	1,357,774	818,028
Net Increase in Net Assets During Year		1,397,211	1,027,753	1,652,015	858,612	351,651	991,343	976,961	614,793	27,006,168	20,066,437	31,384,006	23,558,938
Net Assets Available for Benefits at Beginning of Year		8,185,358	7,157,605	10,586,010	9,727,398	6,370,336	5,378,993	3,629,488	3,014,695	146,093,272	126,026,835	174,864,464	151,305,526
Net Assets Available for Benefits at End of Year		9,582,569	8,185,358	12,238,025	10,586,010	6,721,987	6,370,336	4,606,449	3,629,488	173,099,440	146,093,272	206,248,470	174,864,464

This statement is to be read in conjunction with the notes on pages 4 to 11.

Statement of Net Assets

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Aggressive Fund		Growth Fund		Balanced Fund		Conservative Fund		Automatic Fund		TOTAL	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH & INVESTMENTS													
Cash & Cash Equivalents		(14,626)	4,402	5,090	6,448	20,498	11,595	28,617	30,413	289,731	8,314	329,310	61,172
AMP Superannuation Funds		9,211,443	6,530,361	10,527,436	5,789,873	4,779,181	2,533,934	1,638,582	548,308	137,990,473	73,853,166	164,147,115	89,255,642
ANZ Investments Ltd		439,368	-	1,767,700	-	1,965,505	-	2,951,242	-	35,683,586	-	42,807,401	-
ASB Superannuation Master Trust		-	1,682,386	-	4,839,006	-	3,863,137	-	3,092,420	-	73,138,850	-	86,615,799
TOTAL CASH & INVESTMENTS		9,636,185	8,217,149	12,300,226	10,635,327	6,765,184	6,408,666	4,618,441	3,671,141	173,963,790	147,000,330	207,283,826	175,932,613
Total Assets		9,636,185	8,217,149	12,300,226	10,635,327	6,765,184	6,408,666	4,618,441	3,671,141	173,963,790	147,000,330	207,283,826	175,932,613
Less LIABILITIES													
Benefits Payable		-	-	-	-	10,419	-	-	13,163	12,048	22,368	22,467	35,531
PIE Tax Payable	9	42,506	22,833	48,464	38,937	25,008	32,354	5,939	24,400	626,719	711,206	748,636	829,730
Other Payables		11,110	8,958	13,737	10,380	7,770	5,976	6,053	4,090	225,583	173,484	264,253	202,888
TOTAL LIABILITIES		53,616	31,791	62,201	49,317	43,197	38,330	11,992	41,653	864,350	907,058	1,035,356	1,068,149
Net Assets Available for Benefits		9,582,569	8,185,358	12,238,025	10,586,010	6,721,987	6,370,336	4,606,449	3,629,488	173,099,440	146,093,272	206,248,470	174,864,464
LIABILITY FOR ACCRUED BENEFITS													
<i>Represented By:</i>													
Members' Accounts	3	9,582,569	8,185,358	12,238,025	10,586,010	6,721,987	6,370,336	4,606,449	3,629,488	173,099,440	146,093,272	206,248,470	174,864,464
		9,582,569	8,185,358	12,238,025	10,586,010	6,721,987	6,370,336	4,606,449	3,629,488	173,099,440	146,093,272	206,248,470	174,864,464

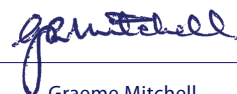
Signed on behalf of the Trustee, Local Government Superannuation Trustee Limited, who authorised the issue of these financial statements on 2 June 2017.

Director of Trustee



Basil Morrison

Director of Trustee
Licensed Independent Trustee



Graeme Mitchell

This statement is to be read in conjunction with the notes on pages 4 to 11.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Aggressive Fund		Growth Fund		Balanced Fund		Conservative Fund		Automatic Fund		TOTAL	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES													
<i>Cash provided from</i>													
Member Contributions		639,711	583,002	822,286	879,306	453,962	447,569	377,646	312,983	15,072,067	13,369,293	17,365,672	15,592,153
Employer Contributions		335,308	306,652	426,453	399,590	241,643	224,860	220,751	199,070	7,947,787	7,290,631	9,171,942	8,420,803
Crown Contributions		101,572	105,821	127,032	132,259	67,349	79,018	66,483	68,835	2,531,497	2,710,570	2,893,933	3,096,503
Transfers In from Other Schemes		239,961	129,960	235,412	34,544	34,789	63,181	194,594	48,683	3,173,596	1,349,791	3,878,352	1,626,159
Transfers Between Funds		51,916	74,723	(256,855)	(335,362)	(117,630)	297,141	440,024	235,543	(117,455)	(272,045)	-	-
Interest Received		641	686	913	1,023	903	954	1,460	1,529	12,561	16,585	16,478	20,777
		1,369,109	1,200,844	1,355,241	1,111,360	681,016	1,112,723	1,300,958	866,643	28,620,053	24,464,825	33,326,377	28,756,395
<i>Cash applied to</i>													
Benefits Paid		(328,136)	(222,609)	(214,186)	(470,941)	(506,991)	(250,892)	(387,032)	(156,209)	(4,869,036)	(5,027,564)	(6,305,381)	(6,128,215)
Transfers Out to Other KiwiSaver Schemes		(426,970)	(307,577)	(233,292)	(231,557)	(154,930)	(92,291)	(62,715)	(200,459)	(6,108,134)	(5,426,869)	(6,986,041)	(6,258,753)
KiwiSaver Late Opt-Outs		-	-	-	-	-	-	-	-	(23,865)	(12,899)	(23,865)	(12,899)
Other Expenses		(14,041)	(13,511)	(17,223)	(17,093)	(10,296)	(10,305)	(9,074)	(8,697)	(373,506)	(354,819)	(424,140)	(404,425)
Withholding Tax Paid		(193)	(206)	(274)	(307)	(270)	(286)	(438)	(459)	(3,769)	(4,975)	(4,944)	(6,233)
PIE Tax Paid		(46,669)	(26,220)	(76,017)	(51,259)	(53,871)	(41,334)	(36,502)	(28,863)	(1,220,865)	(824,427)	(1,433,924)	(972,103)
		(816,009)	(570,123)	(540,992)	(771,157)	(726,358)	(395,108)	(495,761)	(394,687)	(12,599,175)	(11,651,553)	(15,178,295)	(13,782,628)
Net Cash Flows from Operating Activities	8	553,100	630,721	814,249	340,203	(45,342)	717,615	805,197	471,956	16,020,878	12,813,272	18,148,082	14,973,767
CASH FLOWS FROM INVESTING ACTIVITIES													
<i>Cash applied to</i>													
Investment purchases (Net of Investment Fees)		(572,128)	(649,670)	(815,607)	(367,186)	54,245	(725,507)	(806,993)	(447,432)	(15,739,461)	(13,229,059)	(17,879,944)	(15,418,854)
Net Cash Flows from Investing Activities		(572,128)	(649,670)	(815,607)	(367,186)	54,245	(725,507)	(806,993)	(447,432)	(15,739,461)	(13,229,059)	(17,879,944)	(15,418,854)
Net (Decrease)/Increase in Cash Held		(19,028)	(18,949)	(1,358)	(26,983)	8,903	(7,892)	(1,796)	24,524	281,417	(415,787)	268,138	(445,087)
Cash & Cash Equivalents at Beginning of the Year		4,402	23,351	6,448	33,431	11,595	19,487	30,413	5,889	8,314	424,101	61,172	506,259
Cash & Cash Equivalents at End of the Year		(14,626)	4,402	5,090	6,448	20,498	11,595	28,617	30,413	289,731	8,314	329,310	61,172

This statement is to be read in conjunction with the notes on pages 4 to 11.

1. NATURE OF BUSINESS

Scheme description

The SuperEasy KiwiSaver Superannuation Scheme (the "Scheme") was established under an umbrella trust with the Local Government Superannuation Scheme in accordance with Section 148 of the KiwiSaver Act 2006. The Scheme is a superannuation scheme with the principal purpose of providing members with benefits on retirement. It also provides benefits payable on death and other permitted withdrawals in accordance with the KiwiSaver Act 2006.

The Scheme was registered in New Zealand under the Financial Markets Conduct Act 2013 (reference SCH10494) on 15 March 2016. Under the KiwiSaver Act 2006, the Scheme is required to have a 31 March balance date.

Effective from 24 September 2012, the Scheme is a restricted KiwiSaver scheme. The Scheme is open to employees of New Zealand local authorities and certain other persons as described in the sections 9 – 23, 33 – 36, 53 and 116(A) 2-3 of the KiwiSaver Act 2006, and in clause 15.1.2 of the Trust Deed. There is only one class of member. There were no members receiving benefits other than those paid on transfer to another KiwiSaver scheme and other permitted withdrawals.

Funding arrangements

The Scheme is a defined contribution scheme. Under the Trust Deed each member and their employer shall pay contributions at a rate expressed as a percentage of salary, or at the amount specified in the KiwiSaver Act 2006. Contributions in the form of the Kick Start payment (up until May 2015) and Member Tax Credits are received from the Crown via Inland Revenue, the amounts and timing of which are specified in the KiwiSaver Act 2006.

Retirement benefits

The retirement benefits are determined by contributions to the Scheme together with investment earnings on these contributions over the period of membership. The timing of the retirement benefits are determined by the requirements of the KiwiSaver Act 2006.

Termination terms

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

Changes in the Trust Deed

On 15 March 2016 a total replacement Trust Deed was issued. There have been no changes to the Trust Deed in the year ended 31 March 2017.

Investment Policies

The **Automatic Fund** invests in products offered by AMP Capital Investors (New Zealand) Ltd and ANZ Investments Limited*. The objective of this Fund is to achieve the optimum long-term outcome by accepting a higher investment risk in the early stages of a member's working life as a trade for higher returns. So when a member is young the Automatic Fund provides greater exposure to investments with the potential for growth such as overseas and New Zealand equities. Each month as the member gets older the Automatic Fund will automatically and smoothly change their investments to a more conservative mix by increasing the member's exposure to income assets such as fixed interest securities and cash.

The **Aggressive Fund** invests in products offered by AMP Capital Investors (New Zealand) Ltd and ANZ Investments Limited*. The objective of this Fund is to achieve a high level of real returns over the medium to long-term through substantial investment in equities, accepting that the returns may be subject to significant short-term variations.

The **Growth Fund** invests in products offered by AMP Capital Investors (New Zealand) Ltd and ANZ Investments Limited*. The objective of this Fund is to achieve positive real returns through investment in growth assets, while controlling volatility through full diversification of the Fund's assets.

The **Balanced Fund** invests in products offered by AMP Capital Investors (New Zealand) Ltd and ANZ Investments Limited*. The objective of this Fund is to reduce the chance of negative returns over the short to medium term through higher proportions of

investment in defensive assets, such as cash and bonds, while still providing an opportunity for positive real returns over the long-term by investing a proportion of the Fund in growth assets such as equities and property.

The **Conservative Fund** invests in products offered by AMP Capital Investors (New Zealand) Ltd and ANZ Investments Limited*. The objective of this Fund is to reduce the chance of negative returns over the short-term through higher proportions of investment in defensive assets, such as cash and bonds, while still providing an opportunity for positive real returns over the long-term by investing a proportion of the Fund in growth assets such as equities and property.

*ANZ Investments Limited replaced ASB Group Investments Limited as Fund Manager on 1 March 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the FMCA. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for profit oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

Presentation currency

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Classification of assets and liabilities

The SuperEasy KiwiSaver Superannuation 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.

Critical accounting estimates and judgements

There are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing material misstatement to the financial statements.

Accounting Policies

The following are the significant accounting policies which have been adopted in the preparation of the financial statements:

(a) Investment Income

Interest, dividends and distributions from unitised investments are taken to income on a due and receivable basis.

Net realised and unrealised gains and losses are recognised in the Statement of Changes in Net Assets in the period in which they occur.

(b) Expenses

All expenses are accounted for on an accruals basis. Investment management fees are charged by the investment manager based on the underlying funds under management. The investment management fees are 0.5% per annum expressed as a percentage of the total funds under management in the respective funds.

(c) Taxation

The PIE tax expense represents the sum of the tax paid and payable.

The Scheme is a Portfolio Investment Entity (PIE) under the Income Tax Act 2007. Under current legislation regarding the taxation of PIEs, the Scheme pays tax on behalf of members. PIE tax payable to Inland Revenue on behalf of members is recognised as a liability and is measured based on Prescribed Investor Rates (PIR) applicable to the individual members that have been enacted or substantively enacted during the year and by the balance date.

(d) 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. The Scheme does not use financial derivatives in any part of its investment management procedures.

(e) Financial Assets

Financial assets at fair value through profit or loss

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.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming market participants act in their economic best interest.

The fair value hierarchy of financial instruments are categorised into 3 levels:

- **Level 1** fair value measurements are those derived from quoted market prices (unadjusted) in active markets for identical assets and 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).

All financial instruments disclosed in these Financial Statements are categorised as Level 2 for both the 2016 and 2017 financial periods.

The Scheme invests in managed funds. The fair value is based upon unit prices calculated by the Manager of the fund.

The fair value of units is based upon a Net Asset Valuation using observable inputs of quoted security prices in active share markets and/or interest rates or yield curves which are observable at specific time intervals. The Net Asset Valuation of the fund may also include securities or derivatives which have inputs such as foreign exchange spot and forward rates and interest rate curves derived from quoted bond prices. The Net Asset Valuation may also have adjustments to reflect fees associated with the fund.

For unit prices, significant inputs into the calculation are market observable and are included within Level 2.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Accounting Policies continued

(f) Other Receivables

Other receivables are stated at amortised cost. As these do not carry any interest and are short-term in nature, amortised cost equals their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(g) Other Payables

Other payables are not interest-bearing and are stated at amortised cost.

(h) 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.

(i) Cash Flow Statement

The cash flows of the Scheme do not include those of the fund managers. The following are definitions of the terms used in the Cash Flow Statement:

Cash & Cash Equivalents – comprises cash balances held with banks in New Zealand.

Investing Activities – comprise acquisition and disposal of investments. Investments include securities not falling within the definition of cash.

Operating Activities – include all transactions and other events that are not investing activities.

(j) Accrued Benefits

The liability for accrued benefits is the Scheme's present obligation to pay benefits to members and beneficiaries.

It has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities as at balance date. Accrued benefits include amounts allocated to members' accounts and reserves.

(k) Contributions

Contributions are accounted for on a cash basis when received from the employer, member or the Crown.

(l) Benefits

Benefits are accounted for on an accruals basis.

(m) Fees

Investment management fees are disclosed on a gross basis. These include the investment fee charged by the administration manager of 0.5% plus in fund costs charged by the underlying fund managers which are deducted prior to unit pricing. Previously net fees were disclosed. The prior year fees to 31 March 2016 have been restated to reflect this change in disclosure.

	Aggressive Fund		Growth Fund		Balanced Fund		Conservative Fund		Automatic Fund		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3. LIABILITY FOR ACCRUED BENEFITS												
Liability for accrued benefits as at 31 March:												
Members' Accounts												
Opening Balance 1 April	8,185,358	7,157,605	10,586,010	9,727,398	6,370,336	5,378,993	3,629,488	3,014,695	146,093,272	126,026,835	174,864,464	151,305,526
Contributions	1,368,468	1,200,158	1,354,328	1,110,337	680,113	1,111,769	1,299,498	865,114	28,583,627	24,435,341	33,286,034	28,722,719
Benefits Paid and Transfers Out	(755,106)	(530,186)	(447,478)	(702,498)	(672,340)	(343,183)	(436,585)	(369,831)	(10,966,850)	(10,430,901)	(13,278,359)	(12,376,599)
Change in net assets before tax	850,384	379,811	830,983	487,567	390,673	254,325	132,527	144,993	10,529,538	6,764,150	12,734,105	8,030,846
PIE tax expense	(66,535)	(22,030)	(85,818)	(36,794)	(46,795)	(31,568)	(18,479)	(25,483)	(1,140,147)	(702,153)	(1,357,774)	(818,028)
Balance 31 March	9,582,569	8,185,358	12,238,025	10,586,010	6,721,987	6,370,336	4,606,449	3,629,488	173,099,440	146,093,272	206,248,470	174,864,464

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

4. 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. The Vested Benefits as at 31 March 2017 were \$206,248,470 (31 March 2016: \$174,864,464).

5. CONTRIBUTIONS

Contributions by type

Member Contributions	603,325	541,680	749,111	698,528	423,883	386,879	361,284	301,940	13,527,277	12,134,062	15,664,880	14,063,089
Voluntary Member Contributions	36,386	41,322	73,175	180,778	30,079	60,690	16,362	11,043	1,544,790	1,235,231	1,700,792	1,529,064
Employer Contributions	335,308	306,652	426,453	399,590	241,643	224,860	220,751	199,070	7,947,787	7,290,631	9,171,942	8,420,803
Crown Contributions:												
Kick Start	-	7,500	-	6,700	-	2,200	-	5,300	-	327,300	-	349,000
Fee Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
IRD Interest	2,366	2,017	2,960	2,560	1,740	1,578	1,444	1,163	53,726	47,390	62,236	54,708
Member Tax Credits	99,206	96,304	124,072	122,999	65,609	75,240	65,039	62,372	2,477,771	2,335,880	2,831,697	2,692,795
Late Opt-Out	-	-	-	-	-	-	-	-	(23,865)	(12,899)	(23,865)	(12,899)
Transfers In from Other KiwiSaver Schemes	177,390	93,313	144,619	34,544	34,789	48,744	161,417	28,354	939,870	899,792	1,458,085	1,104,747
Transfers In from Other Superannuation Schemes	4,841	36,647	65,079	-	-	10,760	33,177	17,674	1,704,496	254,664	1,807,593	319,745
Trans Tasman Portability Transfers In	57,730	-	25,714	-	-	3,677	-	2,655	529,230	195,335	612,674	201,667
Transfers Between Funds	51,916	74,723	(256,855)	(335,362)	(117,630)	297,141	440,024	235,543	(117,455)	(272,045)	-	-
Total Contributions Received	1,368,468	1,200,158	1,354,328	1,110,337	680,113	1,111,769	1,299,498	865,114	28,583,627	24,435,341	33,286,034	28,722,719

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

	Aggressive Fund		Growth Fund		Balanced Fund		Conservative Fund		Automatic Fund		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5. CONTRIBUTIONS (continued)												
Contributions from members and employers who were:												
Existing members	1,325,226	1,153,604	1,231,915	932,111	615,047	1,049,532	1,238,758	844,681	26,653,345	22,956,195	31,064,291	26,936,123
Members who joined the Scheme during the year	43,242	28,554	60,124	32,726	47,804	13,437	55,477	17,933	1,010,632	1,049,326	1,217,279	1,141,976
Lump sum contributions	-	18,000	62,289	145,500	17,262	48,800	5,263	2,500	919,650	429,820	1,004,464	644,620
Total Contributions Received	1,368,468	1,200,158	1,354,328	1,110,337	680,113	1,111,769	1,299,498	865,114	28,583,627	24,435,341	33,286,034	28,722,719
6. BENEFITS PAID												
Retirement	139,424	91,095	165,666	275,785	392,374	234,900	292,695	92,022	2,361,644	2,790,974	3,351,803	3,484,776
Home Loan Withdrawal	139,612	107,514	48,520	95,561	62,457	15,992	81,175	77,284	1,824,667	1,430,208	2,156,431	1,726,559
Serious Illness Withdrawal	-	-	-	-	-	-	-	66	120,872	34,497	120,872	34,563
Significant Financial Hardship Withdrawal	49,100	24,000	-	42,667	-	-	-	-	360,314	425,759	409,414	492,426
Trans Tasman Portability Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Permanent Emigration	-	-	-	11,299	52,160	-	-	-	74,280	179,730	126,440	191,029
Death	-	-	-	45,629	10,419	-	-	-	116,939	142,864	127,358	188,493
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Benefits Paid	328,136	222,609	214,186	470,941	517,410	250,892	373,870	169,372	4,858,716	5,004,032	6,292,318	6,117,846
7. GAIN ON ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS												
AMP Superannuation Funds	873,725	326,879	797,514	272,742	343,112	94,793	81,737	27,475	9,908,137	3,619,154	12,004,225	4,341,042
ANZ Investments Ltd	2,185	-	9,144	-	10,117	-	13,451	-	188,313	-	223,210	-
ASB Superannuation Master Trust	37,412	109,385	103,819	287,110	82,268	201,359	67,445	141,958	1,674,312	4,235,457	1,965,256	4,975,270
Total Gain on Financial Assets held at Fair Value Through Profit or Loss	913,322	436,264	910,477	559,852	435,497	296,152	162,633	169,433	11,770,762	7,854,611	14,192,691	9,316,312

	Aggressive Fund		Growth Fund		TOTAL								
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
8. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO INCREASE IN NET ASSETS DURING THE YEAR													
Increase in net assets during the year	1,397,211	1,027,753	1,652,015	858,612	351,651	991,343	976,961	614,793	27,006,168	20,066,437	31,384,006	23,558,938	
Less non cash and investing items:													
Changes in fair value of financial assets through profit or loss after investment expenses	(864,523)	(393,501)	(848,365)	(504,653)	(401,035)	(264,644)	(141,719)	(153,721)	(10,907,171)	(7,123,826)	(13,162,813)	(8,440,345)	
Non cash movement in investment manager fees	(1,413)	(188)	(2,285)	291	(825)	333	(384)	1,056	(35,411)	3,103	(40,318)	4,595	
Movements in other working capital items:													
Increase/(decrease) in benefits payables	-	-	-	-	10,419	-	-	-	(10,320)	(23,531)	99	(23,531)	
Increase/(decrease) in other payables	2,152	1,053	3,357	725	1,794	636	(11,200)	13,666	52,099	18,340	48,202	34,420	
Increase/(decrease) in PIE tax payable	19,673	(4,396)	9,527	(14,772)	(7,346)	(10,053)	(18,461)	(3,838)	(84,487)	(127,251)	(81,094)	(160,310)	
Net Cash Inflow from Operating Activities	553,100	630,721	814,249	340,203	(45,342)	717,615	805,197	471,956	16,020,878	12,813,272	18,148,082	14,973,767	

9. PIE TAX

The Scheme calculates and pays tax on members' behalf at the members' Prescribed Investor Rate (PIR) as follows:

- Members PIR were either 10.5%, 17.5% or 28% respectively.

Changes in net assets before tax and membership activities	850,384	379,811	830,983	487,567	390,673	254,325	132,527	144,993	10,529,538	6,764,150	12,734,105	8,030,846
<i>Less permanent differences:</i>												
Non taxable income	404,590	155,218	298,899	207,569	139,837	81,375	36,722	24,818	3,885,978	2,488,163	4,766,026	2,957,143
Taxable income	445,794	224,593	532,084	279,998	250,836	172,950	95,805	120,175	6,643,560	4,275,987	7,968,079	5,073,703
Tax thereon at members PIR	110,712	56,379	128,820	68,128	62,822	44,010	23,294	29,096	1,707,892	1,099,684	2,033,540	1,297,297
Tax effect of allocated PIE credits	(44,177)	(34,349)	(43,002)	(31,334)	(16,027)	(12,442)	(4,815)	(3,613)	(567,745)	(397,531)	(675,766)	(479,269)
Total tax expense	66,535	22,030	85,818	36,794	46,795	31,568	18,479	25,483	1,140,147	702,153	1,357,774	818,028
Current tax												
Opening balance	22,833	27,229	38,937	53,709	32,354	42,406	24,400	28,238	711,206	838,456	829,730	990,038
PIE Tax refund/(paid) in respect of prior year	(22,833)	(27,229)	(38,937)	(53,709)	(32,354)	(42,406)	(24,400)	(28,238)	(711,729)	(838,980)	(830,253)	(990,562)
PIE Tax in respect of current year	66,535	22,030	85,818	36,794	46,795	31,568	18,479	25,484	1,140,147	702,152	1,357,774	818,028
PIE Tax expense paid on members behalf	(23,836)	1,009	(37,080)	2,450	(21,517)	1,072	(12,102)	(625)	(509,136)	14,553	(603,671)	18,459
Withholding tax paid	(193)	(206)	(274)	(307)	(270)	(286)	(438)	(459)	(3,769)	(4,975)	(4,944)	(6,233)
PIE Tax Payable	42,506	22,833	48,464	38,937	25,008	32,354	5,939	24,400	626,719	711,206	748,636	829,730

10. FINANCIAL INSTRUMENTS

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.

The Trustee has established the investment portfolio objectives and target asset allocations. Performance against these targets is reviewed regularly by the Trustee and asset reallocations undertaken as required.

(a) Fair Value

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

(b) Capital Management

The Scheme's capital is represented by net assets attributable to members and is reflected in the Statement of Net Assets as "Net Assets Available for Benefits". The Scheme invests contributions received in appropriate investments in order to provide returns to its members and to maximise the Scheme's members' value whilst maintaining sufficient liquidity to meet any withdrawal requests. The Scheme's management review the performance of the Scheme on a regular basis to monitor the capital management.

(c) Market Risks

(i) Liquidity Risk

All financial assets at fair value through profit and loss can be realised within 12 months. Other than the liability for accrued benefits, there are no significant financial liabilities. To manage liquidity risk the Scheme invests in financial instruments which are highly liquid. The Scheme also invests within established limits to ensure there is no concentration of risk. Due to the nature of a KiwiSaver scheme, it is unlikely that a significant number of members would exit at the same time. Financial liabilities of the Scheme consist of Net Assets Available for Benefits and Payables. Net Assets Available for Benefits are payable on demand, provided certain KiwiSaver withdrawal requirements are met, and Payables are typically paid within 30 days.

(ii) Credit Risk

Financial instruments which potentially expose the Scheme to credit risk consist of cash and cash equivalents, fixed interest securities and receivables and, indirectly, investments in unitholdings which invest in cash and fixed interest investments. The Scheme does not require collateral or other security to support instruments with credit risk and as such, no collateral exists for any of the investments held by the Scheme. The maximum credit exposure is the carrying amount of the individual investments. All investments entered into are required to meet the credit rating parameters as set forth by the Trustee.

The significant counterparties of the Scheme are its fund managers AMP Capital Investors (New Zealand) Ltd, ANZ Investments Limited. The investments are held in trust by the Trustee for the benefit of the Scheme. The managers maintain diversified investment portfolios in accordance with the portfolio mix adopted by the Trustee. There are no specific industry related concentrations of credit risk.

(iii) Currency Risk

The Scheme is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unitholdings which invest in foreign currency denominated investments.

Each of the five Funds may include investments in Australasian Shares, Global Shares, Global Fixed Interest and Global Property Shares asset classes. To reduce the impact of currency movements, the fund managers may currency hedge to New Zealand dollars from time to time in respect of the international investments.

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

10. FINANCIAL INSTRUMENTS CONTINUED**(c) Market Risks** continued**(iv) Interest Rate Risk**

The Scheme is exposed to interest rate risk in that future interest rate movements will affect cash flows and fair values of fixed interest assets and, indirectly, the valuation of investments in unithised products which invest in cash and fixed interest investments.

As at balance date the Scheme's direct exposure to interest rate risk was in respect of the cash and cash equivalent balances of each Fund. The average interest rate for the year was 2.35% (2016: 2.15%).

Interest rate risk management activities are undertaken by the investment manager in accordance with the investment mandate set by the Trustee.

(v) Market Price Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments of a specific type traded in the market. Market price risk is controlled by ensuring a diverse range of investments, limits on counterparty exposure and restrictions on types of instruments.

Had the market price of the underlying instruments increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in income and the net assets attributable to members would amount to the following:

	2017	2016
Aggressive Fund	\$965,081	\$821,275
Growth Fund	\$1,229,514	\$1,062,888
Balanced Fund	\$674,469	\$639,707
Conservative Fund	\$458,982	\$364,073
Automatic Fund	\$17,367,406	\$14,699,202
Total	\$20,695,452	\$17,587,145

A variable of 10% was selected for market price risk sensitivity as this is a reasonably expected movement based on historic rate trends.

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding as at 31 March 2017 (2016: nil).

12. RELATED PARTIES

Civic Financial Services Limited (previously named New Zealand Local Government Insurance Corporation Limited, trading as Civic Assurance), has been appointed the administration manager of the Scheme by the Scheme's Trustee, Local Government Superannuation Trustee Limited. Civic Financial Services Ltd is the parent entity of Local Government Superannuation Trustee Limited.

The Scheme holds no investments in any of the employer companies or any of its related parties. Civic Financial Services Ltd is charged a Trustee fee of \$37,312 (2016: \$37,500) and an audit fee of \$29,750 (2016: \$29,750) on behalf of the Schemes (SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme - SuperEasy) and re-charged through the Scheme administration fee of \$1,380,038 (2016: \$1,224,731), which is split between administration and investment management fees.

13. STANDARDS APPROVED BUT NOT YET EFFECTIVE

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective. Initial application of the following standards and interpretations are not expected to have any material impact on the financial statements of the Scheme.

<i>Standard / Interpretation</i>	<i>Effective from</i>	<i>Expected to be applied</i>
NZ IFRS 9 Financial Instruments	1 January 2018	1 January 2018
NZ IFRS 15 Revenue from Contracts with Customers	1 January 2018	1 January 2018

14. EVENTS AFTER BALANCE DATE

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

TO THE READERS OF SUPEREASY KIWISAVER SUPERANNUATION SCHEME'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The Auditor-General is the auditor of SuperEasy KiwiSaver Superannuation Scheme (the Scheme). The Auditor-General has appointed me, Michael Wilkes, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Scheme on his behalf.

OPINION

We have audited the financial statements of the Scheme on pages 1 to 11 that comprise the statement of net assets as at 31 March 2017, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Scheme:

- present fairly, in all material respects:
 - its net assets as at 31 March 2017; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our audit was completed on 2 June 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustee and our responsibilities relating to the financial statements, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

RESPONSIBILITIES OF THE TRUSTEE FOR THE FINANCIAL STATEMENTS

The Trustee is responsible on behalf of the Scheme for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustee is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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. The Trustee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustee intends to wind up the Scheme or to cease operations, or has no realistic alternative but to do so.

The Trustee's responsibilities arise from the Financial Markets Conduct Act 2013.

RESPONSIBILITIES OF THE AUDITOR 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk 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.
- We 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 Scheme's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme'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 Scheme to cease to continue as a going concern.
- We 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 achieves fair presentation.

We communicate with the Trustee 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.

Our responsibilities arise from the Public Audit Act 2001.

INDEPENDENCE

We are independent of the Scheme in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Michael Wilkes
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand



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