

AMP KIWISAVER SCHEME
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

AMP KIWISAVER SCHEME
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For the year ended 31 March 2017

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AMP KIWISAVER SCHEME
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended 31 March 2017

	Notes	2017 \$000's	2016 \$000's
INCOME			
Dividend and distribution income		1,520	1,841
Interest income		2,054	2,209
Net gains on financial assets at fair value through profit or loss		331,950	84,904
TOTAL INCOME		335,524	88,954
EXPENSES			
Audit fees	4, 10	38	41
Other services by the auditor	4, 10	43	10
Management fees	10	17,092	14,989
Other expenses	10	3,364	2,188
TOTAL EXPENSES		20,537	17,228
NET PROFIT BEFORE TAX		314,987	71,726
Tax expense		-	-
NET PROFIT AFTER TAX		314,987	71,726
MEMBERSHIP ACTIVITIES			
Contributions			
Members' contributions		364,488	358,476
Crown contributions		68,291	75,248
Employer contributions		197,906	195,763
Transfers from other superannuation schemes		64,447	56,230
Members' PIE tax rebates		2,906	555
Total Contributions		698,038	686,272
Withdrawals			
Withdrawal benefits		143,883	119,091
Transfers to other superannuation schemes		270,428	218,162
Inland Revenue refunds		2,346	3,124
Members' PIE tax withdrawals		16,730	23,891
Member fees	10	5,602	5,777
Administration fees	10	16,464	14,387
Total Withdrawals		455,453	384,432
NET CONTRIBUTIONS		242,585	301,840
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS		557,572	373,566

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

AMP KIWISAVER SCHEME
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
As at 31 March 2017

	Notes	2017 \$000's	2016 \$000's
ASSETS			
Cash and cash equivalents	3	89,871	52,669
Financial assets at fair value through profit or loss	3	4,467,237	3,946,482
Receivables	3	30,074	15,024
TOTAL ASSETS		4,587,182	4,014,175
LIABILITIES			
Payables	4	31,676	16,241
TOTAL LIABILITIES		31,676	16,241
NET ASSETS AVAILABLE FOR BENEFITS		4,555,506	3,997,934
VESTED BENEFITS	5	4,555,506	3,997,934


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

25 May 2017

 Date



 Director

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

AMP KIWISAVER SCHEME
 STATEMENT OF CASH FLOWS
 For the year ended 31 March 2017

	Notes	2017 \$000's	2016 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Sale of financial assets at fair value through profit or loss		15,591	51,000
Purchase of financial assets at fair value through profit or loss		(202,921)	(359,099)
Interest received		2,051	2,203
Management fees and other expenses paid		(20,863)	(16,182)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8	<u>(206,142)</u>	<u>(322,078)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received		695,508	686,377
Withdrawals paid		(438,340)	(360,630)
Net PIE tax paid		(13,824)	(26,911)
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>243,344</u>	<u>298,836</u>
Net increase/(decrease) in cash and cash equivalents		37,202	(23,242)
Cash and cash equivalents at the beginning of the year		52,669	75,911
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>89,871</u>	<u>52,669</u>

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

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2017

1. GENERAL INFORMATION

These financial statements are for the AMP KiwiSaver Scheme (the Scheme) for the year ended 31 March 2017 (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 a Trust Deed dated 18 March 2016, as amended from time to time, between AMP Wealth Management New Zealand Limited (the Manager) and the Supervisor.

The main purpose of the Scheme is to provide retirement benefits to Members in accordance with the KiwiSaver Act 2006. It was registered under the KiwiSaver Act 2006 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 30 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 New Zealand Holdings 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 2017 were as follows:

AMP Default Fund	ANZ Balanced Growth Fund	Nikko AM Growth Fund *
AMP Cash Fund (formerly Cash Fund)	(formerly ANZ Balanced Plus Fund) Fisher Balanced Fund	AMP Global Multi-Asset Fund *
AMP Conservative Fund	ANZ Conservative Fund *	AMP Income Generator Fund *
AMP Moderate Fund	ASB Moderate Fund *	AMP New Zealand Fixed Interest Fund *
AMP Moderate Balanced Fund	Nikko AM Conservative Fund *	AMP International Fixed Interest Fund *
AMP Balanced Fund	ASB Balanced Fund *	AMP Property Fund *
AMP Growth Fund	AMP Responsible Investment Balanced Fund *	AMP Australasian Shares Fund *
AMP Aggressive Fund	ANZ Growth Fund *	AMP International Shares Fund *
Nikko AM Balanced Fund	ASB Growth Fund *	AMP Passive International Shares Fund *

* These funds started on 28 July 2016.

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 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.

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
For the year ended 31 March 2017

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

(a) Basis of preparation *(continued)*

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.

(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

Financial assets designated at fair value through profit or loss upon initial recognition

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Financial instruments *(continued)*

(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.

(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. 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. Payables are initially recognised at fair value and subsequently measured at amortised cost.

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

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 application details and instructions. Each Member contributes to the Scheme in accordance with the KiwiSaver Act 2006, 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 interpretation as of 1 April 2016:

Disclosure Initiative - NZ IAS 1

The adoption of this interpretation did not have a material impact on the financial statements of the Scheme.

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

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 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:

	2017 \$000's	2016 \$000's
AMP Capital Diversified Fund 1*	1,287,175	1,210,181
AMP Capital NZ Cash Fund	84,015	75,280
AMP Capital Diversified Fund 2*	300,638	268,266
AMP Capital Diversified Fund 3*	368,092	315,903
AMP Capital Diversified Fund 4*	524,481	450,891
AMP Capital Diversified Fund 5*	769,771	676,775
AMP Capital Diversified Fund 6*	588,984	503,499
AMP Capital Diversified Fund 7*	248,744	219,589
Nikko AM Wholesale Balanced Fund	39,710	28,605
ANZ Balanced Plus Fund**	-	170,934
ANZ Balanced Growth Fund**	202,605	-
Fisher Institutional Balanced Fund	33,882	26,559
ANZ Conservative Fund	2,254	-
ASB Superannuation Master Trust - ASB Moderate Fund	341	-
Nikko AM Wholesale Conservative Fund	1,047	-
ASB Superannuation Master Trust - ASB Balanced Fund	1,830	-
AMP Capital Responsible Investment Leaders Balanced Fund	2,690	-
ANZ Growth Fund	2,083	-
ASB Superannuation Master Trust - ASB Growth Fund	1,606	-
Nikko AM Wholesale Growth Fund	1,433	-
AMP Capital Global Multi-Asset Fund	1,911	-
AMP Capital Income Generator Fund	1,183	-
AMP Capital NZ Fixed Interest Fund	266	-
AMP Capital Global Fixed Interest Multi-manager Fund	261	-
AMP Capital Property Multi-manager Fund	994	-
AMP Capital Australasian Shares Multi-manager Fund	453	-
AMP Capital Unhedged Global Shares Multi-manager Fund	93	-
AMP Capital Hedged Global Shares Multi-manager Fund	284	-
Wholesale Unit Trust MSCI Global Index Shares Fund	187	-
AMP Capital Hedged Global Index Shares Fund	224	-
Total financial assets designated at fair value through profit or loss	4,467,237	3,946,482
Total financial assets at fair value through profit or loss	4,467,237	3,946,482

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

** During the financial year ended 31 March 2017, the ANZ Balanced Growth Fund fully switched its underlying fund from the ANZ Balanced Plus Fund to ANZ Balanced Growth Fund

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

3. FINANCIAL ASSETS (continued)

As at balance date, the AMP Default Fund had 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 this fund to provide financial support and has not made, nor intends to make, any commitments to provide financial or other support.

	2017 \$000's	2016 \$000's
Loans and receivables		
Cash and cash equivalents	89,871	52,669
Receivables	30,074	15,024
Total loans and receivables	119,945	67,693
Total financial assets	4,587,182	4,014,175
Analysis of receivables		
Fee rebates receivable from underlying fund managers	276	228
Contributions receivable from Members	854	1,230
PIE tax receivable	28,944	13,566
Total receivables	30,074	15,024

4. FINANCIAL LIABILITIES

	2017 \$000's	2016 \$000's
Financial liabilities measured at amortised cost		
Payables	31,676	16,241
Total financial liabilities	31,676	16,241
Analysis of payables		
Payable to auditor	81	45
Management fees payable	1,552	1,334
Withdrawals payable to Members	674	291
PIE tax payable	28,944	13,566
Other expenses payable	425	1,005
Total payables	31,676	16,241

Other services provided by the auditor include agreed upon procedures, audit of special purpose financial statements, assurance in relation to trust deed compliance and audit of the member registry.

5. VESTED BENEFITS

Vested benefits are benefits which are not conditional on continued membership. The vested benefits as at 31 March 2017 are \$4,555,506,000 (2016: \$3,997,934,000).

6. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the amounts available for benefits (2016: nil).

AMP KIWISAVER SCHEME
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 For the year ended 31 March 2017

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

	2017 \$000's	2016 \$000's
Net profit after tax	314,987	71,726
Reinvested investment income	(1,523)	(1,847)
Net gains on financial assets at fair value through profit or loss	(331,950)	(84,904)
Sale of financial assets at fair value through profit or loss	15,591	51,000
Purchase of financial assets at fair value through profit or loss	(202,921)	(359,099)
Net change in operating payables	(326)	1,046
Net cash outflow from operating activities	(206,142)	(322,078)

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 benchmark asset allocations and ranges. These benchmark asset allocations and ranges reflect the investment strategy, objectives and policy, 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 and ultimately the Supervisor of the Scheme.

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.

AMP KIWISAVER SCHEME
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 For the year ended 31 March 2017

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

(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 benchmark asset allocations and ranges.

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

(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 of the underlying investment.

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:

	2017		2016	
	Increase/ (decrease) on net profit before tax \$000's	Increase/ (decrease) on net assets available for benefits \$000's	Increase/ (decrease) on net profit before tax \$000's	Increase/ (decrease) on net assets available for benefits \$000's
Unit price change:				
+10%	446,724	446,724	394,648	394,648
-10%	(446,724)	(446,724)	(394,648)	(394,648)

(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.

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(e) Fair values of financial instruments

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

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); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 (2016: 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.

Management fees are as follows:

Fund	Management Fee 2017 %pa
AMP Default Fund	0.20
AMP Cash Fund	0.20
AMP Conservative Fund	0.35
AMP Moderate Fund	0.45
AMP Moderate Balanced Fund	0.50
AMP Balanced Fund	0.50
AMP Growth Fund	0.51
AMP Aggressive Fund	0.60
Nikko AM Balanced Fund	0.55
ANZ Balanced Growth Fund	0.55
Fisher Balanced Fund	0.60
ANZ Conservative Fund	0.45
ASB Moderate Fund	0.40
Nikko AM Conservative Fund	0.45
ASB Balanced Fund	0.45
AMP Responsible Investment Balanced Fund	0.55
ANZ Growth Fund	0.65
ASB Growth Fund	0.50
Nikko AM Growth Fund	0.65
AMP Global Multi-Asset Fund	0.90
AMP Income Generator Fund	0.45
AMP New Zealand Fixed Interest Fund	0.20
AMP International Fixed Interest Fund	0.30
AMP Property Fund	0.50
AMP Australasian Shares Fund	0.50
AMP International Shares Fund	0.50
AMP Passive International Shares Fund	0.20

There have been no changes to the management fee rates during the year ended 31 March 2017.

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

10. RELATED PARTIES (continued)

Administration fees of 0.15% per annum for the AMP Default Fund (2016: 0.15%) and up to 0.53% per annum for all other funds (2016: 0.53%) may be charged.

A Member fee of up to \$1.95 per month or up to \$23.40 per annum (2016: \$23.40) 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 services by the 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 2017 amounted to \$512,356 (2016: \$607,757).

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 (2016: nil).

12. CHANGES TO THE TRUST DEED

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 2017 that require disclosure in these financial statements (2016: nil).

Independent Auditor's Report to the Members of the AMP KiwiSaver Scheme

Report on the Audit of the Financial Statements

Opinion

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 2017, the statement of changes in net assets available for benefits and statement of cash flows for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

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 2017 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.

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, this report, or the opinions we have formed.

Basis for Opinion

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

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

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

Ernst & Young provide other assurance and agreed upon procedure services to the Scheme. Partners and employees of our firm may deal with the Scheme on normal terms within the ordinary course of business of the Scheme.

Information Other than the Financial Statements and Auditor's Report

The Manager is responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and, if uncorrected, to take appropriate action to bring the matter to the attention of Members for whom our auditor's report was prepared.

Manager's Responsibilities 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.

In preparing the financial statements, the Manager is responsible for assessing, on behalf of the Scheme, the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager intends to liquidate the Scheme or cease operations, or has 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 International Standards on Auditing (New Zealand) 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 Members taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page_6.aspx. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Stuart Mutch.

A handwritten signature in blue ink, which appears to be 'Ernst & Young', written in a cursive style.

Wellington
25 May 2017