

Summer KiwiSaver Scheme

Financial Statements
for the Year Ended 31 March 2018

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Statement of Changes in Net Assets
Year Ended 31 March 2018

	Notes	2018 \$000	2017 \$000
Interest income		175	128
Net change in fair value of financial assets	2	4,478	3,325
Net rebate of Management Fee	3	200	43
Other income		1	-
Total Income		4,854	3,496
Member account fees		102	92
Total Expenses		102	92
Net profit before membership activities		4,752	3,404
Contributions			
Member contributions		4,769	4,239
Employer contributions		2,692	2,251
Crown contributions		872	771
Transfers from other KiwiSaver schemes		12,264	4,372
Transfers from other superannuation schemes		2,008	649
Other voluntary contributions		1,509	799
Other income		13	15
		24,127	13,096
Withdrawals			
Transfers to other KiwiSaver schemes		2,046	1,888
Member attributed taxation	9	381	134
Members Eligible to withdraw		2,998	1,338
Withdrawals on death		59	137
Withdrawals or transfers on permanent emigration		19	36
First home purchase withdrawals		177	337
Significant financial hardship withdrawals		13	27
Other withdrawals		1	16
		5,694	3,913
Net membership activities		18,433	9,183
Movements in Members' accounts for the year		23,185	12,587
Members' accounts at the start of the year		61,533	48,946
Members' accounts at the end of the year		84,718	61,533

The accompanying notes form part of these financial statements

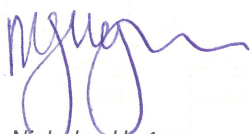


Statement of Net Assets

As at 31 March 2018

	Notes	2018 \$000	2017 \$000
Members' Funds	6	84,718	61,533
Represented by:			
Current Assets			
Cash and cash equivalents		3,261	3,405
Trade and other receivables	7	344	41
Trade and other receivables from related parties	3,7	19	9
Financial assets	4	81,610	58,143
Total Assets		85,234	61,598
Current Liabilities			
Trade and other payables	8	157	17
Member attributed taxation	9	359	48
Total Liabilities		516	65
Net Assets		84,718	61,533

These Financial Statements were authorised for issue by the Manager, Forsyth Barr Investment Management Limited.



Nicholas Hegan
Director
12 July 2018



Neil Paviour-Smith
Director

The accompanying notes form part of these financial statements



Statement of Cash Flows

Year ended 31 March 2018

	Notes	2018 \$000	2017 \$000
Cash Flows from Operating Activities			
Sale of financial assets (i)		16,219	69,949
Interest & Dividend received		190	95
Purchase of financial assets (i)		(35,241)	(77,998)
Net rebate of Management Fees		192	31
Payment to suppliers		-	-
Other expenses		(98)	(91)
Net cash used in operating activities	10	(18,738)	(8,014)
Cash Flows from Financing Activities			
Cash was provided from:			
Member contributions		23,863	13,199
Cash was applied to:			
Member withdrawals		(5,269)	(4,048)
Net cash used in financing activities		18,594	9,151
Net increase/(decrease) in cash and cash equivalents		(144)	1,137
Cash and cash equivalents at the beginning of year		3,405	2,268
Cash and cash equivalents at the end of the year		3,261	3,405

The accompanying notes form part of these financial statements

(i) 2017 figures includes switches of \$54,115,000 from Forsyth Barr KiwiSaver Balanced, Growth and Personal Choice Funds into Summer KiwiSaver My Plan and Summer Investment Selection on 29 September 2016.



Note 1: Basis of Reporting

Reporting Entity

The reporting entity is Summer KiwiSaver Scheme ("the Scheme"), formerly Forsyth Barr KiwiSaver Scheme. These financial statements show the collective financial performance, financial position and cash flows of the eight Funds that make up the Scheme as the Scheme is considered a single entity per clause 4.8 of the Trust Deed. The eight Funds, whose information is reported and presented collectively within the financial statements, are as follows:

- Summer New Zealand Cash
- Summer New Zealand Fixed Interest
- Summer Global Fixed Interest
- Summer New Zealand Equities
- Summer Australian Equities
- Summer Listed Property
- Summer Global Equities
- Summer Investment Selection

Collectively these Funds are referred to throughout these financial statements as the Scheme. Where a member chooses to invest in the Summer Investment Selection only, this is referred to as Summer Investment Selection. Where members make their own investment choices, in any combination in the eight Funds, this is referred to as My Plan.

The Scheme is governed by a Trust Deed ("Original Trust Deed") dated 16 May 2008, as amended by a further Deed of 12 September 2012 ("Existing Trust Deed") with Forsyth Barr KiwiSaver Limited (now Forsyth Barr Investment Management Limited) (the "Manager") and Trustees Executors Superannuation Limited, subsequently changed to Trustees Executors Limited (the "Supervisor") as the supervisor.

The Existing Trust Deed was amended by substituting all provisions of the Existing Trust Deed with all provisions of a new Trust Deed dated 16 September 2016. The amendment was made to comply with and to reflect the requirements of the Financial Markets Conduct Act 2013 ("FMCA"), Financial Markets Conduct Regulations 2014 and other enactments made pursuant to the FMCA, to make a number of minor amendments in connection with the Scheme becoming registered under the FMCA and to reflect that the Manager determined to rename the Scheme the "Summer KiwiSaver Scheme".

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006 and provides retirement benefits to members. As a defined contribution scheme, members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received.

The Manager of the Scheme is Forsyth Barr Investment Management Limited ("the Manager"), formerly Forsyth Barr KiwiSaver Limited and the Supervisor of the Scheme is Trustees Executors Limited ("the Supervisor"). The Scheme is domiciled and registered in New Zealand and its registered office is Level 9, Forsyth Barr House, The Octagon, Dunedin 9054.

Statutory Base

The Scheme is a Managed Investment Scheme as defined by the Financial Markets Conduct Act 2013 and is subject to the provisions of that Act.

The financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013, the KiwiSaver Act 2006 and the Trust Deed.

Basis of Preparation

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value. The methods used to measure fair values are disclosed further below. The accrual basis of accounting has been applied, as has the going concern assumption.

Standards and amendments to existing standards effective 1 April 2017 impacting the Scheme

Amendments to NZ IAS 7, 'Statement of Cash Flows' became effective for annual periods beginning on or after 1 January 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Adoption of these amendments did not have a material impact on the Scheme's financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2017 that have a material effect on the financial statements of the Scheme.

Standards and amendments to existing standards that are not yet applicable and have not been early adopted by the Scheme

The following new standards and amendments to existing standards are not a comprehensive list of standards and amendments but are only those that are likely to affect the Scheme.

NZ IFRS 9 Financial Instruments ('NZ IFRS 9') (effective for annual periods beginning on or after 1 January 2018). NZ IFRS 9 requires financial assets to be classified on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The requirements for classifying and measuring financial liabilities have been added to the standard and were carried forward largely unchanged from NZ IAS 39 Financial Instruments: Recognition and Measurement. However, the requirements related to the fair value option for financial liabilities were changed to address the issue of own credit risk. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating impairment of financial assets. The impact of NZ IFRS 9 has been assessed for the Scheme. Management do not foresee any significant change in the valuation or measurement methodology for any of the Scheme's financial instruments. Consequently the impact on the Scheme's reported results or financial positions as a result of the implementation of NZ IFRS 9, is considered to be insignificant. The Scheme intends to adopt NZ IFRS 9 for its financial period commencing 1 April 2018.

Significant Accounting Policies

Significant accounting policies which are specific to certain transactions or balances are set out within the particular note to which they relate. The significant accounting policies which are pervasive to the financial statements are set out below. Accounting Policies have been applied consistently to all periods presented in the financial statements.

Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Scheme's functional currency, on the basis that the Scheme's investors are mainly based in New Zealand, with the contributions and withdrawals denominated in New Zealand dollars. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

Accounting estimates and judgements

The preparation of financial statements requires the Manager to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. The Manager has applied its judgement in selecting an accounting policy to designate financial assets at fair value through profit or loss upon inception. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the fair values of all financial assets as market prices are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets at year end. However as with all investments their value is subject to variation due to market fluctuations.

The Manager has also used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 7.

Impairment of assets

The carrying amounts of the Scheme's assets other than fair value through profit or loss are reviewed at each balance date to determine whether there is any objective evidence of impairment. Impairment losses are

recognised in the Statement of Changes in Net Assets within the net change in fair value of financial assets in the period in which they arise.

Revenue recognition

- (i) Interest income is recognised as the interest accrues using the effective interest rate method.
- (ii) Gains or losses of financial assets are recognised in the Statement of Changes in Net Assets as disclosed in note 2.

Expenses

All expenses, including management fees, registry fees and other sundry expenses, are recognised in the statement of changes in net assets on an accrual basis.

Goods and services tax (GST)

The Scheme is not registered for GST. All items in the Statement of Changes in Net Assets and the Statement of Net Assets are stated inclusive of GST.

Net Assets available for benefits

The liability for promised retirement benefits is the Scheme's present obligation to pay benefits to members and has been calculated as the difference between fair value of the assets and the fair value of the liabilities at balance date.

Comparative Information

The comparative information agrees amounts and other disclosures presented in the prior period. Certain amounts may have been reclassified to ensure consistency with the current year reported amount.

Note 2: Net Change in Fair Value of Financial Assets

Policy

All net changes in fair value of financial assets are for financial assets designated at fair value through profit or loss.

	2018	2017
	\$000	\$000
New Zealand Equities	1,562	900
New Zealand Property	321	40
New Zealand Fixed Interest	682	245
Global Equities	1,912	2,140
Global Fixed Interest	1	-
Net change in fair value of financial assets	4,478	3,325



Note 3: Related Parties

Forsyth Barr Investment Management Limited, as the Manager of the Scheme, is entitled to a Management Fee of up to 0.90% per annum (based on gross asset value per annum) for services as Manager.

Trustees Executors Limited (TEL), as Supervisor of the Scheme, is entitled to receive a fee from the Manager for Supervisor services.

In a separate capacity, TEL also provides custodial and investment accounting services for the Scheme and is entitled to receive a fee from the Manager for these services.

TEL as registrar maintains the Members' accounts and Scheme register, and they receive a registry fee from the Manager.

	2018 \$000	2017 \$000
Forsyth Barr Investment Management Limited		
<i>Fees paid and payable to related parties</i>		
Management fee	(637)	(610)
<i>Fees received and receivable to related parties</i>		
Rebate of management fees	837	653
Net rebate of management fee ⁽ⁱ⁾⁽ⁱⁱ⁾	200	43
<i>Fees receivable from related parties for the year</i>		
Management fees receivable	19	9

(i) Audit fees incurred of \$35,478 (2017: \$34,558) are paid by Forsyth Barr Investment Management Limited as Manager on behalf of the Scheme, of these audit fees \$5,003 (2017: \$4,888) relate to the registry audit the remainder relates to the statutory audit.

(ii) Reflects management fees already paid within underlying funds.

Fees paid and payable by the Manager to related parties for the year ended 31 March were as follows:

	2018 \$000	2017 \$000
Trustees Executors Limited		
Supervisor fee expense	24	17
Supervisor fee payable	2	2
Registry fees expense	93	92
Registry fees payable	9	8
Custody and investment accounting fees expense	118	78

Certain Directors of the Manager hold units in the Scheme, all transactions with Directors are conducted on an arm's length basis and are on the same terms and conditions as all other clients investing in the Scheme.

The Scheme invests in Forsyth Barr Investment Funds which are also managed by the Manager. The following units are held in Forsyth Barr Investment Funds investment products as at 31 March 2018:

	Forsyth Barr NZ Equities Fund		Australian Equities Fund	
	Units	Fair Value	Units	Fair Value
	000's	\$000	000's	\$000
Opening Balance	4,445	10,613	7,232	8,024
Contributions	993	2,560	3,583	4,006
Withdrawals	(592)	(1,465)	(446)	(510)
Change in Fair Value	-	1,562	-	107
Closing Balance 31 March 2018	4,846	13,270	10,369	11,627

	Global Equities Fund		NZ Fixed Interest Fund	
	Units	Fair Value	Units	Fair Value
	000's	\$000	000's	\$000
Opening Balance	13,639	14,921	3,822	6,252
Contributions	8,993	10,395	46	75
Withdrawals	(107)	(125)	(148)	(250)
Change in change Fair Value	-	1,805	-	276
Closing Balance 31 March 2018	22,525	26,996	3,720	6,353

	Listed Property Fund		Premium Yield Fund	
	Units	Fair Value	Units	Fair Value
	000's	\$000	000's	\$000
Opening Balance	3,980	6,991	4,414	7,370
Contributions	967	1,753	2,724	4,661
Withdrawals	(690)	(1,239)	(717)	(1,213)
Change in change Fair Value	-	322	-	421
Closing Balance 31 March 2018	4,257	7,827	6,421	11,239

Note 4: Financial Assets

Policy

The Manager classifies the Schemes' investments as designated at fair value through profit or loss at initial recognition. The financial assets can be classified as such, as the Manager makes purchase and sale decisions based on the investments fair value and in accordance with the investment strategy. Purchases and sale of investments are recognised on the trade date, being the date on which the Scheme commits to purchase or sell the investment.

Subsequent to initial recognition financial assets are measured at fair value with any gains or losses recognised in the Statement of Changes in Net Assets when they arise. Interest and dividends related to financial assets are recognised as part of the gains and losses presented in the Statement of Changes in Net Assets.

Fair value

The Manager classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:



Level 1 quoted prices (unadjusted in active markets) for identical assets.

Level 2 inputs other than quoted prices included within level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs for the asset that are not based on observable market data.

The Scheme's financial assets are classified as Level 2 in the fair value hierarchy. These assets comprise managed funds investments.

The fair value of financial assets is determined by reference to unit price calculated by the various investment funds in which the scheme holds financial assets. These unit prices are based on net asset valuation derived from available quoted prices of similar units.

	2018 \$000	2017 \$000
New Zealand Equities	13,270	10,613
New Zealand Property	7,827	6,991
New Zealand Fixed Interest	21,630	17,545
Global Equities	38,623	22,945
Global Fixed Interest	260	49
Financial assets at fair value	81,610	58,143

The following investments exceeded 5% of Net Assets available for benefits:

	2018		2017	
	Fair value \$000	%	Fair value \$000	%
Forsyth Barr NZ Equities Fund	13,270	15.7%	10,613	17.2%
Forsyth Barr NZ Fixed Interest Fund	6,353	7.5%	6,252	10.2%
Forsyth Barr Premium Yield Fund	11,239	13.3%	7,370	12.0%
Forsyth Barr Listed Property Fund	7,827	9.2%	6,991	11.4%
Forsyth Barr Australian Equities Fund	11,627	13.7%	8,024	13.0%
Forsyth Barr Global Equities Fund	26,996	31.9%	14,921	24.2%

Note 5: Financial Instruments and Risk Management

Policy

Financial instruments currently recognised in the financial statements comprise cash and cash equivalents, trade and other receivables, financial assets, member attributed tax and trade and other payables.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

Financial instruments by category

The following table details the Scheme's financial assets and liabilities by category:



	2018 \$000	2017 \$000
Loans and receivables		
Cash and cash equivalents	3,261	3,405
Trade and other receivables	363	50
Designated at fair value through profit or loss		
Financial assets at fair value through profit or loss	81,610	58,143
Total financial assets	85,234	61,598
Financial liabilities (at amortised cost)		
Trade and other payables	157	17
Member attributed taxation	359	48
Total financial liabilities	516	65

Financial risk management policies

The Scheme is subject to various types of financial risks which arise as a result of its activities, including: market risk, liquidity risk and credit risk.

(a) Market Risk

Market risk is the risk that the Scheme's profit or loss will fluctuate as a result of changes in market conditions. The Scheme is exposed directly, and indirectly, to unit price risk, interest rate risk and currency risk through its holdings of cash and equity investments.

(i) Unit price risk

Unit price risk is the risk that the fair value or future cash flows of non monetary financial instruments will fluctuate because of changes in market prices. Market price changes can occur due to competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally.

Sensitivity Analysis

The following table shows the sensitivity of profit for the year and members' accounts to a 10% change in unit trust prices as at 31 March:

	2018 \$000	2017 \$000
Financial assets at fair value through profit or loss		
Carrying Amount	81,610	58,143
Impact of a -10% change in unit trust prices		
Profit	(8,161)	(5,814)
Members' Funds	(8,161)	(5,814)
Impact of a +10% change in unit trust prices		
Profit	8,161	5,814
Members' Funds	8,161	5,814

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme is not directly exposed to any currency risk. It is indirectly exposed to currency risk through certain of the foreign currency denominated funds quoted by Forsyth Barr Investment Funds. Any currency risk is reflected in the unit price of the relevant Investment Funds.

(b) Liquidity Risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. As the Scheme holds all of its investments with various funds managed by Forsyth Barr Investment Funds, it is indirectly exposed to the liquidity risk management processes of the funds. Forsyth Barr Investment Funds manages liquidity risk by holding the majority of its investments in listed financial instruments that are traded in active markets that can be readily disposed.

The Scheme's financial liabilities consist of trade and other payables which are short term in nature and classified as a current liability at balance date.

(c) Credit Risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Scheme. Financial instruments that subject the Scheme to credit risk consist primarily of investments and trade and other receivables and cash. The maximum credit risk of financial instruments is considered to be the carrying amount on the Statement of Net Assets. The risk of non recovery of monetary assets is considered by the Manager to be minimal due to the quality of counterparties dealt with.

Note 6: Capital Management

Policy

The Scheme manages its Members' accounts as capital. Each unit in a fund is the same as any other unit in that fund, and represents an interest in the net assets of that fund. The unit price of the fund is determined as the net asset value of the fund divided by the number of units on issue. As at 31 March 2018 the Scheme classified all units in Members' accounts as follows:

	Members' Funds 2018 \$ 000's	Net Asset Value Per Unit 2018 \$	Members' Funds 2017 \$ 000's	Net Asset Value Per Unit 2017 \$
Summer New Zealand Cash	1,525	1.0213	1,184	1.0054
Summer New Zealand Fixed Interest	5,914	1.0409	5,869	0.9967
Summer Global Fixed Interest	296	1.0274	60	1.0009
Summer New Zealand Equities	7,606	1.1482	5,902	1.001
Summer Australian Equities	5,907	1.1475	4,435	1.1319
Summer Listed Property	4,234	1.0186	3,529	0.9704
Summer Global Equities	12,004	1.2193	6,172	1.1087
Summer Investment Selection	47,232	1.1089	34,382	1.0351
	84,718		61,533	



	Units on Issue 2017 000's	Units Issued 000's	Units Redeemed 000's	Units on Issue 2018 000's
Summer New Zealand Cash	1,168	2,193	(1,865)	1,496
Summer New Zealand Fixed Interest	5,639	2,682	(2,590)	5,731
Summer Global Fixed Interest	59	354	(124)	289
Summer New Zealand Equities	5,946	2,046	(1,375)	6,617
Summer Australian Equities	3,965	2,555	(1,352)	5,168
Summer Listed Property	3,695	1,524	(1,064)	4,155
Summer Global Equities	5,657	5,444	(1,220)	9,881
Summer Investment Selection	33,216	14,556	(4,991)	42,781

The Scheme has no restrictions or specific capital requirements on the contributions and withdrawals other than as required by the KiwiSaver Act 2006.

There are no comparatives available for the movements in Units on Issue for each of the funds due to the change from Forsyth Barr KiwiSaver Scheme to Summer KiwiSaver Scheme in September 2016. Prior to this change Member's funds were in the Balanced Fund, Growth Fund and Personal Choice Fund.

Note 7: Trade and Other Receivables

Policy

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. There are no past due or impaired trade and other receivables.

	2018 \$000	2017 \$000
Contributions receivable	344	41
Trade and other receivable to related parties		
Management fees rebate	19	9

Note 8: Trade and Other Payables

Policy

Trade and other payables comprise of liabilities, purchases of securities and investments that are unsettled at balance date and accrued expenses owing by the Scheme which are unpaid at balance date. These are initially measured at fair value and subsequently at amortised cost using the effective interest method. Trades are recorded on trade date, and normally settled within three business days.

	2018 \$000	2017 \$000
Redemptions payable	157	17
Trade and other payables to related parties		
Management fees	-	-

All trade and other payables are current liabilities and their carrying values approximate their fair value.



Note 9: Member attributed taxation

Policy

The Scheme is a Portfolio Investment Entity (PIE) under the Income Tax Act 2007. The Scheme pays tax on behalf of members meaning no income tax expense or deferred tax balances are recognised in the financial statements. 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.

Tax losses are not recognised in the financial statements. However, these amounts are tracked and may be applied by members against tax payable in relation to their PIE investment income. Deductible expenditure incurred by the Scheme can be transferred to Master Superannuation Trusts in accordance with section DV 2 of the Income Tax Act 2007. This results in tax credits to the Scheme which is disclosed in the Statement of Changes in Net Assets.

	2018	2017
	\$000	\$000
Opening attributed tax payable for the year	48	-
Member attributed tax payable for the year	381	134
Member attributed tax paid during the year	(70)	(86)
Member attributed tax payable at balance date	359	48

Note 10: Reconciliation of Net Profit to Cash Flows from Operating Activities

Policy

The Statement of Cash Flow has been prepared inclusive of GST, consistent with the method used in the Statement of Changes in Net Assets.

Cash reflects the balance of cash and liquid assets used in the day-to-day management of the Scheme.

Financing activities are those activities that result in changes in the size and composition of Members' accounts. This includes elements of Members' accounts.

Operating activities are the principal revenue activities of the Scheme and other activities that are not financing activities.



	2018 \$000	2017 \$000
Net profit before membership activities	4,752	3,404
Plus non cash items		
Unrealised changes in the fair value of financial assets	(4,359)	5,516
Scheme administration fees charged to members	100	23
	(4,259)	5,539
Movements in working capital items		
Increase in trade and other receivables	(313)	(9)
Increase/(decrease) in trade and other payables	140	-
Increase in underlying cost of investments carried at fair value	(19,147)	(16,889)
Movement in items classified as financing activities		(59)
other expenses	89	
	(19,231)	(16,957)
Net cash flows used in operating activities	(18,738)	(8,014)

Note 11: Contingent Liabilities and Capital Commitments

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

Note 12: Subsequent Events

No subsequent events noted.



Independent Auditor's Report

To the Members of Summer KiwiSaver Scheme

Opinion	<p>We have audited the financial statements of Summer KiwiSaver Scheme (the 'Scheme'), which comprise the statement of net assets as at 31 March 2018, and the statements of changes in net assets, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</p> <p>In our opinion, the accompanying financial statements, on pages 3 to 16, present fairly, in all material respects, the net assets of the Scheme as at 31 March 2018, and its changes in net assets and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').</p>
Basis for opinion	<p>We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>We are independent of the Scheme in accordance with Professional and Ethical Standard 1 (Revised) <i>Code of Ethics for Assurance Practitioners</i> issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' <i>Code of Ethics for Professional Accountants</i>, and we have fulfilled our other ethical responsibilities in accordance with these requirements.</p> <p>Our firm carries out other assignments for the Manager and the Scheme in the area of taxation advice. These services have not impaired our independence as auditor of the Scheme. In addition to this, partners and employees of our firm deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme. The firm has no other relationship with, or interest in, the Scheme.</p>
Other information	<p>The Board of Directors of the Manager are responsible on behalf of the Scheme for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report. The Annual Report is expected to be made available to us after the date of this auditor's report.</p> <p>Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.</p> <p>Our responsibility is to read the other information identified above when it becomes available and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>When we read the other information in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors of the Manager and consider further appropriate actions.</p>
Manager's responsibilities for the financial statements	<p>The Board of Directors of the Manager is responsible on behalf the Scheme for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Board of Directors of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, the Board of Directors of the Manager is responsible on behalf of the Scheme for assessing the 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 directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.</p>
Auditor's responsibilities for the audit of the financial statements	<p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be</p>



expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

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

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Scheme's members, as a body. Our audit has been undertaken so that we might state to the Scheme's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scheme's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

**H A Rautjoki, Partner
for Deloitte Limited**
Dunedin, New Zealand
12 July 2018