

AMP KIWISAVER SCHEME

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

AMP KIWISAVER SCHEME
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For the year ended 31 March 2018

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AMP KIWISAVER SCHEME
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended 31 March 2018


	Notes	2018 \$000's	2017 \$000's
INCOME			
Dividend and distribution income		1,568	1,520
Interest income		1,990	2,054
Net gains on financial assets at fair value through profit or loss		277,104	331,950
TOTAL INCOME		280,662	335,524
EXPENSES			
Audit fees	4, 10	28	27
Other services provided by the auditor	4, 10	32	31
Management fees	10	19,713	17,092
Other expenses		4,584	3,387
TOTAL EXPENSES		24,357	20,537
NET PROFIT BEFORE TAX		256,305	314,987
Tax expense		-	-
NET PROFIT AFTER TAX		256,305	314,987
MEMBERSHIP ACTIVITIES			
Contributions			
Members' contributions		378,485	364,488
Crown contributions		66,102	68,291
Employer contributions		198,567	197,906
Transfers from other superannuation schemes		92,411	64,447
Members' PIE tax rebates		377	2,906
Total Contributions		735,942	698,038
Withdrawals			
Members' withdrawals		151,655	143,883
Transfers to other superannuation schemes		289,471	270,428
Inland Revenue refunds		2,607	2,346
Members' PIE tax withdrawals		31,254	16,730
Member fees	10	5,423	5,602
Administration fees	10	19,008	16,464
Total Withdrawals		499,418	455,453
NET CONTRIBUTIONS		236,524	242,585
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS		492,829	557,572

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 2018

	Notes	2018 \$000's	2017 \$000's
ASSETS			
Cash and cash equivalents	3	74,535	89,871
Financial assets at fair value through profit or loss	3	4,973,058	4,467,237
Receivables	3	27,886	30,074
TOTAL ASSETS		<u>5,075,479</u>	<u>4,587,182</u>
LIABILITIES			
Payables	4	27,144	31,676
TOTAL LIABILITIES		<u>27,144</u>	<u>31,676</u>
NET ASSETS AVAILABLE FOR BENEFITS		<u>5,048,335</u>	<u>4,555,506</u>
VESTED BENEFITS	5	<u>5,048,335</u>	<u>4,555,506</u>

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

3 July 2018

 Date



 Director

AMP KIWISAVER SCHEME
STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

	Notes	2018 \$000's	2017 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Sale of financial assets at fair value through profit or loss		8,324	15,591
Purchase of financial assets at fair value through profit or loss		(235,543)	(202,921)
Interest received		1,988	2,051
Expenses paid		(23,918)	(20,863)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8	<u>(249,149)</u>	<u>(206,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received		733,014	695,508
Withdrawals paid		(468,324)	(438,340)
Net PIE tax paid		(30,877)	(13,824)
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>233,813</u>	<u>243,344</u>
Net (decrease)/increase in cash and cash equivalents		(15,336)	37,202
Cash and cash equivalents at the beginning of the year		<u>89,871</u>	<u>52,669</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>74,535</u></u>	<u><u>89,871</u></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 2018

1. GENERAL INFORMATION

These financial statements are for the AMP KiwiSaver Scheme (the Scheme) for the year ended 31 March 2018 (balance date).

The Scheme is registered under the Financial Markets Conduct Act 2013 (the FMCA) as a KiwiSaver scheme. It is a default KiwiSaver scheme under the KiwiSaver Act 2006 (the KiwiSaver Act), pursuant to the KiwiSaver Default Provider (AMP) Notice 2015. The Scheme is a defined contribution scheme.

The purpose of the Scheme is to provide retirement benefits to Members in accordance with the FMCA and KiwiSaver Act.

The Scheme is a profit-oriented reporting entity under XRB A1 - External Reporting Board Standard A1 'Application of the Accounting Standards Framework'.

The Scheme 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 New Zealand Guardian Trust Company Limited (the Supervisor).

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 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 2018 were as follows:

Diversified Funds

AMP Default Fund	ANZ Conservative Fund
AMP Conservative Fund	ANZ Balanced Growth Fund
AMP Moderate Fund	ANZ Growth Fund
AMP Moderate Balanced Fund	ASB Moderate Fund
AMP Balanced Fund	ASB Balanced Fund
AMP Growth Fund	ASB Growth Fund
AMP Aggressive Fund	Nikko AM Conservative Fund
AMP Responsible Investment Balanced Fund	Nikko AM Balanced Fund
Fisher Balanced Fund	Nikko AM Growth Fund

Single Sector Funds

AMP Cash Fund	AMP International Shares Fund
AMP New Zealand Fixed Interest Fund	AMP Passive International Shares Fund
AMP International Fixed Interest Fund	AMP Property Fund
AMP Australasian Shares Fund	

Goals Based Funds

AMP Global Multi-Asset Fund	AMP Income Generator Fund
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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, 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.

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

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

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

Certain prior year comparatives have been reclassified to align with current year disclosures.

(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 financial statements are presented in New Zealand dollars, 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.

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

(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

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, but do not meet the definition of the category 'held for trading'. These financial assets may be sold in the short term.

(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 the 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).

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, 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, fee rebates and unsettled sales of financial assets from underlying fund managers. 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.

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

(i) Payables

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

(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 net assets available for benefits.

(ii) Goods and Services Tax (GST)

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

(k) Contributions

Contributions are recognised when the Manager has confirmed the validity of a Member's application details and instructions. Each Member contributes to the Scheme in accordance with the KiwiSaver Act, 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 a 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. The rights, obligations and restrictions attached to each unit within a Fund are identical in all respects.

(n) Net assets available for benefits

Net assets 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) 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.

(ii) Accounting standards issued but not yet effective

The following standards and interpretations have been issued but are 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.

AMP KIWISAVER SCHEME
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 For the year ended 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) New accounting standards and interpretations (continued)

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

3. FINANCIAL ASSETS

	2018 \$000's	2017 \$000's
Financial assets designated at fair value through profit or loss		
AMP Capital Australasian Shares Multi-manager Fund	1,234	453
AMP Capital Diversified Fund 1*	1,362,928	1,287,175
AMP Capital Diversified Fund 2*	333,986	300,638
AMP Capital Diversified Fund 3*	429,688	368,092
AMP Capital Diversified Fund 4*	592,637	524,481
AMP Capital Diversified Fund 5*	857,853	769,771
AMP Capital Diversified Fund 6*	657,302	588,984
AMP Capital Diversified Fund 7*	278,205	248,744
AMP Capital Global Fixed Interest Multi-manager Fund	379	261
AMP Capital Global Multi-Asset Fund	11,161	1,911
AMP Capital Hedged Global Index Shares Fund	1,055	224
AMP Capital Hedged Global Shares Multi-manager Fund	1,971	284
AMP Capital Income Generator Fund	2,211	1,183
AMP Capital NZ Cash Fund	82,495	84,015
AMP Capital NZ Fixed Interest Fund	486	266
AMP Capital Property Multi-manager Fund	1,315	994
AMP Capital Responsible Investment Leaders Balanced Fund	5,430	2,690
AMP Capital Unhedged Global Shares Multi-manager Fund	1,310	93
ANZ Balanced Growth Fund	234,535	202,605
ANZ Conservative Fund	3,740	2,254
ANZ Growth Fund	7,574	2,083
ASB Superannuation Master Trust - ASB Balanced Fund	4,932	1,830
ASB Superannuation Master Trust - ASB Growth Fund	5,204	1,606
ASB Superannuation Master Trust - ASB Moderate Fund	1,316	341
Fisher Institutional Balanced Fund	39,548	33,882
Nikko AM Wholesale Balanced Fund	47,379	39,710
Nikko AM Wholesale Conservative Fund	1,600	1,047
Nikko AM Wholesale Growth Fund	4,175	1,433
Wholesale Unit Trust MSCI Global Index Shares Fund	1,409	187
Total financial assets designated at fair value through profit or loss	4,973,058	4,467,237
Total financial assets at fair value through profit or loss	4,973,058	4,467,237

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

As at balance date, the AMP Default Fund had a 100% holding in the AMP Capital Diversified Fund 1 (2017: 100%). 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.

AMP KIWISAVER SCHEME
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 For the year ended 31 March 2018

3. FINANCIAL ASSETS *(continued)*

	2018 \$000's	2017 \$000's
Loans and receivables		
Cash and cash equivalents	74,535	89,871
Receivables	27,886	30,074
Total loans and receivables	102,421	119,945
Total financial assets	5,075,479	4,587,182

	2018 \$000's	2017 \$000's
Analysis of receivables		
Fee rebates receivable from underlying fund managers	339	276
Distributions receivable from underlying fund managers	9	-
Contributions receivable from Members	3,405	854
PIE tax receivable	24,133	28,944
Total receivables	27,886	30,074

4. FINANCIAL LIABILITIES

	2018 \$000's	2017 \$000's
Financial liabilities measured at amortised cost		
Payables	27,144	31,676
Total financial liabilities	27,144	31,676
Analysis of payables		
Payable to auditor	60	58
Management fees payable	1,658	1,552
Withdrawals payable to Members	514	674
PIE tax payable	24,133	28,944
Other expenses payable	779	448
Total payables	27,144	31,676

The amounts payable to the auditor include both audit fees and fees for other services provided by the auditor. These expenses are shown in the Statement of Changes in Net Assets Available for Benefits. 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 register.

5. VESTED BENEFITS

Vested benefits are benefits payable to Members, under the conditions of the Scheme, on the basis of all Members ceasing to be Members of the Scheme at balance date. The vested benefits as at 31 March 2018 equalled the net assets available for benefits.

6. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the amounts available for benefits (2017: nil).

7. CAPITAL MANAGEMENT

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

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

	2018 \$000's	2017 \$000's
Net profit after tax	256,305	314,987
Reinvested investment income	(1,570)	(1,523)
Net gains on financial assets at fair value through profit or loss	(277,104)	(331,950)
Sale of financial assets at fair value through profit or loss	8,324	15,591
Purchase of financial assets at fair value through profit or loss	(235,543)	(202,921)
Net change in operating payables	439	(326)
Net cash outflow from operating activities	(249,149)	(206,142)

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 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, appropriate committees and ultimately the Supervisor of the Scheme.

In order to avoid excessive concentration of risk (which would arise, for example, when a number of financial instruments are entered into with the same counterparty), 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

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 banks registered in New Zealand.

(c) Market risk

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.

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

(c) Market risk *(continued)*

(i) Unit price risk

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:

	Increase/(decrease) on net profit/(loss) before tax and Increase/(decrease) on net assets available for benefits	
	2018	2017
	\$000's	\$000's
Unit price change:		
+10%	497,306	446,724
-10%	(497,306)	(446,724)

(ii) Interest rate risk

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 significant.

(d) Liquidity and cash flow risk

Due to the nature of a KiwiSaver scheme, it is unlikely that a significant number of Members would withdraw 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 investment ranges 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.

(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. 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 (2017: 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.

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

AMP KIWISAVER SCHEME
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2018

10. RELATED PARTIES (continued)

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 in audit fees, other services provided by the auditor and other expenses in the Statement of Changes in Net Assets Available for Benefits.

The Manager pays the Supervisor fees and underlying fund managers' fees on behalf of the Scheme. In addition the Manager paid, on behalf of the Scheme, audit fees of \$10,000 (2017: \$11,000) and other services provided by the auditor of \$12,000 (2017: \$13,000).

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 2018 amounted to \$580,000 (2017: \$512,000).

All related party transactions are conducted on normal commercial terms and conditions. No related party debts have been written off or forgiven during the year (2017: nil).

11. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

There are no contingent assets, liabilities or commitments as at balance date (2017: nil).

12. CHANGES TO THE TRUST DEED

There were no changes to the Trust Deed during the year ended 31 March 2018.

13. EVENTS AFTER BALANCE DATE

Subsequent to year end the Manager decided to replace Fisher Funds Management Limited, the fund manager of the Fisher Institutional Balanced Fund in which the Fisher Balanced Fund invests, with Mercer (NZ) Limited (Mercer) on 25 June 2018. At this time the assets will begin to transition to Mercer and the fund will be renamed the Mercer Balanced Fund.

There have been no other significant events since 31 March 2018 that require disclosure in these financial statements.

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 12, which comprise the statement of net assets available for benefits of the Scheme as at 31 March 2018, 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 12 present fairly, in all material respects, the financial position of the Scheme as at 31 March 2018 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 services and agreed upon procedures 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/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-6>. 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.



Wellington
3 July 2018