CHRISTIAN KIWISAVER SCHEME

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CHRISTIAN KIWISAVER SCHEME

CONTENTS
FOR THE YEAR ENDED 31 MARCH 2018

	PAGE NO
Statement of Changes in Net Assets Available for Benefits	1 - 2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 18
Auditor's Report	19 - 20

CHRISTIAN KIWISAVER SCHEME

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	FOR THE YEAR ENDED 31 MARCH 2018 Income $	Balanced $	Growth $	SCHEME $	FOR THE YEAR ENDED 31 MARCH 2017 Income $	Balanced $	Growth $	SCHEME $
INCOME									
Net gains on financial assets at fair value through profit or loss		183,411	1,431,472	624,186	**2,239,069**	179,501	1,974,621	882,145	**3,036,267**
Net gains on forestry and land assets at fair value through profit or loss	4a	-	40,964	39,429	**80,393**	-	16,580	15,713	**32,293**
TOTAL INCOME		**183,411**	**1,472,436**	**663,615**	**2,319,462**	179,501	1,991,201	897,858	**3,068,560**
EXPENSES									
Administration fee	9	63,761	381,651	154,479	**599,891**	-	-	-	-
Investment expenses	9	-	-	-	-	14,068	105,158	44,688	**163,914**
Administration expenses	9		-	-	-	31,207	156,563	54,262	**242,032**
Legal expenses		-	-	-	-	3,974	19,835	6,846	**30,655**
Statutory fees		-	-	-	-	1,649	8,247	2,872	**12,768**
Other expenses		-	-	-	-	5,416	27,653	9,654	**42,723**
TOTAL EXPENSES		**63,761**	**381,651**	**154,479**	**599,891**	56,314	317,456	118,322	**492,092**
NET PROFIT BEFORE TAX		**119,650**	**1,090,785**	**509,136**	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
Tax expense		-	-	-	-	-	-	-	-
NET PROFIT AFTER TAX		**119,650**	**1,090,785**	**509,136**	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
SURPLUS BEFORE MEMBERSHIP ACTIVITIES		**119,650**	**1,090,785**	**509,136**	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
ALLOCATED AS:									
To/(from) General Reserve	7	(102)	(696)	186	**(612)**	153	(115)	(97)	**(59)**
To Member accounts		119,752	1,091,481	508,950	**1,720,183**	123,034	1,673,860	779,633	**2,576,527**
TOTAL ALLOCATED		**119,650**	**1,090,785**	**509,136**	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**

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

CHRISTIAN KIWISAVER SCHEME

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	FOR THE YEAR ENDED 31 MARCH 2018 Income $	Balanced $	Growth $	SCHEME $	FOR THE YEAR ENDED 31 MARCH 2017 Income $	Balanced $	Growth $	SCHEME $
NET ASSETS AVAILABLE AT THE BEGINNING OF THE YEAR		**4,591,259**	**24,142,531**	**8,530,268**	**37,264,058**	4,008,002	19,672,557	6,686,730	**30,367,289**
Comprising:									
Net assets attributable to Members		4,590,951	24,141,204	8,529,968	**37,262,123**	4,007,847	19,671,115	6,686,333	**30,365,295**
Net assets attributable to General Reserve	7	308	1,327	300	**1,935**	155	1,442	397	**1,994**
MOVEMENTS DURING THE YEAR									
Contributions									
Members		389,732	2,320,020	1,014,777	**3,724,529**	387,832	2,202,491	695,713	**3,286,036**
Employers		118,279	720,516	263,497	**1,102,292**	114,605	683,565	193,596	**991,766**
Crown contributions and interest		54,408	321,771	116,613	**492,792**	60,586	489,973	103,796	**654,355**
Transfers in from other KiwiSaver providers		143,874	577,746	236,962	**958,582**	67,580	591,429	363,736	**1,022,745**
Transfers in from other complying schemes		1,581	156,055	28,152	**185,788**	-	61,654	60,531	**122,185**
Refunds to Inland Revenue		(1,449)	(20,360)	(2,149)	**(23,958)**	(650)	(6,225)	(1,387)	**(8,262)**
Withdrawals						-	-	-	
Retirement		(242,054)	(1,145,697)	(166,621)	**(1,554,372)**	(196,319)	(481,650)	(119,006)	**(796,975)**
Death		(5,330)	(81,807)	(26,096)	**(113,233)**	(16,745)	(54,405)	(25,542)	**(96,692)**
Financial hardship benefits		(2,964)	(54,209)	(26,887)	**(84,060)**	(9,567)	(69,430)	(3,877)	**(82,874)**
First home benefits		(72,945)	(225,602)	(106,181)	**(404,728)**	(14,900)	(74,046)	(12,314)	**(101,260)**
Mortgage diversion benefits		-	(1,184)	-	**(1,184)**	-	(1,126)	-	**(1,126)**
Permanent emigration benefits		-	(34,530)	-	**(34,530)**	-	(9,924)	-	**(9,924)**
Transfers out to other KiwiSaver providers		(16,807)	(346,321)	(110,225)	**(473,353)**	(91,617)	(265,306)	(133,085)	**(490,008)**
Transfers between investment pools		96,970	(449,115)	352,145	-	184,424	(150,932)	(33,492)	-
Members PIE tax		(24,619)	(142,591)	(61,145)	**(228,355)**	(25,159)	(119,839)	(24,667)	**(169,665)**
Surplus before membership activities		119,650	1,090,785	509,136	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF THE YEAR		**5,149,585**	**26,828,008**	**10,552,246**	**42,529,839**	4,591,259	24,142,531	8,530,268	**37,264,058**
Comprising:									
Net assets attributable to Members		5,149,379	26,827,377	10,551,760	**42,528,516**	4,590,951	24,141,204	8,529,968	**37,262,123**
Net assets attributable to General Reserve	7	206	631	486	**1,323**	308	1,327	300	**1,935**
		5,149,585	**26,828,008**	**10,552,246**	**42,529,839**	4,591,259	24,142,531	8,530,268	**37,264,058**

CHRISTIAN KIWISAVER SCHEME

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	AS AT 31 MARCH 2018 Income $	Balanced $	Growth $	SCHEME $	AS AT 31 MARCH 2017 Income $	Balanced $	Growth $	SCHEME $
ASSETS									
Investments at fair value through profit or loss									
Investment in the Investment Trust	5	5,176,569	26,595,594	10,357,088	**42,129,251**	4,613,959	24,015,357	8,360,407	**36,989,723**
Investment in forestry and land assets	5		235,007	215,825	**450,832**	-	159,406	146,727	**306,133**
TOTAL ASSETS		**5,176,569**	**26,830,601**	**10,572,913**	**42,580,083**	4,613,959	24,174,763	8,507,134	**37,295,856**
LIABILITIES									
Payables	6	-	-	-	-	-	111	-	**111**
PIE tax payable/(receivable)		26,984	2,593	20,667	**50,244**	22,700	32,121	(23,134)	**31,687**
TOTAL LIABILITIES		**26,984**	**2,593**	**20,667**	**50,244**	22,700	32,232	(23,134)	**31,798**
AMOUNTS AVAILABLE FOR BENEFITS		**5,149,585**	**26,828,008**	**10,552,246**	**42,529,839**	4,591,259	24,142,531	8,530,268	**37,264,058**
Represented by:									
Members net assets		5,149,379	26,827,377	10,551,760	**42,528,516**	4,590,951	24,141,204	8,529,968	**37,262,123**
General Reserve net assets	7	206	631	486	**1,323**	308	1,327	300	**1,935**
NET ASSETS AVAILABLE FOR BENEFITS		**5,149,585**	**26,828,008**	**10,552,246**	**42,529,839**	4,591,259	24,142,531	8,530,268	**37,264,058**

For and on behalf of The New Zealand Anglican Church Pension Board who authorised the issue of these financial statements as at the date below:

Authorised Signatory
20 June 2018

Authorised Signatory

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

CHRISTIAN KIWISAVER SCHEME

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	FOR THE YEAR ENDED 31 MARCH 2018 Income $	Balanced $	Growth $	SCHEME $	FOR THE YEAR ENDED 31 MARCH 2017 Income $	Balanced $	Growth $	SCHEME $
CASH FLOWS FROM OPERATING ACTIVITIES									
Expenses paid		(63,761)	(381,762)	(154,479)	**(600,002)**	(43,814)	(219,564)	(76,201)	**(339,579)**
PIE tax paid		(20,335)	(172,119)	(17,344)	**(209,798)**	(20,483)	(133,822)	(39,318)	**(193,623)**
Purchase of investments		(707,874)	(4,171,709)	(1,729,099)	**(6,608,682)**	(630,603)	(4,156,607)	(1,608,146)	**(6,395,356)**
Sale of investments		328,675	2,988,307	326,935	**3,643,917**	209,671	1,593,925	634,996	**2,438,592**
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8	**(463,295)**	**(1,737,283)**	**(1,573,987)**	**(3,774,565)**	(485,229)	(2,916,068)	(1,088,669)	**(4,489,966)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Contributions		562,419	3,362,307	1,394,887	**5,319,613**	563,023	3,376,029	993,105	**4,932,157**
Transfers in from other providers		145,455	733,801	265,114	**1,144,370**	67,580	653,083	424,267	**1,144,930**
Benefits paid		(323,293)	(1,543,029)	(325,785)	**(2,192,107)**	(237,531)	(690,581)	(160,739)	**(1,088,851)**
Transfers out to other providers		(16,807)	(346,321)	(110,225)	**(473,353)**	(91,617)	(265,306)	(133,085)	**(490,008)**
Contribution refunds to Inland Revenue		(1,449)	(20,360)	(2,149)	**(23,958)**	(650)	(6,225)	(1,387)	**(8,262)**
Transfers between investment pools		96,970	(449,115)	352,145	-	184,424	(150,932)	(33,492)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**463,295**	**1,737,283**	**1,573,987**	**3,774,565**	485,229	2,916,068	1,088,669	**4,489,966**
Net increase in cash and cash equivalents		-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the year		-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		-	-	-	-	-	-	-	-

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

1 GENERAL INFORMATION

These financial statements are for the Christian KiwiSaver Scheme (the "Scheme") for the year ended 31 March 2018 (the "reporting date"). The Scheme changed its legal name on 15 March 2018 to Christian KiwiSaver Scheme (formerly Koinonia KiwiSaver Scheme). The name change was recorded in an amendment to the trust deed dated 13 March 2018.

The Scheme is established and domiciled in New Zealand. The main purpose of the Scheme is to provide retirement benefits to beneficiaries who are natural persons. The Scheme is a defined contribution scheme and a profit oriented reporting entity under the External Reporting Board Standard A1.

The Scheme was established under a Trust Deed dated 29 June 2007. The Scheme is currently governed by a Trust Deed dated 13 March 2018.

The Manager of the Scheme is the New Zealand Anglican Church Pension Board (the "Manager" or "Board"). The Trustee is the New Zealand Anglican Church Pension Board. Brendan O'Donovan is the Licenced Independent Trustee. The Manager is the Custodian of the Scheme.

The Scheme was registered under the Financial Markets Conduct Act 2013 (the "FMC") as a restricted KiwiSaver scheme on 31 August 2016.

These financial statements were adopted by the Manager on 20 June 2018.

The Scheme comprises various underlying Investment 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 values held in the underlying Funds.

The Funds as at 31 March 2018 were as follows:

Income Fund Balanced Fund Growth Fund

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of the Scheme have been prepared in accordance with the Trust Deed governing the Scheme, the KiwiSaver Act 2006, the FMCA and Generally Accepted Accounting Practice ("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 Scheme is a KiwiSaver scheme and is deemed to be a publicly accountable Tier 1 entity for the purposes of the External Reporting Board Standard A1 "Application of the Accounting Standards Framework".

The Statement of Financial Position 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. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to Members.

(b) Going concern

The Trustee is not aware of any material uncertainties that may cast significant doubt on the Scheme's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for investments in financial assets, land and forests, which have been measured at fair value.
All figures presented have been rounded to the nearest dollar.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Income

Income is recognised to the extent that it is probable that economic benefits will flow to the Scheme and the income can be readily measured.

Net realised and unrealised gains or losses on investments at fair value through profit or loss - designated upon initial recognition

Gains or losses on financial assets at fair value through profit or loss are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend income.

Net realised and unrealised gains or losses on forestry and land assets at fair value through profit or loss

Gains or losses on forestry and land assets at fair value through profit or loss are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(e) Investments

Investments at fair value through profit or loss - designated upon initial recognition

The Scheme holds interests in sectors of the New Zealand Anglican Church Pension Board Investment Trust (the "Investment Trust"). The Trustee of the Investment Trust is the Board. The Investment Trust is a registered Portfolio Investment Entity ("PIE"). The Investment Trust holds investments in the following sectors - cash and short term deposits, fixed interest, mortgages, shares and private equity on behalf of the Scheme and other parties listed in Note 9, Related Parties. The interests in each sector held by each of the Income Fund, Balanced Fund and Growth Fund is based on their tactical asset allocation ("TAA") which is set by the Board's Investment Committee, taking into account ranges and limits defined in the Statement of Investment Policy and Objectives ("SIPO"). All interests are stated by reference to the dollar values held. The daily weighted average holding of each sector by each Fund is used to calculate the Fund's share of each sector's income, expenses, gains and losses which are distributed monthly.

(f) Forestry

Forestry is recognised at fair value less estimated point of sale costs. Forest establishment and maintenance expenses are capitalised, and changes in fair value are recognised in profit and loss.

(g) Land

Land is classified as an investment property and is recognised initially at cost and subsequently at fair value with changes in fair value recognised in profit and loss.

(h) Cash and cash equivalents

The Scheme has no cash or bank accounts in its own name.

(i) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently 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. Amounts are generally received within 90 days of being recorded as receivable.

(j) Other financial liabilities at amortised cost

Other financial liabilities at amortised cost includes liabilities, payables and accrued expenses owing by the Scheme which are unpaid at the reporting date. Purchases of financial assets are recorded on trade date, and normally settled within three business days. Purchases of financial assets that are unsettled at reporting date are included in payables. Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Taxation

The Scheme qualifies as, and has elected to be, a PIE under the Income Tax Act 2007. The Scheme has further elected to be a provisional tax payer under the PIE rules.

Under the PIE regime income is effectively taxed in the hands of the Members. Any provisional tax paid is available as a credit against the entity's portfolio entity tax liability calculated at the end of the year. The Scheme, as a PIE, pays no income tax on the taxable income of the Scheme and all taxable income and tax credits are attributable to Members in proportion to their holdings when taxable income and credits arise.

The Scheme deducts tax from each Member's allocation using each Member's Notified Prescribed Investor Rate, or if a rate has not been notified, at the default Prescribed Investor Rate ("PIR") of 28%. The Scheme then pays the tax to Inland Revenue on behalf of each Member.

PIE tax liabilities are due for payment on the last day of the month following the end of each tax year or following the withdrawal of Member's interests in the Scheme.

Goods and Services Tax ("GST")
The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(l) Currency

Functional and presentation currency
The Scheme's Members are primarily located within New Zealand, with all transactions with Members and the Scheme denominated in New Zealand Dollars ("NZD"). The financial statements of the Scheme are measured and reported to Members in NZD. The NZD is considered as the currency that most faithfully represents the activities of the Scheme. The financial statements are presented in NZD which is the Scheme's functional and presentation currency.

(m) Member Activity

The Scheme provides Members with the right to request withdrawals, for cash, of their interest of their holding in the Scheme at the balance as valued at most recent quarter end plus an adjustment for interest earned to the date of withdrawal, provided that the Member meets certain requirements of the KiwiSaver Act 2006 (the "Act") and subject to the terms of the Trust Deed. Monies held in the Scheme are redeemable at the Member's option, meet the definition of a puttable instrument, and are therefore classified as equity. Provided a request meets the terms of the Trust Deed and the Act, the full amount of net assets available for benefits may be withdrawn on demand by Members.

The Scheme does not hold cash or cash equivalents in its own name. As such on acceptance of a valid withdrawal request the Manager, on behalf of the Scheme, will sell down holdings in the Scheme's investment in the Investment Trust to fund the withdrawal. Quantitative information about the Scheme's Member activity is provided in the statement of changes in net assets. The Scheme invests alongside other retirement savings products into the Investment Trust. The Member activity of the Scheme is factored into the cash policies and processes of the Investment Trust so as to ensure sufficient cash is available to meet the requirements of all underlying Member activity.

There have been no changes to this process from prior years.

(n) Accrued benefits

Amounts available for benefits is the Scheme's present obligation to pay benefits to Members and has been calculated as the difference between the carrying value of the assets and the carrying value of the liabilities in the Scheme.

(o) Contributions and withdrawals

Subject to the terms of the Trust Deed and applicable legislation, contributions and withdrawals are recognised when the Manager has confirmed the validity of a Members application or withdrawal request.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Intangible carbon credits

New Zealand carbon credits are considered an intangible asset and is recognised in the balance sheet at cost upon initial recognition. The asset is subsequently measured at cost, less any accumulated impairment losses.

The asset is deemed to have an indefinite useful life, and consequently will not be amortised. Based on analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, as the economic benefits of units are not consumed while the units are held, but are realised by either surrendering units to settle obligations incurred through harvest or selling units to a third party.

The asset is tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired. Any impairment losses are recognised in profit or loss in the year the impairment is identified. The impairment test is performed in accordance with NZ IAS 36 Impairment of Assets.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the year the asset is derecognised.

(q) Significant estimates and judgements

The preparation of financial statements necessarily requires estimation and judgements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets are outlined in the relevant notes. Judgement has been applied in selecting the accounting policy to designate financial assets at fair value through profit or loss upon initial recognition. This policy has a significant impact on the amounts disclosed in the financial statements. Land assets are valued by an independent qualified valuer. The fair value has been stated at the current market value of the land. The unencumbered current market value of the land has been determined by reference to recent sales evidence of similar properties. Investments are subject to variation due to market and exchange rate fluctuations. Judgement has also been applied in the categorisation of its financial assets at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13. Details of significant estimates and related assumptions are provided in the relevant notes to the financial statements.

(r) Comparative information

There have been no changes to the presentation of comparative information.

(s) New accounting standards and interpretations

There have been no new accounting standards adopted in the current year.

(i) Changes in accounting policy and disclosure

There have been no material changes to the financial statements or accounting policies as a result of changes to accounting standards.

(ii) New NZ IFRS standards and interpretations issued but not yet adopted

The following new standards are considered relevant to the financial statements, have been issued but are not yet effective, and which the Scheme has not early adopted. These are not expected to have a material impact on the Scheme's financial statements.

NZ IFRS 9 (2014) Financial Instruments

NZ IFRS 9 will introduce a new classification and measurement model for financial assets and a new impairment model based on expected credit losses. The effective date of this standard is for periods beginning 1 January 2018, and so will first apply to the Scheme in the year ended 31 March 2019. The standard is not expected to have a significant impact on the Scheme but will result in some disclosure changes.

NZ IFRS 15 Revenue from contracts with customers

NZ IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The effective date of this standard is for periods beginning 1 January 2018. Due to the nature of the Scheme's revenue streams NZ IFRS 15 is not expected to have an impact on the Scheme's financial statements.

3 AUDITORS REMUNERATION

Audit fees are paid by the Board and included in the administration fee charged by the Board to the Scheme. (refer note 9c).
The following fees were indirectly paid by the Scheme for audit services and directly paid by the Scheme for other assurance services provided by the Auditor of the Scheme.

	Note	2018 Income $	2018 Balanced $	2018 Growth $	2018 SCHEME $	2017 Income $	2017 Balanced $	2017 Growth $	2017 SCHEME $
Audit of financial statements - EY		1,800	9,100	3,400	**14,300**	1,600	8,000	2,800	**12,400**
Other assurance services provided by the Auditor	(i)	1,500	8,100	3,100	**12,700**	-	-	-	-
Total assurance services received from auditor		**3,300**	**17,200**	**6,500**	**27,000**	1,600	8,000	2,800	**12,400**

Note
(i) Other assurance services provided by EY include: Members' register compliance engagement, Anti-money laundering and countering the financing of terrorism; and Custodian internal controls compliance engagment.

4 NET GAINS/(LOSSES) ON FORESTRY AND LAND ASSETS

	2018 Income $	2018 Balanced $	2018 Growth $	2018 SCHEME $	2017 Income $	2017 Balanced $	2017 Growth $	2017 SCHEME $
4a Net gains/(losses) on forestry and land assets held at fair value through profit or loss:								
Forests	-	(1,465)	(1,410)	**(2,875)**	-	350	774	**1,124**
Land	-	42,429	40,839	**83,268**	-	16,230	14,939	**31,169**
Total net gains	-	**40,964**	**39,429**	**80,393**	-	16,580	15,713	**32,293**

5 INVESTMENTS

	2018				2017			
	Income	Balanced	Growth	SCHEME	Income	Balanced	Growth	SCHEME
At fair value through profit or loss:	$	$	$	$	$	$	$	$
Investment trust	**5,176,569**	**26,595,594**	**10,357,088**	**42,129,251**	4,613,959	24,015,357	8,360,407	**36,989,723**
Forestry	**-**	**5,807**	**5,319**	**11,126**	-	4,386	4,037	**8,423**
Forest land	**-**	**229,200**	**210,506**	**439,706**	-	155,020	142,690	**297,710**
Total investments held at fair value through profit or loss	**5,176,569**	**26,830,601**	**10,572,913**	**42,580,083**	4,613,959	24,174,763	8,507,134	**37,295,856**
Holdings as a percentage of Net Assets Available for Benefits								
Investment trust	100%	99%	98%	99%	100%	99%	98%	99%
Forestry	0%	0%	0%	0%	0%	0%	0%	0%
Forest land	0%	1%	2%	1%	0%	1%	2%	1%
	100%	**100%**	**100%**	**100%**	100%	100%	100%	**100%**

Forestry assets

The Forestry Pool currently directly holds one forest in Hawkes Bay. The cutting rights in relation to the forestry crop were sold on 15 July 2016. This right did not include a small area of immature trees that the forestry pool will continue to hold. The Forestry Pool will also continue to hold the land. The forest itself and land under the forest are separately valued.

The Hawkes Bay Forest is predominantly a post-1989 forest. The Trustee has opted into the Emissions Trading Scheme ("ETS") for this forest.

The Board has registered 659.6 hectares of land (2017: 659.6 ha) in the Emissions Trading Scheme. The Board has 162,109 carbon credits as at 31 March 2018 (2017: 214,946). The carbon credits are classified as intangible assets, which the Trustee has elected to recognise at cost. As no consideration has been paid or received for the carbon credits the value of the carbon credits are recognised at nil at 31 March 2018 (2017: nil). The estimated fair value of the carbon credits as at 31 March 2018 is $3,396,184 (2017: $3,697,071). The carbon credits are apportioned to the Scheme in the same manner the forest crop and land in the forestry pool are allocated. The carbon credits have been apportioned as follows:

	2018				2017			
	Income	Balanced	Growth	SCHEME	Income	Balanced	Growth	SCHEME
Registered hectares of land in ETS	-	**76.61**	**70.16**	**146.77**	-	57.87	53.26	**111.13**
Carbon Credits	-	**18,827**	**17,244**	**36,071**	-	18,857	17,357	**36,214**
Estimated fair value of carbon credits	-	**$394,435**	**$361,261**	**$755,696**	-	$324,346	$298,548	**$622,894**

Carbon credits are classified as level 1 in the fair value hierarchy as the fair value is based on the quoted market price.

The Hawkes Bay Forest land fair value has been stated at the current market value of the land. The unencumbered current market value of the land has been determined by reference to recent sales evidence of similar properties. The land has been valued at 31 March 2018 by an independent qualified valuer, M H Morice B.Com.Ag (VFM), Dip.Fore., MPINZ, ANZIV, MNZIF.

6 PAYABLES

	2018				2017			
	Income	Balanced	Growth	SCHEME	Income	Balanced	Growth	SCHEME
	$	$	$	$	$	$	$	$
Fees payable	-	-	-	-	-	111	-	**111**
Total	-	-	-	-	-	111	-	**111**

7 MOVEMENT IN GENERAL RESERVE

The profit or loss of the Scheme is initially allocated to the General Reserve. On a quarterly basis it is the Trustee's policy to declare an interest rate to two decimal points and make a distribution to the Members' accounts from the General Reserve. The interest paid or charged to Members' accounts represents the allocation to members of investment earnings net of tax, costs and expenses. The interest rate for each Member is calculated based on the prescribed investor tax rate for the Member. In determining the annual interest rate the Trustee is not required to allocate the total amount in the General Reserve.

	2018				2017			
	Income $	Balanced $	Growth $	SCHEME $	Income $	Balanced $	Growth $	SCHEME $
Total General Reserve net assets at the beginning of the year	**308**	**1,327**	**300**	**1,935**	155	1,442	397	**1,994**
Profit after tax for the year	119,650	1,090,785	509,136	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
Profit allocated to Members accounts	(119,752)	(1,091,481)	(508,950)	**(1,720,183)**	(123,034)	(1,673,860)	(779,633)	**(2,576,527)**
Total General Reserve net assets at the end of the year	**206**	**631**	**486**	**1,323**	308	1,327	300	**1,935**

The remainder of the movement in net assets is allocated to the Member accounts.

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

	2018				2017			
	Income $	Balanced $	Growth $	SCHEME $	Income $	Balanced $	Growth $	SCHEME $
Net Profit after tax	119,650	1,090,785	509,136	**1,719,571**	123,187	1,673,745	779,536	**2,576,468**
Adjusted for non-cash items included in profit								
Net gain on fair value of investments	(183,411)	(1,472,436)	(663,615)	**(2,319,462)**	(179,501)	(1,991,201)	(897,858)	**(3,068,560)**
Investment expenses	-	-	-	-	14,068	105,158	44,688	**163,914**
Adjusted for working capital movements in operating activities								
Net movement in creditors	-	(111)	-	**(111)**	(1,568)	(7,266)	(2,567)	**(11,401)**
PIE tax paid	(20,335)	(172,119)	(17,344)	**(209,798)**	(20,483)	(133,822)	(39,318)	**(193,623)**
Net purchases of investments	(379,199)	(1,183,402)	(1,402,164)	**(2,964,765)**	(420,932)	(2,562,682)	(973,150)	**(3,956,764)**
Total cash outflows from operating activities	**(463,295)**	**(1,737,283)**	**(1,573,987)**	**(3,774,565)**	(485,229)	(2,916,068)	(1,088,669)	**(4,489,966)**

9 RELATED PARTIES

(a) Responsible Entities

The Board is the Manager, Trustee, Administrator and a Custodian of the Scheme.

The Board is a related party of the Scheme. The Board is trustee of the Scheme under the relevant acts of Parliament, Canons and Rules. The Scheme has a defined interest in the Investment Trust of the Board, or in other investments held by the Board as Trustee.

The Board carries out all administration for these entities and charges the Scheme for investment and Scheme administration to recover the Board's applicable costs.

(b) Details of Key Management Personnel

Board Members

The Board Members of the Board are considered to be Key Management Personnel.

The Board has authority for the strategic direction and governance of the Scheme.

Key management personnel transactions

No amounts have been paid by the Scheme to the Board Members in their capacity as Board Members.
Board Members may hold units in the Scheme in their capacity as Members of the Scheme. All transactions between these parties is pursuant to, and governed by, the terms of the Trust Deed of the Scheme.

(c) Manager's fees

Effective from 1 April 2017, the Board changed its method of charging the Scheme from net recovery to a flat fee basis. The Board's administration charges to the Scheme were:

	2018				2017			
	Income $	Balanced $	Growth $	SCHEME $	Income $	Balanced $	Growth $	SCHEME $
Administration fee	63,761	381,651	154,479	**599,891**	-	-	-	-
Investment administration	-	-	-	-	13,105	77,699	30,910	**121,714**
Scheme administration	-	-	-	-	31,207	156,563	54,262	**242,032**
	63,761	**381,651**	**154,479**	**599,891**	44,312	234,262	85,172	**363,746**

10 FINANCIAL AND OTHER RISK MANAGEMENT

The Scheme holds interests in sectors of the New Zealand Anglican Church Pension Board Investment Trust (the "Investment Trust") and in pooled forestry assets (the "Forestry Pool"). The Investment Trust is a related party of the Scheme and shares the same Manager.

Risks arising from holding investments indirectly through the Investment Trust, and direct investments in the Forestry Pool, are inherent in the Scheme's activities, and are managed through a process of ongoing identification, measurement and monitoring. Through these holdings the Scheme is exposed to credit risk, market price risk and liquidity and cash flow risk arising from the investments held.

Investments indirectly held by the Scheme comprise investments in financial assets for the purpose of generating a return on the investment made by Members, in addition to forestry and land, net assets attributable to Members, and other financial instruments such as receivables and payables, which arise directly from its operations.

The Scheme may be exposed to credit risk, market risk (including unit price risk, foreign exchange risk and interest rate risk), and liquidity and cash flow risk arising from the investments held.

The Manager, as Responsible Entity, is responsible for identifying and controlling the risks that arise from these investments.

The Trustees have approved a Statement of Investment Policy and Objectives ("SIPO") which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations undertaken as required.

The Scheme's policies set out in the SIPO and in the Policy Authorities and Limits ("PALS") specify risk management strategies for each asset class and for each type of risk including liquidity, credit, market, currency and interest rate risks, and the SIPO and PALS also specify how derivatives may be used to manage risk.

The risks are measured using a method that reflects the expected impact on the results and net assets from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of investments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Scheme, as well as the level of risk that the Scheme is willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

Concentrations of risk arise when a number of investments or contracts 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.

(a) Credit risk

Credit risk represents the risk that the counterparty will fail to discharge an obligation and cause the Scheme to incur a financial loss. The Scheme holds no cash and cash equivalents directly. Receivables are not past due and are not considered impaired. The carrying amount of these assets best represents their maximum credit risk exposure at the reporting date.

10 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(b) Market price risk

Market price risk is the risk that the value of the Scheme's holdings in the Investment Trust will fluctuate as a result of changes in market prices. This risk is managed within the underlying investments by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

Market risk comprises three types of risk; foreign currency risk, interest rate risk and other price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a investment will fluctuate because of changes in foreign exchange rates. The Scheme has indirect foreign exchange risk as it invests, through the Investment Trust, in cash, international fixed interest stock and shares which exposes the Scheme to currency risks. Currency risk strategies have been adopted by the Investment Trust within the guidelines provided by the Trustees. Derivatives are principally used as a means to economically hedge against currency risks and the most commonly used derivatives are foreign exchange contracts entered into by the Investment Trust.

(ii) Interest rate risk

Interest rate risk represents the risk that the value of an investment will fluctuate because of changes in market interest rates. The Scheme has indirect exposure to market risk for changes in the underlying interest rates relate primarily to investments in fixed interest bonds and debentures held by the Investment Trust.

The Manager actively monitors interest rate risk exposure and takes actions as necessary. This includes regular review of interest rates applicable to underlying cash balances. The Scheme has no significant direct investments subject to interest rate risk.

(iii) Other price risk

Other price risk represents the risk that the value of an investment will fluctuate because of changes in market prices other than interest rates and foreign currency rates. The Scheme is exposed to other price risk from its investment in the Investment Trust.

Other price risk sensitivity analysis - Investment Trust holdings

The analysis below shows the effect on net assets available for benefits that would result in reasonable changes in the fair value of the Scheme's investment in the Investment Trust.

Increase/(decrease) in profit and loss and net assets available for benefits	2018 Income $	2018 Balanced $	2018 Growth $	2018 SCHEME $	2017 Income $	2017 Balanced $	2017 Growth $	2017 SCHEME $
Financial assets at fair value through profit or loss								
Amount exposed to market risk	**5,176,569**	**26,595,594**	**10,357,088**	**42,129,251**	4,613,959	24,015,357	8,360,407	**36,989,723**
Market -10%	(517,657)	(2,659,559)	(1,035,709)	**(4,212,925)**	(461,396)	(2,401,536)	(836,041)	**(3,698,973)**
Market +10%	517,657	2,659,559	1,035,709	**4,212,925**	461,396	2,401,536	836,041	**3,698,973**

10 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(c) Liquidity and cash flow risk

Liquidity and cash flow risk is the potential inability for the Scheme to meet its payment obligations, which could arise as a result of mismatched cash flows. The Scheme holds no cash and cash equivalents directly instead investing through the Investment Trust. Liquidity and cash flow risk strategies have been adopted by the Investment Trust within the guidelines provided by the Trustee. The contractual cash flows of the Scheme's financial liabilities are materially equivalent to their carrying amount and are repayable within 12 months.

(d) Estimation of fair values

NZ IFRS 13 *Fair Value Measurement* , requires the Scheme to measure and disclose fair values using a three level fair value hierarchy.
The following table provides an analysis of the units held by the Scheme in the Investment Trust and forestry and land assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 - quoted prices (unadjusted) in active markets for identical assets and 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 investments at fair value through profit or loss are classified as follows:

		2018				2017			
	Notes	Income $	Balanced $	Growth $	SCHEME $	Income $	Balanced $	Growth $	SCHEME $
Level 2									
Investment Trust	2e	5,176,569	26,595,594	10,357,088	**42,129,251**	4,613,959	24,015,357	8,360,407	**36,989,723**
Level 3									
Forests		-	5,807	5,319	**11,126**	-	4,386	4,037	**8,423**
Forest land		-	229,200	210,506	**439,706**	-	155,020	142,690	**297,710**
Total		**5,176,569**	**26,830,601**	**10,572,913**	**42,580,083**	4,613,959	24,174,763	8,507,134	**37,295,856**

There were no transfers between Levels in 2018 or 2017.
The fair value of the Scheme's investment in the Investment Trust is based on underlying observable market prices and discounted cash flow models. The Scheme's holding in the Investment Trust is based on the actual cash flow between the two entities, plus the quarterly allocation of positive or negative interest on the cash weighted holding of the Scheme.

10 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(d) Estimation of fair values *(continued)*

Forestry and land assets

The forestry and land assets comprise the Hawkes Bay forest and land. The TAA for each pool in the Fund sets out the percentage of its total investments to be held in the forestry and land assets.

	Notes	2018 Income $	2018 Balanced $	2018 Growth $	2018 SCHEME $	2017 Income $	2017 Balanced $	2017 Growth $	2017 SCHEME $
Forests held for sale									
Opening balance		-	-	-	-	-	345,350	321,937	667,287
Net losses at fair value through profit or loss		-	-	-	-	-	-	-	-
Net sales/net reallocation in holdings to other investors		-	-	-	-	-	(345,350)	(321,937)	(667,287)
Closing balance	i	-	-	-	-	-	-	-	-
Forests									
Opening balance		-	4,386	4,037	**8,423**	-	772	719	1,491
Net gains/(losses) at fair value through profit or loss		-	(1,465)	(1,410)	**(2,875)**	-	350	774	1,124
Net reallocation in holdings to other investors		-	2,886	2,692	**5,578**	-	3,264	2,544	5,808
Closing balance	ii	-	5,807	5,319	**11,126**	-	4,386	4,037	8,423
Forest land									
Opening balance		-	155,020	142,690	**297,710**	-	31,139	24,476	55,615
Net gains at fair value through profit or loss		-	42,429	40,839	**83,268**	-	16,230	14,939	31,169
Net reallocation in holdings to other investors		-	31,751	26,977	**58,728**	-	107,651	103,275	210,926
Closing balance	iii	-	229,200	210,506	**439,706**	-	155,020	142,690	297,710
Total		**-**	**235,007**	**215,825**	**450,832**	**-**	**159,406**	**146,727**	**306,133**

10 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(d) Estimation of fair values *(continued)*

Valuation processes for the forestry and land assets

The Scheme engages external, independent and qualified valuers to determine the fair value of the Scheme's forestry interests. The revaluation process was changed to a less frequent period following the sale of the right to cut the trees in the forest. The land under the forest is being retained in the Forestry Pool and has been valued by an independent valuer with reference to the sale of the cutting rights.

On an annual basis the Board engages external, independent and qualified valuers to determine the fair value of the Scheme's interest in the Hawkes Bay forest land. As at 31 March 2018 the fair values of the forest land have been determined by M H Morice B.Com.Ag (VFM), Dip.Fore., MPINZ, ANZIV, MNZIF (2016: same).

The cutting right in relation to the Hawkes Bay Forest was sold on 15 July 2016. This right covers an 8 year period. The Scheme will continue to hold a small interest in immature trees in the Hawkes Bay Forest. These trees have been classified as investments at fair value through profit or loss. Additionally the Hawkes Bay Forest Land continues to be held by the Scheme.

The external valuers, in discussion with the Board's management team, have determined the inputs used in obtaining the valuation based on size, age and condition of the forest and land, the state of the local economy and comparable prices in the corresponding national economy.

The value of the current trees held in the total forestry pool is $50,000 (2017: $50,000), which is apportioned between other entities managed by the Board. Due to the small nature of the holding, and the high cost of obtaining a comprehensive valuation, management has decided not to revalue the holding this reporting period. This valuation is a market based valuation.

(i) Forests held for sale

The cutting right in relation to the Hawkes Bay Forest was sold on 15 July 2016. As at 31 March 2016 the fair value of the forest was derived by reference to signed contracts and an expected sale price.

(ii) Forests

Fair Value at 31 March 2018:	$11,126		
Description:	Interests in forests	**Valuation technique:**	Independently valued
Fair Value at 31 March 2017:	$8,423		
Description:	Interests in forests	**Valuation technique:**	Independently valued

10 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(iii) Forest land

Fair Value at 31 March 2018:	$439,706		
Description:	Interests in forest land	**Valuation technique:**	Independently valued
Unobservable inputs	**Relationship of unobservable inputs at fair value**		
Market approach	Land classes have been compared against recent sales of properties following adjustment for size, ETS status, productivity, altitude, locality, timing of sale and contour. Productive land has been valued on the basis of being in a hypothetical cutover state after the harvest and removal of all plantation trees. Consideration has also been given to any higher and better use of the land other than forestry along with improvements in the form of fencing and tracking.		
Fair Value at 31 March 2017:	$297,710		
Description:	Interests in forest land	**Valuation technique:**	Independently valued
Unobservable inputs	**Relationship of unobservable inputs at fair value**		
Market approach	Land classes have been compared against recent sales of properties following adjustment for size, ETS status, productivity, altitude, locality, timing of sale and contour. Productive land has been valued on the basis of being in a hypothetical cutover state after the harvest and removal of all plantation trees. Consideration has also been given to any higher and better use of the land other than forestry along with improvements in the form of fencing and tracking.		

(e) Capital management

Net assets available to Members can be considered to be the Scheme's capital for the purposes of capital management. The Scheme does not have to comply with externally imposed capital requirements. The Scheme has established policies to manage the net assets and capital of the Scheme with the objective of providing returns and retirement benefits to members ensuring that net assets available to Members are sufficient to meet future and present obligations. The Scheme's management reviews the Scheme's performance on a regular basis.

11 SEGMENT REPORTING

The Scheme operates in three reportable segments, being the investment options available for Members. The segments are the Funds as detailed in Note 1.

12 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There are no outstanding contingent assets or liabilities or commitments as at 31 March 2018 (2017 : Nil).

13 EVENTS OCCURING AFTER REPORTING DATE

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

Chartered Accountants

Building a better working world

Independent auditor's report to the members of Christian KiwiSaver Scheme

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Christian KiwiSaver Scheme ("the Scheme") on pages 1 to 18, which comprise the statement of financial position of the Scheme as at 31 March 2018, and the Statement of Comprehensive Income, statement of changes in net assets available for benefits and statement of cash flows for the year then ended of the Scheme, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 1 to 18 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, for this report, or for 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 our 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 provides other assurance related services to the Scheme. Partners and employees of our firm may deal with the Scheme on normal terms within the ordinary course of trading activities of the business of the Scheme. We have no other relationship with, or interest in, the Scheme.

Information other than the financial statements and auditor's report

The Trustees are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this 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 those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Trustees' responsibilities for the financial statements

The Trustees are 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 Trustees determine 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 Trustees are responsible for assessing on behalf of the entity, 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 Trustees either intend to liquidate the Scheme or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 users 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.

Ernst + Young

Chartered Accountants
Wellington
20 June 2018