

# **AON KIWISAVER SCHEME**

## **Financial Statements**

**For the Year Ended 31 March 2019**

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# Independent Auditor's Report

To the members of:

- Aon KiwiSaver - ANZ Balanced Fund
- Aon KiwiSaver - ANZ Cash Fund
- Aon KiwiSaver - Milford Active Growth Wholesale Fund
- Aon KiwiSaver - Russell LifePoints Target Date 2015 Fund
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- Aon KiwiSaver - Nikko Cash Fund

Collectively "Aon KiwiSaver Scheme" (the "funds and scheme").

## Report on the audit of the financial statements

### Opinion

In our opinion, the accompanying financial statements of Aon KiwiSaver Scheme (the "funds and scheme") on pages 5 to 46:

- i. present fairly in all material respects the funds' and scheme's financial position as at 31 March 2019 and its financial performance and cash flows for the year ended on that date, and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of net assets as at 31 March 2019;
- the statements of changes in net assets and cash flows for the year then ended, and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the funds and 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also undertaken supervisor reporting in line with our obligations under Section 198 and 199 of the Financial Markets Conduct Act 2013 ("FMC Act 2013") and provided reasonable assurance services to the funds and scheme in relation to maintenance of the register. Subject to certain restrictions, partners and employees of our firm may also deal with the funds and scheme on normal terms within the ordinary course of trading activities of the business of the funds and scheme. These matters have not impaired our independence as auditor of the funds and scheme. The firm has no other relationship with, or interest in, the funds and scheme.



## Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the financial statements as a whole, taking into account the type of investments held by the funds and scheme, the use of third party service providers, financial reporting systems, processes and controls in place.

The context for our audit is set by the major activities in the financial year ended 31 March 2019. The funds and scheme had a continued focus on investment management.



## Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements of each fund in the scheme as a whole. The materiality for the financial statements as a whole for each fund was set at 3% of the net assets of each fund. We chose the benchmark because, in our view, this is a key measure of the funds' performance as it represents the growth of amounts invested and amounts available to be paid in the future.



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

### The key audit matter

### How the matter was addressed in our audit

#### Existence and valuation of investments

The scheme and funds' portfolio of investments is the most significant asset making up in excess of 99% of total assets.

The investment portfolio in total, due to its materiality in the context of the financial statements as a whole, is our most significant area of audit focus.

Our audit procedures included:

- agreeing investment holdings to the confirmation received from the custodian;
- evaluating the control environment in place at the custodian by obtaining and reading the report issued by an independent auditor on the design and operation of those controls throughout the period;



## The key audit matter

## How the matter was addressed in our audit

- obtaining confirmation of the investment funds' unit prices from investment managers;
- performing an analytical review over each investment fund's performance by comparing it to market or assessing the performance of the underlying investments; and
- checking the accuracy of fair value levels as disclosed in the financial statements.

We did not identify any material differences from our procedures.

## Other information

The Manager, on behalf of the funds and scheme, is responsible for the other information included in the funds and scheme's Annual Report. The annual report includes a link to where the audited financial statements can be found on the Companies Office. Our opinion on the financial statements does not cover any 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 in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent 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 members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

## Responsibilities of the Manager for the financial statements

The Manager, on behalf of the funds and scheme, is responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



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**xlr Auditor's responsibilities for the audit of the financial statements**

Our objective is:

- 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 independent 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 NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

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

For and on behalf of

KPMG

KPMG  
Auckland

31 July 2019

**AON KIWISAVER SCHEME**

Statement of Net Assets  
As at 31 March 2019

Note	Total of the Scheme	ANZ Fund		Miford Fund		Mikko Fund	
		Balanced	Cash	Balanced	Growth	Balanced	Cash
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
<b>ASSETS</b>							
Cash at Bank	1,079	5	1		290	27	19
Unsettled Trades	337	-	-		27	-	-
Receivable from Investment Funds	168	-	-		-	-	-
Investments	555,553	31,141	4,542		144,207	9,629	1,903
<b>Total Assets</b>	<b>557,137</b>	<b>31,146</b>	<b>4,543</b>		<b>144,524</b>	<b>9,656</b>	<b>1,922</b>
<b>Less LIABILITIES</b>							
Sundry Creditors	562	32	5		125	9	2
Benefits Payable	309	-	-		75	-	-
Payable to Investment Funds	40	10	1		-	27	2
PIE Tax Payable	4,327	159	16		424	38	7
<b>Total Liabilities</b>	<b>5,238</b>	<b>201</b>	<b>22</b>		<b>624</b>	<b>74</b>	<b>11</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>551,899</b>	<b>30,945</b>	<b>4,521</b>		<b>143,900</b>	<b>9,582</b>	<b>1,911</b>

Represented by: **Members' Accounts** 551,899 30,945 4,521 143,900 9,582 1,911

For and on behalf of the Manager, who authorised the issue of these financial statements on:

  
Director 31/07/2019  
Date

  
Director 31/07/2019  
Date

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Net Assets (Continued)  
As at 31 March 2019

Russell Fund											
Note	LifePoints@ 2015	LifePoints@ 2019	LifePoints@ 2025	LifePoints@ 2035	LifePoints@ 2045	LifePoints@ 2055	LifePoints@ Balanced	LifePoints@ Conservative	LifePoints@ Growth	LifePoints@ Moderate	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>											
	4	38	32	21	5	448	79	67	43		
Cash at Bank	3	5	12	4	-	118	148	13	7		
Unsettled Trades	2	9	10	9	-	77	29	22	10		
Receivable from Investment Funds	4,848	21,127	20,302	18,025	953	159,534	73,319	42,439	23,584		
Investments											
<b>Total Assets</b>	<b>4,857</b>	<b>21,179</b>	<b>20,356</b>	<b>18,059</b>	<b>958</b>	<b>160,177</b>	<b>73,575</b>	<b>42,541</b>	<b>23,644</b>		
<b>Less LIABILITIES</b>											
	5	21	20	19	1	179	77	43	24		
Sundry Creditors	-	-	-	8	-	171	55	-	-		
Benefits Payable	-	-	-	-	-	-	-	-	-		
Payable to Investment Funds	61	242	221	186	6	1,417	871	426	253		
PIE Tax Payable											
<b>Total Liabilities</b>	<b>66</b>	<b>263</b>	<b>241</b>	<b>213</b>	<b>7</b>	<b>1,767</b>	<b>1,003</b>	<b>469</b>	<b>277</b>		
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>4,791</b>	<b>20,916</b>	<b>20,115</b>	<b>17,846</b>	<b>951</b>	<b>158,410</b>	<b>72,572</b>	<b>42,072</b>	<b>23,367</b>		
Represented by:											
Members' Accounts	4,791	20,916	20,115	17,846	951	158,410	72,572	42,072	23,367		

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

## Statement of Net Assets (Continued) As at 31 March 2018

	Note	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
<b>Total of the Scheme</b>			2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>ASSETS</b>							
Cash at Bank		59	3	274	20	5	
Unsettled Trades		-	-	42	-	-	
Receivable from Investment Funds		-	-	106	-	-	
Investments	6	29,836	4,315	134,620	8,268	1,420	
<b>Total Assets</b>		<b>29,895</b>	<b>4,318</b>	<b>135,042</b>	<b>8,288</b>	<b>1,425</b>	
<b>Less LIABILITIES</b>							
Sundry Creditors		39	6	145	9	2	
Benefits Payable	10	7	-	226	-	-	
Payable to Investment Funds		167	1	-	12	1	
PIE Tax Payable		173	17	753	39	6	
<b>Total Liabilities</b>		<b>386</b>	<b>24</b>	<b>1,124</b>	<b>60</b>	<b>9</b>	
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		<b>29,509</b>	<b>4,294</b>	<b>133,918</b>	<b>8,228</b>	<b>1,416</b>	
Represented by:							
Members' Accounts		29,509	4,294	133,918	8,228	1,416	

This statement is to be read in conjunction with the notes on pages 25 to 46



# AON KIWISAVER SCHEME

Statement of Net Assets (Continued)  
As at 31 March 2018

		Russell Fund									
Note	LifePoints@ 2015	LifePoints@ 2025	LifePoints@ 2035	LifePoints@ 2045	LifePoints@ 2055	LifePoints@ Balanced	LifePoints@ Conservative	LifePoints@ Growth	LifePoints@ Moderate		
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>ASSETS</b>											
	5	31	26	19	2	287	121	110	57		
Cash at Bank	1	4	5	5	2	61	4	8	4		
Unsettled Trades	2	8	8	8	2	61	44	19	25		
Receivable from Investment Funds	4,656	19,483	18,294	16,521	621	130,442	74,288	37,344	20,942		
<b>Total Assets</b>	<b>4,664</b>	<b>19,526</b>	<b>18,333</b>	<b>16,553</b>	<b>627</b>	<b>130,851</b>	<b>74,457</b>	<b>37,481</b>	<b>21,028</b>		
<b>Less LIABILITIES</b>											
	6	25	23	23	1	187	100	49	27		
Sundry Creditors	-	2	-	-	-	212	98	1	1		
Benefits Payable	-	-	-	-	-	-	-	-	-		
Payable to Investment Funds	26	102	82	53	2	619	424	142	102		
PIE Tax Payable											
<b>Total Liabilities</b>	<b>32</b>	<b>129</b>	<b>105</b>	<b>76</b>	<b>3</b>	<b>1,018</b>	<b>622</b>	<b>192</b>	<b>130</b>		
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>4,632</b>	<b>19,397</b>	<b>18,228</b>	<b>16,477</b>	<b>624</b>	<b>129,833</b>	<b>73,835</b>	<b>37,289</b>	<b>20,898</b>		
Represented by:											
<b>Members' Accounts</b>	<b>4,632</b>	<b>19,397</b>	<b>18,228</b>	<b>16,477</b>	<b>624</b>	<b>129,833</b>	<b>73,835</b>	<b>37,289</b>	<b>20,898</b>		

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Changes in Net Assets  
For the Year Ended 31 March 2019

Note	Total of the Scheme	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
	<b>INVESTMENT ACTIVITIES</b>						
	Gains on Investments	2,095	110	10,850	610	4	
	Distribution Income	-	-	-	-	39	
	Investment Management Fees and Rebates	(179)	(16)	(1,047)	(67)	(7)	
	<b>Net Investment Gains</b>	<b>1,916</b>	<b>94</b>	<b>9,803</b>	<b>543</b>	<b>36</b>	
	<b>OTHER EXPENSES</b>						
9	Auditors' Remuneration - Audit Fees	5	1	21	1	-	
10	Administration Management Fees	78	11	374	24	4	
10	Consulting Fees	10	1	46	3	1	
	Supervisor Fees	9	1	42	3	-	
	Marketing and Printing Costs	1	-	7	-	-	
	General Expenses	13	1	58	3	1	
	<b>Total Other Expenses</b>	<b>116</b>	<b>15</b>	<b>548</b>	<b>34</b>	<b>6</b>	
	<b>Profit before Membership Activities</b>	<b>1,800</b>	<b>79</b>	<b>9,255</b>	<b>509</b>	<b>30</b>	
	<b>MEMBERSHIP ACTIVITIES</b>						
	<b>Contributions</b>						
	Member Contributions	1,972	234	5,306	684	81	
	Employer Contributions	816	115	2,270	241	44	
	Crown Contributions	229	38	692	62	16	
	Transfers in from Other KiwiSaver Schemes	321	9	2,826	120	48	
	Switches In	211	844	2,234	324	674	
	<b>Total Contributions</b>	<b>3,549</b>	<b>1,240</b>	<b>13,328</b>	<b>1,431</b>	<b>863</b>	

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

## Statement of Changes in Net Assets (Continued) For the Year Ended 31 March 2019

Note	Total of the Scheme	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
	(24,365)	(1,391)	(111)	(6,568)	(174)	(74)	
	(8,968)	(566)	(281)	(1,668)	(184)	(261)	
	(89)	-	-	(13)	-	-	
	(327)	-	-	(81)	-	-	
	(479)	(2)	(13)	(137)	(1)	-	
	(5,939)	(158)	(126)	(1,989)	(50)	(30)	
	(579)	(94)	-	(150)	-	-	
	(781)	(16)	-	(195)	(70)	-	
	(13)	-	-	(4)	-	-	
	(1)	-	-	-	-	-	
	(9,546)	(1,498)	(537)	(1,151)	(60)	(24)	
10	(943)	(28)	(8)	(216)	(9)	(2)	
10	(44)	(1)	-	(9)	-	-	
	(4,324)	(159)	(16)	(420)	(38)	(7)	
	<b>23,091</b>	<b>(364)</b>	<b>148</b>	<b>727</b>	<b>845</b>	<b>465</b>	
	<b>53,321</b>	<b>1,436</b>	<b>227</b>	<b>9,982</b>	<b>1,354</b>	<b>495</b>	
	<b>498,578</b>	<b>29,509</b>	<b>4,294</b>	<b>133,918</b>	<b>8,228</b>	<b>1,416</b>	
	<b>551,899</b>	<b>30,945</b>	<b>4,521</b>	<b>143,900</b>	<b>9,582</b>	<b>1,911</b>	

### MEMBERSHIP ACTIVITIES (Continued)

Deduct:

Transfers to other KiwiSaver Schemes

Retirement

Transfers to IRD

Emigration

Hardship Payments

First Home Withdrawal

Serious Illness

Death Payments

Court Order Payments

Mortgage Diversion

Switches Out

Member Fees

Transfer Fees

PIE Tax Expense

**Net Membership Activities**

**Increase/(Decrease) in Net Assets During Year**

**Net Assets Available for Benefits at Beginning of Year**

**Net Assets Available for Benefits at End of Year**

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

## Statement of Changes in Net Assets (Continued) For the Year Ended 31 March 2019

Note	Russell Fund										LifePoints@ Moderate 2019 \$000
	LifePoints@ 2015	LifePoints@ 2025	LifePoints@ 2035	LifePoints@ 2045	LifePoints@ 2055	LifePoints@ Balanced 2019 \$000	LifePoints@ Conservative 2019 \$000	LifePoints@ Growth 2019 \$000	LifePoints@ Moderate 2019 \$000		
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
	103	603	769	835	41	6,135	1,582	2,018	751		
	139	561	498	414	20	3,792	2,085	962	614		
	(24)	(111)	(119)	(115)	(6)	(912)	(365)	(272)	(124)		
	<b>218</b>	<b>1,053</b>	<b>1,148</b>	<b>1,134</b>	<b>55</b>	<b>9,015</b>	<b>3,302</b>	<b>2,708</b>	<b>1,241</b>		
9	1	3	3	3	-	22	11	6	3		
10	13	54	51	45	2	379	195	105	58		
10	2	7	6	6	-	49	23	13	7		
	1	6	6	5	-	43	22	12	7		
	2	6	7	6	-	9	3	2	1		
	<b>19</b>	<b>77</b>	<b>74</b>	<b>66</b>	<b>2</b>	<b>559</b>	<b>283</b>	<b>154</b>	<b>83</b>		
	<b>199</b>	<b>976</b>	<b>1,074</b>	<b>1,068</b>	<b>53</b>	<b>8,456</b>	<b>3,019</b>	<b>2,554</b>	<b>1,158</b>		
	465	1,357	1,040	1,154	75	18,465	1,925	2,288	1,770		
	78	485	554	533	38	9,938	689	1,093	613		
	31	189	177	195	14	3,472	193	345	185		
	-	154	169	392	130	3,210	636	1,042	725		
	-	208	169	93	195	1,625	2,009	458	502		
	<b>574</b>	<b>2,393</b>	<b>2,109</b>	<b>2,367</b>	<b>452</b>	<b>36,710</b>	<b>5,452</b>	<b>5,226</b>	<b>3,795</b>		

This statement is to be read in conjunction with the notes on pages 25 to 46

**AON KIWISAVER SCHEME**

**Statement of Changes in Net Assets (Continued)  
For the Year Ended 31 March 2019**

	Note	Russell Fund									
		Lifepoints@ 2015	Lifepoints@ 2025	Lifepoints@ 2035	Lifepoints@ 2045	Lifepoints@ 2055	Lifepoints@ Balanced	Lifepoints@ Conservative	Lifepoints@ Growth	Lifepoints@ Moderate	
		2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
<b>MEMBERSHIP ACTIVITIES (Continued)</b>											
Deduct:											
Transfers to other KiwiSaver Schemes		(86)	(625)	(481)	(1,003)	(20)	(8,993)	(3,428)	(933)	(478)	
Retirement		(391)	(181)	(22)	(188)	-	(1,970)	(2,368)	(318)	(570)	
Transfers to IRD		-	-	-	-	-	(65)	(11)	-	-	
Emigration		-	(10)	(13)	-	-	(163)	(49)	(11)	-	
Hardship Payments		(2)	(1)	(16)	(21)	-	(197)	(74)	(13)	(2)	
First Home Withdrawal		-	(18)	(172)	(310)	(2)	(1,711)	(936)	(269)	(168)	
Serious Illness		-	-	-	-	-	(193)	(107)	-	(35)	
Death Payments		(18)	(22)	-	-	-	(244)	(157)	(6)	(53)	
Court Order Payments		-	-	-	-	-	(6)	(3)	-	-	
Mortgage Diversion		-	-	-	(1)	-	-	-	-	-	
Switches Out	10	(48)	(730)	(351)	(320)	(148)	(1,212)	(1,605)	(966)	(896)	
Member Fees	10	(7)	(20)	(19)	(36)	(2)	(394)	(120)	(54)	(28)	
Transfer Fees		-	-	(1)	(1)	-	(24)	(6)	(1)	(1)	
PIE Tax Expense		(62)	(243)	(221)	(186)	(6)	(1,417)	(870)	(426)	(253)	
<b>Net Membership Activities</b>		<b>(40)</b>	<b>543</b>	<b>813</b>	<b>301</b>	<b>274</b>	<b>20,121</b>	<b>(4,282)</b>	<b>2,229</b>	<b>1,311</b>	
<b>Increase/(Decrease) in Net Assets During Year</b>		<b>159</b>	<b>1,519</b>	<b>1,887</b>	<b>1,369</b>	<b>327</b>	<b>28,577</b>	<b>(1,263)</b>	<b>4,783</b>	<b>2,469</b>	
<b>Net Assets Available for Benefits at Beginning of Year</b>		<b>4,632</b>	<b>19,397</b>	<b>18,228</b>	<b>16,477</b>	<b>624</b>	<b>129,833</b>	<b>73,835</b>	<b>37,289</b>	<b>20,898</b>	
<b>Net Assets Available for Benefits at End of Year</b>		<b>4,791</b>	<b>20,916</b>	<b>20,115</b>	<b>17,846</b>	<b>951</b>	<b>158,410</b>	<b>72,572</b>	<b>42,072</b>	<b>23,367</b>	

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Changes in Net Assets (Continued)  
For the Year Ended 31 March 2018

	Note	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
<b>Total of the Scheme</b>							
2018 \$000		2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	
<b>INVESTMENT ACTIVITIES</b>							
Gains on Investments		1,970	103	16,970	866	8	
Distribution Income		-	-	-	-	35	
Investment Management Fees and Rebates		(167)	(15)	(978)	(60)	(6)	
<b>Net Investment Gains</b>		<b>1,803</b>	<b>88</b>	<b>15,992</b>	<b>806</b>	<b>37</b>	
<b>OTHER EXPENSES</b>							
Auditors' Remuneration - Audit Fees	9	6	1	25	2	-	
Administration Management Fees	10	75	10	337	21	4	
Consulting Fees	10	19	3	82	5	1	
Supervisor Fees		9	1	38	2	-	
Marketing and Printing Costs		4	1	18	1	-	
General Expenses		9	1	40	2	1	
<b>Total Other Expenses</b>		<b>122</b>	<b>17</b>	<b>540</b>	<b>33</b>	<b>6</b>	
<b>Profit before Membership Activities</b>		<b>1,681</b>	<b>71</b>	<b>15,452</b>	<b>773</b>	<b>31</b>	
<b>MEMBERSHIP ACTIVITIES</b>							
<b>Contributions</b>							
Member Contributions		1,998	235	4,148	523	77	
Employer Contributions		850	116	2,013	226	38	
Crown Contributions		252	43	592	65	15	
Transfers in from Other KiwiSaver Schemes		231	10	7,515	95	9	
Switches In		54	588	1,574	100	273	
<b>Total Contributions</b>		<b>3,385</b>	<b>992</b>	<b>15,842</b>	<b>1,009</b>	<b>412</b>	

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

## Statement of Changes in Net Assets (Continued) For the Year Ended 31 March 2018

	Note	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
<b>Total of the Scheme</b>							
2018 \$000		2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	
<b>MEMBERSHIP ACTIVITIES (Continued)</b>							
Deduct:							
Transfers to other KiwiSaver Schemes		(1,188)	(105)	(6,385)	(344)	(303)	
Retirement		(584)	(491)	(1,303)	(216)	(40)	
Transfers to IRD		(9)	-	(10)	-	-	
Emigration		-	-	(21)	-	-	
Hardship Payments		-	(2)	(197)	-	(1)	
First Home Withdrawal		(77)	(37)	(1,296)	(25)	-	
Serious Illness		(59)	(3)	(144)	-	(3)	
Death Payments		(39)	(1)	(225)	-	-	
Court Order Payments		(100)	-	-	-	-	
Mortgage Diversion		(2)	-	-	-	-	
Switches Out		(586)	(81)	(1,201)	(407)	(22)	
Member Fees	10	(30)	(8)	(229)	(9)	(2)	
Transfer Fees	10	(1)	-	(11)	-	-	
PIE Tax Expense		(178)	(17)	(770)	(40)	(7)	
<b>Net Membership Activities</b>		<b>534</b>	<b>247</b>	<b>4,050</b>	<b>(32)</b>	<b>34</b>	
<b>Increase/(Decrease) in Net Assets During Year</b>		<b>2,215</b>	<b>318</b>	<b>19,502</b>	<b>741</b>	<b>65</b>	
<b>Net Assets Available for Benefits at Beginning of Year</b>		<b>27,294</b>	<b>3,976</b>	<b>114,416</b>	<b>7,487</b>	<b>1,351</b>	
<b>Net Assets Available for Benefits at End of Year</b>		<b>29,509</b>	<b>4,294</b>	<b>133,918</b>	<b>8,228</b>	<b>1,416</b>	

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Changes in Net Assets (Continued)  
For the Year Ended 31 March 2018

	Russell Fund									
	LifePoints® 2015	LifePoints® 2018	LifePoints® 2025	LifePoints® 2035	LifePoints® 2045	LifePoints® 2055	LifePoints® Balanced	LifePoints® Conservative	LifePoints® Growth	LifePoints® Moderate
Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>INVESTMENT ACTIVITIES</b>										
Gains on Investments	164	878	1,131	1,223	1,223	30	7,544	2,540	2,748	979
Distribution Income	135	522	457	392	3,153	12	3,153	2,124	869	555
Investment Management Fees and Rebates	(23)	(104)	(110)	(107)	(743)	(3)	(380)	(380)	(240)	(113)
<b>Net Investment Gains</b>	<b>276</b>	<b>1,296</b>	<b>1,478</b>	<b>1,508</b>	<b>1,508</b>	<b>39</b>	<b>9,954</b>	<b>4,284</b>	<b>3,377</b>	<b>1,421</b>
<b>OTHER EXPENSES</b>										
Auditors' Remuneration - Audit Fees	9	4	3	3	3	-	23	14	7	4
Administration Management Fees	10	50	46	41	41	1	305	200	92	52
Consulting Fees	10	3	11	10	10	-	78	48	23	13
Supervisor Fees		6	5	5	5	-	36	23	11	7
Marketing and Printing Costs		1	2	2	2	-	17	11	4	2
General Expenses		1	6	6	4	-	37	23	10	6
<b>Total Other Expenses</b>	<b>20</b>	<b>80</b>	<b>73</b>	<b>65</b>	<b>65</b>	<b>1</b>	<b>496</b>	<b>319</b>	<b>147</b>	<b>84</b>
<b>Profit before Membership Activities</b>	<b>256</b>	<b>1,216</b>	<b>1,405</b>	<b>1,443</b>	<b>1,443</b>	<b>38</b>	<b>9,458</b>	<b>3,965</b>	<b>3,230</b>	<b>1,337</b>
<b>MEMBERSHIP ACTIVITIES</b>										
<b>Contributions</b>										
Member Contributions	234	1,195	1,044	1,028	1,028	51	18,353	1,443	2,171	1,297
Employer Contributions	87	491	554	524	524	25	9,992	674	989	590
Crown Contributions	37	197	181	184	184	9	3,532	195	323	183
Transfers in from Other KiwiSaver Schemes	-	221	252	183	183	76	2,292	1,381	985	1,251
Switches In	1	176	86	154	154	267	1,244	816	710	588
<b>Total Contributions</b>	<b>359</b>	<b>2,280</b>	<b>2,117</b>	<b>2,073</b>	<b>2,073</b>	<b>428</b>	<b>35,413</b>	<b>4,509</b>	<b>5,178</b>	<b>3,909</b>

This statement is to be read in conjunction with the notes on pages 25 to 46



# AON KIWISAVER SCHEME

## Statement of Changes in Net Assets (Continued) For the Year Ended 31 March 2018

	<b>Russell Fund</b>								
	Lifepoints@ 2015	Lifepoints@ 2025	Lifepoints@ 2035	Lifepoints@ 2045	Lifepoints@ 2055	Lifepoints@ Balanced	Lifepoints@ Conservative	Lifepoints@ Growth	Lifepoints@ Moderate
Note	2018	2018	2018	2018	2018	2018	2018	2018	2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>MEMBERSHIP ACTIVITIES (Continued)</b>									
Deduct:									
Transfers to other KiwiSaver Schemes	(143)	(831)	(420)	(540)	(21)	(8,035)	(4,165)	(1,149)	(747)
Retirement	(600)	(219)	-	(16)	-	(1,565)	(2,363)	(311)	(728)
Transfers to IRD	-	-	-	-	-	(43)	(7)	-	-
Emigration	-	-	-	-	-	(30)	(17)	-	-
Hardship Payments	(1)	(1)	-	(1)	-	(187)	(103)	(3)	-
First Home Withdrawal	-	(20)	(30)	(111)	(17)	(1,178)	(748)	(185)	(314)
Serious Illness	-	-	(183)	-	-	(103)	(155)	(53)	(68)
Death Payments	-	(23)	-	(5)	-	(295)	(170)	(48)	(19)
Court Order Payments	-	-	-	-	-	-	-	-	-
Mortgage Diversion	-	-	-	(2)	-	-	-	-	-
Switches Out	(76)	(308)	(113)	(185)	(90)	(1,293)	(1,409)	(339)	(521)
Member Fees	(8)	(21)	(20)	(36)	(1)	(371)	(143)	(54)	(28)
Transfer Fees	-	(1)	(1)	(1)	-	(27)	(8)	(2)	(1)
PIE Tax Expense	(27)	(105)	(83)	(54)	(2)	(640)	(440)	(144)	(105)
<b>Net Membership Activities</b>	<b>(496)</b>	<b>751</b>	<b>1,267</b>	<b>1,122</b>	<b>297</b>	<b>21,646</b>	<b>(5,219)</b>	<b>2,890</b>	<b>1,378</b>
<b>Increase/(Decrease) in Net Assets During Year</b>	<b>(240)</b>	<b>1,967</b>	<b>2,672</b>	<b>2,565</b>	<b>335</b>	<b>31,104</b>	<b>(1,254)</b>	<b>6,120</b>	<b>2,715</b>
<b>Net Assets Available for Benefits at Beginning of Year</b>	<b>4,872</b>	<b>17,430</b>	<b>15,556</b>	<b>13,912</b>	<b>289</b>	<b>98,729</b>	<b>75,089</b>	<b>31,169</b>	<b>18,183</b>
<b>Net Assets Available for Benefits at End of Year</b>	<b>4,632</b>	<b>19,397</b>	<b>18,228</b>	<b>16,477</b>	<b>624</b>	<b>129,833</b>	<b>73,835</b>	<b>37,289</b>	<b>20,898</b>

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Cash Flows  
For the Year Ended 31 March 2019

Note	Total of the Scheme	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
		2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
	32,459	3,492	1,047	6,811	547	389	-
	418	-	-	418	-	-	-
	54,403	2,703	1,159	7,000	1,298	828	-
	953	198	18	-	52	5	-
	(22,479)	591	(130)	229	(803)	(444)	-
	36,820	1,972	233	5,306	683	81	-
	17,507	816	115	2,270	242	43	-
	5,838	229	38	693	62	16	-
	9,782	321	9	2,826	121	48	-
	9,824	211	844	2,478	324	674	-
	79,771	3,549	1,239	13,573	1,432	862	-
	24,580	1,393	111	6,716	174	74	-
	8,990	571	281	1,671	184	261	-
	89	-	-	13	-	-	-
	327	-	-	81	-	-	-
	479	2	13	137	1	-	-
	5,938	158	126	1,969	50	30	-
	578	94	-	150	-	-	-
	781	16	-	195	70	-	-
	13	-	-	4	-	-	-

## CASH FLOWS FROM OPERATING ACTIVITIES

*Cash provided from*  
Sale of Investments  
Investment Management Rebates

*Cash applied to*  
Purchase of Investments  
Investment Management Fees  
Net Cash Flows from/(used In) Operating Activities

## CASH FLOWS FROM FINANCING ACTIVITIES

*Cash provided from*  
Member Contributions  
Employer Contributions  
Crown Contributions  
Transfer from other KiwiSaver Providers  
Switches In

*Cash applied to*  
Transfer to other KiwiSaver Providers  
Retirement  
Transfers to IRD  
Emigration  
Hardship Payments  
First Home Withdrawal  
Serious Illness  
Death Payments  
Court Order Payments

This statement is to be read in conjunction with the notes on pages 25 to 46

## AON KIWISAVER SCHEME

Statement of Cash Flows (Continued)  
For the Year Ended 31 March 2019

Note	Total of the Scheme	ANZ Fund		Milford		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	
	1	-	-	-	-	-	
	944	28	8	217	9	2	
	46	1	-	9	-	-	
	2,536	173	17	749	39	6	
	74	4	1	20	1	-	
	1,381	78	11	372	23	4	
	203	12	2	54	3	1	
	192	11	2	51	3	1	
	29	2	-	8	1	-	
	227	13	2	61	4	1	
	9,824	1,638	537	1,289	60	24	
	57,232	4,194	1,111	13,786	622	404	
	22,539	(645)	128	(213)	810	458	
	60	(54)	(2)	16	7	14	
	1,019	59	3	274	20	5	
	1,079	5	1	290	27	19	

### CASH FLOWS FROM FINANCING ACTIVITIES (Continued)

#### Cash applied to (continued)

Mortgage Diversion  
Member Fees  
Transfer Fees  
PIE Tax Paid  
Auditors' Remuneration - Audit fees  
Administration Management Fees  
Consulting Fees  
Supervisor Fees  
Marketing and Printing Costs  
General Expenses  
Switches Out

#### Net Cash Flows from/(used in) Financing Activities

#### Net Increase/(Decrease) in Cash and Cash Equivalents

#### Opening Cash and Cash Equivalents

#### Closing Cash and Cash Equivalents

This statement is to be read in conjunction with the notes on pages 25 to 46

# AON KIWISAVER SCHEME

Statement of Cash Flows (Continued)  
For the Year Ended 31 March 2019

Note	Russell Fund									
	LifePoints@ 2015	LifePoints@ 2025	LifePoints@ 2035	LifePoints@ 2045	LifePoints@ 2055	LifePoints@ Balanced	LifePoints@ Conservative	LifePoints@ Growth	LifePoints@ Moderate	LifePoints@ 2019
	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	567	1,436	1,118	1,559	177	4,681	6,926	1,902	1,807	-
	-	-	-	-	-	-	-	-	-	-
	536	1,990	1,949	1,896	451	24,551	2,658	4,216	3,168	-
	10	41	38	34	1	282	150	80	44	-
	<b>21</b>	<b>(595)</b>	<b>(869)</b>	<b>(371)</b>	<b>(275)</b>	<b>(20,152)</b>	<b>4,118</b>	<b>(2,394)</b>	<b>(1,405)</b>	-
4										
	465	1,358	1,040	1,154	75	18,467	1,927	2,288	1,771	-
	78	485	554	533	38	9,938	689	1,093	613	-
	31	189	176	195	14	3,472	193	345	185	-
	-	154	169	392	130	3,209	636	1,042	725	-
	-	208	169	93	197	1,625	2,025	458	518	-
	<b>574</b>	<b>2,394</b>	<b>2,108</b>	<b>2,367</b>	<b>454</b>	<b>36,711</b>	<b>5,470</b>	<b>5,226</b>	<b>3,812</b>	-
	85	626	482	996	20	9,024	3,466	935	478	-
	391	181	22	188	-	1,980	2,372	318	570	-
	-	-	-	-	-	65	11	-	-	-
	-	10	13	-	-	163	48	12	-	-
	1	1	17	21	-	197	74	13	2	-
	-	18	171	310	2	1,711	936	269	168	-
	-	-	-	-	-	193	106	-	35	-
	18	22	-	-	-	244	157	6	53	-
	-	-	-	-	-	6	3	-	-	-

## CASH FLOWS FROM OPERATING ACTIVITIES

*Cash provided from*  
Sale of Investments  
Investment Management Rebates

*Cash applied to*  
Purchase of Investments  
Investment Management Fees  
**Net Cash Flows from/(used in) Operating Activities**

## CASH FLOWS FROM FINANCING ACTIVITIES

*Cash provided from*  
Member Contributions  
Employer Contributions  
Crown Contributions  
Transfer from other KiwiSaver Providers  
Switches In

*Cash applied to*  
Transfer to other KiwiSaver Providers  
Retirement  
Transfers to IRD  
Emigration  
Hardship Payments  
First Home Withdrawal  
Serious Illness  
Death Payments  
Court Order Payments

This statement is to be read in conjunction with the notes on pages 25 to 46

**AON KIWISAVER SCHEME**

**Statement of Cash Flows (Continued)  
For the Year Ended 31 March 2019**

Note	Russell Fund									
	Lifepoints@ 2015	Lifepoints@ 2025	Lifepoints@ 2035	Lifepoints@ 2045	Lifepoints@ 2055	Lifepoints@ Balanced	Lifepoints@ Conservative	Lifepoints@ Growth	Lifepoints@ Moderate	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
	-	-	-	1	-	-	-	-	-	-
	7	20	19	36	2	392	122	54	28	28
	-	1	1	1	-	25	6	1	1	1
	26	103	82	53	2	619	423	142	102	102
	1	3	3	2	-	19	11	6	3	3
	13	53	50	45	2	373	195	104	58	58
	2	8	7	7	-	54	29	15	9	9
	2	7	7	6	-	51	28	15	8	8
	-	1	1	1	-	8	4	2	1	1
	2	8	8	7	-	61	34	17	9	9
	48	730	350	320	148	1,213	1,605	966	896	896
	596	1,792	1,233	1,994	176	16,398	9,630	2,875	2,421	2,421
	(22)	602	875	373	278	20,313	(4,160)	2,351	1,391	1,391
	(1)	7	6	2	3	161	(42)	(43)	(14)	(14)
	5	31	26	19	2	287	121	110	57	57
	4	38	32	21	5	448	79	67	43	43

**CASH FLOWS FROM FINANCING ACTIVITIES (Continued)**

*Cash applied to (continued)*

- Mortgage Diversion
- Member Fees
- Transfer Fees
- PIE Tax Paid
- Auditors' Remuneration - Audit fees
- Administration Management Fees
- Consulting Fees
- Supervisor Fees
- Marketing and Printing Costs
- General Expenses
- Switches Out

**Net Cash Flows from/(used in) Financing Activities**

**Net Increase/(Decrease) in Cash and Cash Equivalents**

**Opening Cash and Cash Equivalents**

**Closing Cash and Cash Equivalents**

This statement is to be read in conjunction with the notes on pages 25 to 46

## AON KIWSAVER SCHEME

### Statement of Cash Flows (Continued) For the Year Ended 31 March 2018

	Note	ANZ Fund		Milford Fund		Nikko Fund	
		Balanced	Cash	Growth	Balanced	Cash	
Total of the Scheme		2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Cash provided from</i>							
Sale of Investments		26,091	720	4,569	923	350	-
Investment Management Rebates		372	-	372	-	-	-
<i>Cash applied to</i>							
Purchase of Investments		53,092	943	8,910	858	395	
Investment Management Fees		835	15	-	59	6	
<b>Net Cash Flows from/(used in) Operating Activities</b>	4	<b>(27,464)</b>	<b>(238)</b>	<b>(3,969)</b>	<b>6</b>	<b>(51)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Cash provided from</i>							
Member Contributions		33,786	235	4,145	522	77	
Employer Contributions		17,166	116	2,013	225	37	
Grown Contributions		5,808	43	592	65	15	
Transfer from other KiwiSaver Providers		14,503	10	7,515	96	9	
Switches In		6,353	54	1,330	100	273	
		77,616	993	15,595	1,008	411	
<i>Cash applied to</i>							
Transfer to other KiwiSaver Providers		24,978	104	6,532	344	303	
Retirement		8,817	493	1,329	216	40	
Transfers to IRD		69	9	9	-	-	
Emigration		68	-	21	-	-	
Hardship Payments		506	1	201	-	1	
First Home Withdrawal		4,263	77	1,370	25	-	
Serious Illness		816	59	181	-	3	
Death Payments		825	39	225	-	-	
Court Order Payments		100	100	-	-	-	

This statement is to be read in conjunction with the notes on pages 25 to 46

## AON KIWISAVER SCHEME

### Statement of Cash Flows (Continued) For the Year Ended 31 March 2018

Note	Total of the Scheme	ANZ Fund		Milford		Nikko Fund	
		Balanced	Cash	Balanced	Growth	Balanced	Cash
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
	2	-	-	-	-	-	-
Cash applied to (continued)							
Mortgage Diversion	961	30	8	231	2	9	2
Member Fees	56	1	-	12	-	-	7
Transfer Fees	1,357	186	16	238	7	33	7
PIE Tax Paid	110	7	1	29	-	2	-
Auditors' Remuneration - Audit fees	1,320	80	11	358	4	22	4
Administration Management Fees	198	12	2	53	1	3	1
Consulting Fees	100	6	1	27	-	2	-
Supervisor Fees	64	5	1	16	-	1	-
Marketing and Printing Costs	108	6	1	29	-	2	1
General Expenses	6,353	446	81	1,063	22	407	22
Switches Out	51,071	2,941	762	11,924	384	1,066	384
	26,545	445	231	3,671	27	(58)	27
Net Cash Flows from/(used) in Financing Activities	(919)	(47)	(7)	(298)	(24)	(52)	(24)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,938	106	10	572	29	72	29
Opening Cash and Cash Equivalents	1,019	59	3	274	20	20	5
Closing Cash and Cash Equivalents							

### CASH FLOWS FROM FINANCING ACTIVITIES (Continued)

Cash applied to (continued)

Mortgage Diversion

Member Fees

Transfer Fees

PIE Tax Paid

Auditors' Remuneration - Audit fees

Administration Management Fees

Consulting Fees

Supervisor Fees

Marketing and Printing Costs

General Expenses

Switches Out

### Net Cash Flows from/(used) in Financing Activities

Net Increase/(Decrease) in Cash and Cash Equivalents

Opening Cash and Cash Equivalents

Closing Cash and Cash Equivalents

This statement is to be read in conjunction with the notes on pages 25 to 46

## AON KIWISAVER SCHEME

### Statement of Cash Flows (Continued) For the Year Ended 31 March 2018

Note	Russell Fund									
	LifePoints® 2015	LifePoints® 2018	LifePoints® 2035	LifePoints® 2045	LifePoints® 2055	LifePoints® Balanced	LifePoints® Conservative	LifePoints® Growth	LifePoints® Moderate	LifePoints® 2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	835	1,158	730	772	122	3,027	7,306	1,644	1,730	-
	-	-	-	-	-	-	-	-	-	-
	306	1,833	1,929	1,708	416	24,430	1,597	4,333	2,908	-
	10	37	33	29	1	218	151	67	38	-
	<b>519</b>	<b>(712)</b>	<b>(1,232)</b>	<b>(965)</b>	<b>(295)</b>	<b>(21,621)</b>	<b>5,558</b>	<b>(2,756)</b>	<b>(1,216)</b>	-
	234	1,194	1,044	1,028	51	18,351	1,440	2,170	1,297	-
	87	491	553	523	25	9,993	675	989	590	-
	37	197	181	184	9	3,532	195	323	183	-
	-	221	252	183	76	2,291	1,381	985	1,251	-
	1	176	86	154	265	1,244	799	710	572	-
	<b>359</b>	<b>2,279</b>	<b>2,116</b>	<b>2,072</b>	<b>426</b>	<b>35,411</b>	<b>4,490</b>	<b>5,177</b>	<b>3,893</b>	-
	154	830	419	539	21	8,294	4,338	1,148	756	-
	600	219	-	16	-	1,595	2,482	311	835	-
	-	-	-	-	-	44	7	-	-	-
	-	-	-	-	-	30	17	-	-	-
	1	1	-	1	-	189	106	3	-	-
	-	20	30	123	17	1,284	770	196	314	-
	-	-	183	-	-	110	156	53	68	-
	-	23	-	5	-	295	170	48	19	-
	-	-	-	-	-	-	-	-	-	-

#### CASH FLOWS FROM OPERATING ACTIVITIES

*Cash provided from*  
Sale of Investments  
Investment Management Rebates

*Cash applied to*  
Purchase of Investments  
Investment Management Fees  
**Net Cash Flows from/(used in) Operating Activities**

4

#### CASH FLOWS FROM FINANCING ACTIVITIES

*Cash provided from*  
Member Contributions  
Employer Contributions  
Crown Contributions  
Transfer from other KiwiSaver Providers  
Switches In

*Cash applied to*  
Transfer to other KiwiSaver Providers  
Retirement  
Transfers to IRD  
Emigration  
Hardship Payments  
First Home Withdrawal  
Serious Illness  
Death Payments  
Court Order Payments

This statement is to be read in conjunction with the notes on pages 25 to 46



# AON KIWISAVER SCHEME

## Statement of Cash Flows (Continued) For the Year Ended 31 March 2018

Note	Russell Fund									
	Lifepoints@ 2015	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018	Lifepoints@ 2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	8	21	20	36	1	368	145	54	28	28
	-	1	1	1	-	28	9	2	1	1
	20	74	53	34	-	287	245	93	71	71
	1	4	4	4	-	26	19	8	5	5
	14	53	48	43	1	319	216	96	55	55
	2	8	7	7	-	48	33	14	8	8
	1	4	4	3	-	24	17	7	4	4
	1	2	2	15	-	15	12	5	2	2
	1	4	4	3	-	26	19	8	4	4
	76	308	113	185	90	1,293	1,409	339	521	521
	879	1,572	888	1,004	130	14,275	10,170	2,385	2,691	2,691
	(520)	707	1,228	1,068	296	21,136	(5,680)	2,792	1,202	1,202
	(1)	(5)	(4)	103	1	(485)	(122)	36	(14)	(14)
	6	36	30	(84)	1	772	243	74	71	71
	5	31	26	19	2	287	121	110	57	57

### CASH FLOWS FROM FINANCING ACTIVITIES (Continued)

#### Cash applied to (continued)

Mortgage Diversion	
Member Fees	
Transfer Fees	
PIE Tax Paid	
Auditors' Remuneration - Audit fees	
Administration Management Fees	
Consulting Fees	
Supervisor Fees	
Marketing and Printing Costs	
General Expenses	
Switches Out	

#### Net Cash Flows from/(used in) Financing Activities

#### Net Increase/(Decrease) in Cash and Cash Equivalents

#### Opening Cash and Cash Equivalents

#### Closing Cash and Cash Equivalents

This statement is to be read in conjunction with the notes on pages 25 to 46

## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **1. General information**

##### **Scheme description**

Aon KiwiSaver Scheme (the "Scheme") is a defined contribution scheme originally established by a Trust Deed dated 28th March 2007 by Superannuation Management Nominees Limited and Aon New Zealand. On 20 December 2017, Aon Saver Limited and Public Trust entered into a Trust Deed which replaced the previously amended Trust Deed. The Scheme is domiciled in New Zealand and the address of the registered office is Level 16, 29 Customs Street West, Auckland.

The Scheme is a Reporting Entity under the Financial Markets Conduct Act 2013 (the "FMCA"). The Scheme is an issuer for the purposes of the FMCA. The Scheme is registered under the KiwiSaver Act 2006 with registration number KSS/10021. The Scheme is a managed investment scheme called the "Aon KiwiSaver Scheme" with scheme number SCH10860.

The Manager of the Scheme is Aon Saver Limited (the "Manager"). The Manager's parent company is Aon Holdings New Zealand. The Supervisor of the Scheme is Public Trust (the "Supervisor") appointed on 28 September 2012 by a Deed of Retirement and Appointment of Trustee. The Custodian of the Scheme is Public Trust.

##### **Funding arrangement**

The Scheme is a profit oriented entity. Under the Trust Deed contributions are made by members of the Scheme, their employers and the Crown. Members can choose to contribute either 3%, 4% or 8% of gross salary or wage. Members may from time to time make additional voluntary contributions to the Scheme. Employers are required to contribute 3% of members' gross salary or wage to the Scheme. Employer contributions are reduced by Employer Superannuation Contribution Tax ("ESCT"). The Crown also makes a member tax credit contribution of 50% of Member contributions during the year up to a maximum of \$521.43.

From 1 April 2019 members can choose to contribute from an expanded range of rates at 3%, 4%, 6%, 8% or 10% of gross salary or wage.

##### **Termination terms**

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

##### **Retirement benefits**

Member benefits are locked into the Scheme until the later of the date for reaching the qualifying age for New Zealand Superannuation or the date on which the Member has been a member of any KiwiSaver scheme or a member of a Complying Superannuation Fund for a period of five years. Retirement benefits are determined by contributions to the Scheme together with investment earnings on these contributions over the period of membership reduced by any deductions or withdrawals that have been made.

From 1 April 2019 the requirement to have been a member of any Kiwisaver scheme or a member of a Complying Superannuation Fund for a period of 5 years, in order to receive member benefits, has been removed.

##### **Amendment to the Trust Deed**

During the year there were no amendments to the Trust Deed.

## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **2. Basis of preparation**

##### **Statement of Compliance**

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 New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the Scheme is a Tier 1 for profit entity.

The Scheme comprises fourteen investment funds, namely, ANZ Balanced Fund, ANZ Cash Fund, Milford Active Growth Wholesale Fund, Nikko Balanced Fund, Nikko Cash Fund, Russell LifePoints 2015 Fund (closed to new members), Russell LifePoints 2025 Fund, Russell LifePoints 2035 Fund, Russell LifePoints 2045 Fund, Russell LifePoints 2055 Fund, Russell LifePoints Balanced Fund, Russell LifePoints Conservative Fund, Russell LifePoints Growth Fund and Russell LifePoints Moderate Fund. The financial statements have been prepared at the investment fund level as the liabilities of the individual investment funds are limited to the assets of each investment fund. Therefore, assets of one investment fund could not be used to meet the liabilities of another fund.

##### **Measurement base**

The measurement base adopted is that of historical cost modified by the revaluation of investments which are measured at fair value through profit and loss at balance date.

##### **Functional and presentation currency**

These financial statements are presented in New Zealand Dollars ("NZD") because that is the currency of the primary economic environment in which the Scheme operates. Where indicated, financial information presented in NZD has been rounded to the nearest thousand.

##### **Classification of assets and liabilities**

The assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

##### **Investment Management Fee Rebates**

A provision has been booked for a matter that has been identified regarding the investment management fee rebates received from the Russell funds from 2014 to 2019. We are still working through this complex matter to establish exactly what the impact is. We will liaise with those impacted.

#### **3. Summary of Significant Accounting Policies**

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

**Standards, amendments and interpretations to existing standards that are effective and have been adopted by the Scheme**

The following new standard relevant to the Scheme has been issued and was adopted on 1 April 2018.

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 3. Summary of Significant Accounting Policies (Continued)

**Standards, amendments and Interpretations to existing standards that are effective and have been adopted by the Scheme (Continued)**  
NZ IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 *Financial Instruments: Recognition and Measurement* that relates to the classification and measurement of financial instruments.

##### *NZ IFRS 9 Financial Instruments*

NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Under NZ IFRS 9 a new expected credit losses model replaces the incurred loss impairment model for financial assets used in NZ IAS 39. There are no changes to classification and measurement rules for financial liabilities. However, for financial liabilities that have been designated at fair value through profit or loss, fair value changes attributable to changes in credit risk must be presented in other comprehensive income.

NZ IFRS 9 relaxes the requirements for hedge effectiveness by removing the 80% to 125% hedge effectiveness threshold. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as that used by management for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39.

There is no impact of transitioning to NZ IFRS 9 on the Scheme's financial statements, other than the small changes to disclosures as required by the new standard. The following table (over page) shows the measurement categories and carrying values under NZ IAS 39 and NZ IFRS 9 at date of transition:

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 3. Summary of Significant Accounting Policies (Continued)

Standards, amendments and interpretations to existing standards that are effective and have been adopted by the Scheme (Continued)

	Original classification under NZ IAS 39	New classification under NZ IFRS 9
<b>Financial Instruments</b>		
Cash at bank		
Receivables	Loans and receivables	Financial assets at amortised cost
Investments at fair value through profit or loss	Loans and receivables	Financial assets at amortised cost
	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss
Payables	Financial liabilities	Financial liabilities at amortised cost
	<b>Original carrying amount under NZ IAS 39</b>	<b>New classification under NZ IFRS 9</b>
	<b>\$000</b>	<b>\$000</b>
	<b>as at 31 March 2018</b>	<b>as at 1 April 2018</b>
<b>Financial Instruments</b>		
Cash at bank	1,019	1,019
Receivables	419	419
Investments at fair value through profit or loss	501,050	501,050
Payables	1,370	1,370

#### Investment income

Interest income and distribution income from unithised investments is recognised in the Statement of Changes in Net Assets using the effective interest method to the extent that it is probable that the economic benefits will flow to the Scheme and the income can be readily measured.

Gains or losses on investments are calculated as the difference between fair value through profit or loss at sale (using trade date) or at year end, and the fair value through profit or loss previously reported. This includes both realised and unrealised gains and losses.

#### Income and expenses

All income and expenses are accounted for on an accrual basis.

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 3. Summary of Significant Accounting Policies (Continued)

##### Taxation

The Scheme is a Portfolio Investment Entity ("PIE"). Under the PIE regime detailed in the Income Tax Act 2007, income is effectively taxed in the hands of the members and therefore income tax expense is not recognised by the Scheme. The tax liability arising on income is allocated to members and satisfied by the cancellation of units held in the Scheme. As a consequence, deferred tax is also not recognised.

Members of the Scheme have the option to choose Prescribed Investor Rates ("PIR") of 10.50%, 17.50% or 28%.

The taxable income, deductible expenses and tax credits are attributed to members in accordance with their proportionate interests in their investment option, and recognised as part of Membership Activities in the Statement of Changes in Net Assets Available for Benefits.

Net taxation receivable or payable on behalf of the members under the PIE regime is recognised in the Statement of Net Assets Available for Benefits.

##### Financial instruments

###### (i) Classification

The Scheme classifies its investments as financial assets at fair value through profit or loss. These financial assets are designated by the Scheme at fair value through profit or loss at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. The Manager has determined that all financial assets and financial liabilities of the Scheme are designated at fair value through profit and loss with the exception of cash at bank, unsettled trades and receivables which are classified as assets at amortised cost and payables which are classified as liabilities at amortised cost. The other liabilities represent the amount payable to the Supervisor, Manager, members, service providers and other accruals.

###### (ii) Recognition and derecognition

The Scheme recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership. All realised gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised in the Statement of Changes in Net Assets.

## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **3. Summary of Significant Accounting Policies (Continued)**

##### **Financial Instruments (Continued)**

###### **(iii) Measurement**

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Changes in Net Assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer a liability takes place either:

- In the principal market of the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or most advantageous market must be accessible by the Scheme.

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

###### **Receivables**

Receivables do not carry any interest and are short-term in nature and are stated at amortised cost.

###### **Payables**

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date. These amounts are unsecured and are usually paid within 30 days of recognition. These financial liabilities are stated at amortised cost.

###### **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.

###### **Contributions and benefits**

Contributions are recognised in the Statement of Changes in Net Assets when they are received. Benefits are recognised in Statement of Changes in Net Assets when they become payable or are paid.

## **AON KIWSAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **3. Summary of Significant Accounting Policies (Continued)**

##### **Transfers in and transfers out**

Transfers in are recognised in the Statement of Changes in Net Assets when they are received. Transfers out are recognised in the Statement of Changes in Net Assets when they become payable or are paid.

##### **Capital risk management**

The Scheme's objectives when managing capital risk are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Scheme members' value. The Scheme is not subject to any externally imposed capital requirements.

The Scheme's primary purpose is to ensure that its net assets are sufficient to meet all present and future obligations of the Scheme, as defined by the liability for promised benefits.

The Scheme achieves this through obtaining contributions from members and employers and investing these into financial assets.

##### **Critical judgement and accounting estimates**

The Manager has applied its judgement in selecting the accounting policy to designate financial assets and financial liabilities through profit or loss at 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 unit prices are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of making material adjustments to the carrying amounts of assets and liabilities at year end. However as with all investments, their value is subject to variation due to market fluctuations. For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Manager has to apply its judgement as to what constitutes observable prices. For further details please refer to Note 6 (Total Investments at Fair Value).



## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the Year Ended 31 March 2019

#### 4. Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Flows from Operating Activities

	Total of the Scheme	ANZ Balanced	ANZ Cash	Milford Fund	Nikko Balanced	Nikko Cash	Russell LifePoints® 2015	Russell LifePoints® 2025
Increase/(Decrease) in Net Assets	53,321	1,436	227	9,982	1,354	495	159	1,519
<b>Cash flows from Financing Activities:</b>								
Cash provided from financing activities	(79,771)	(3,549)	(1,239)	(13,573)	(1,432)	(862)	(574)	(2,394)
Cash applied to financing activities	57,232	4,194	1,111	13,786	622	404	596	1,792
<b>Movements in other working capital items:</b>								
(Increase)/Decrease in Unsettled Trades	(201)	-	-	15	-	-	(2)	(1)
(Increase)/Decrease in Receivables from Investment Funds	115	-	-	106	-	-	-	(1)
(Increase)/Decrease in Investments	(54,503)	(1,305)	(227)	(9,587)	(1,361)	(483)	(192)	(1,644)
Increase/(Decrease) in Sundry Creditors	(80)	(7)	(1)	(20)	-	-	(1)	(4)
Increase/(Decrease) in Benefits Payable	(238)	(7)	-	(151)	-	-	-	(2)
(Decrease) in Payable to other KiwiSaver Providers	-	-	-	-	-	-	-	-
Increase/(Decrease) in Payable to Investment Funds	(141)	(157)	-	-	15	1	-	-
Increase/(Decrease) in PIE Tax Payable	1,787	(14)	(1)	(329)	(1)	1	35	140
<b>Net cash flows from/(used in) operating activities</b>	<b>(22,479)</b>	<b>591</b>	<b>(130)</b>	<b>229</b>	<b>(803)</b>	<b>(444)</b>	<b>21</b>	<b>(595)</b>

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the Year Ended 31 March 2019

#### 4. Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Flows from Operating Activities (Continued)

	Russell LifePoints® 2035	Russell LifePoints® 2045	Russell LifePoints® 2055	Russell LifePoints® Balanced	Russell LifePoints® Conservative	Russell LifePoints® Growth	Russell LifePoints® Moderate
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Increase/(Decrease) in Net Assets	1,887	1,369	327	28,577	(1,263)	4,783	2,469
<b>Cash flows from Financing Activities:</b>							
Cash provided from financing activities	(2,108)	(2,367)	(454)	(36,711)	(5,470)	(5,226)	(3,812)
Cash applied to financing activities	1,233	1,994	176	16,398	9,630	2,875	2,421
<b>Movements in other working capital items:</b>							
(Increase)/Decrease in Unsettled Trades	(7)	1	2	(57)	(144)	(5)	(3)
(Increase)/Decrease in Receivables from Investment Funds	(2)	(1)	2	(16)	15	(3)	15
(Increase)/Decrease in Investments	(2,008)	(1,504)	(332)	(29,092)	969	(5,095)	(2,642)
Increase/(Decrease) in Sundry Creditors	(3)	(4)	-	(8)	(23)	(6)	(3)
Increase/(Decrease) in Benefits Payable	-	8	-	(41)	(43)	(1)	(1)
(Decrease) in Payable to other KiwiSaver Providers	-	-	-	-	-	-	-
Increase/(Decrease) in Payable to Investment Funds	-	-	-	-	-	-	-
Increase/(Decrease) in PIE Tax Payable	139	133	4	798	447	284	151
<b>Net cash flows from/(used in) operating activities</b>	<b>(869)</b>	<b>(371)</b>	<b>(275)</b>	<b>(20,152)</b>	<b>4,118</b>	<b>(2,394)</b>	<b>(1,405)</b>

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the Year Ended 31 March 2018

#### 4. Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Flows from Operating Activities (Continued)

	Total of the Scheme	ANZ Balanced 2018 \$000	ANZ Balanced 2018 \$000	ANZ Cash 2018 \$000	Milford Fund 2018 \$000	Nikko Balanced 2018 \$000	Nikko Cash 2018 \$000	Russell LifePoints® 2015	Russell LifePoints® 2018 \$000	Russell LifePoints® 2025
Increase/(Decrease) in Net Assets	68,825	2,215	2,215	318	19,502	741	65	(240)	1,967	
<b>Cash flows from Financing Activities:</b>										
Cash provided from financing activities	(77,616)	(3,386)	(3,386)	(993)	(15,595)	(1,008)	(411)	(359)	(2,279)	
Cash applied to financing activities	51,071	2,941	2,941	762	11,924	1,066	384	879	1,572	
<b>Movements in other working capital items:</b>										
(Increase)/Decrease in Unsettled Trades	(14)	-	-	-	(28)	-	-	(1)	(3)	
(Increase)/Decrease in Receivables from Investment Funds	(127)	-	-	-	(77)	-	-	-	-	
(Increase)/Decrease in Investments	(69,814)	(2,290)	(2,290)	(324)	(19,958)	(801)	(89)	244	(2,004)	
Increase/(Decrease) in Sundry Creditors	92	5	5	-	22	-	-	-	3	
Increase/(Decrease) in Benefits Payable	(1,266)	(104)	(104)	(2)	(290)	-	-	(11)	1	
(Decrease) in Payable to other KiwiSaver Providers	(8)	(1)	(1)	-	(2)	-	-	-	-	
Increase/(Decrease) in Payable to Investment Funds	136	136	136	(1)	-	1	-	-	-	
Increase/(Decrease) in P/E Tax Payable	1,257	(8)	(8)	2	533	7	-	7	31	
<b>Net cash flows from/(used in) operating activities</b>	<b>(27,464)</b>	<b>(492)</b>	<b>(492)</b>	<b>(238)</b>	<b>(3,969)</b>	<b>6</b>	<b>(51)</b>	<b>519</b>	<b>(712)</b>	

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the Year Ended 31 March 2018

#### 4. Reconciliation of Increase/(Decrease) in Net Assets to Net Cash Flows from Operating Activities (Continued)

	Russell LifePoints® 2035	Russell LifePoints® 2045	Russell LifePoints® 2055	Russell LifePoints® Balanced	Russell LifePoints® Conservative	Russell LifePoints® Growth	Russell LifePoints® Moderate
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Increase/(Decrease) in Net Assets	2,672	2,565	335	31,104	(1,254)	6,120	2,715
<b>Cash flows from Financing Activities:</b>							
Cash provided from financing activities	(2,116)	(2,072)	(426)	(35,411)	(4,490)	(5,177)	(3,893)
Cash applied to financing activities	888	1,004	130	14,275	10,170	2,385	2,691
<b>Movements In other working capital items:</b>							
(Increase)/Decrease in Unsettled Trades	(3)	(5)	(2)	(61)	32	61	(4)
(Increase)/Decrease in Receivables from Investment Funds	-	(1)	(2)	(13)	(14)	(3)	(17)
(Increase)/Decrease in Investments	(2,707)	(2,468)	(333)	(31,504)	1,243	(6,192)	(2,631)
Increase/(Decrease) in Sundry Creditors	4	4	1	41	(2)	10	4
Increase/(Decrease) in Benefits Payable	-	(12)	-	(404)	(319)	(10)	(115)
(Decrease) in Payable to other KiwiSaver Providers	-	-	-	(1)	(3)	(1)	-
Increase/(Decrease) in Payable to Investment Funds	-	-	-	-	-	-	-
Increase/(Decrease) in PIE Tax Payable	30	20	2	353	195	51	34
<b>Net cash flows from/(used in) operating activities</b>	<b>(1,232)</b>	<b>(965)</b>	<b>(295)</b>	<b>(21,621)</b>	<b>5,558</b>	<b>(2,756)</b>	<b>(1,216)</b>

## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **5. Financial risk management**

The Scheme utilises a number of financial instruments in the course of its normal investing activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the Note 3.

The Manager has approved a Statement of Investment Policy and Objectives ("SIPO") which establishes investment fund objectives and target asset allocations. Performance against the investment performance objectives is reviewed quarterly by the Manager. Asset allocations are reviewed regularly by the Manager and reallocations back to benchmark are undertaken as required.

#### **Counterparty risk and risks relating to the performance of the parties involved in the Scheme**

Counterparty risk is the risk that a party to a contract with the Scheme defaults, fails to complete a transaction, or otherwise becomes unable to meet its financial obligations.

In addition, there are a number of parties involved in the operation of the Scheme being the Manager, the Supervisor and the Fund Managers. Decisions made by either one of the parties are based on a range of variables which by their nature are prospective. Therefore, there is a risk that such decisions will not always have good results for members.

The risk is managed by requiring the supervision of various parties. The Manager monitors the investment performance of fund managers and reports in detail on a quarterly basis. The Supervisor supervises the Manager's performance of the functions of the Manager set out in the KiwiSaver Act and under the Trust Deed.

#### **Liquidity risk**

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The Scheme's Trust Deed provides for the payment of benefits and it is therefore exposed to the liquidity risk of meeting members' withdrawals at any time.

The Scheme's investments are considered to be readily realisable except for ANZ Balanced Fund and Nikko Balanced Fund. Both funds include an allocation to the Nikko Multi-Strategy Fund which can be less liquid. There are no restrictions on the redemption of units and they may be redeemed for cash at any time, subject to the approval of the Fund Manager. Other financial liabilities of the Scheme comprised of accounts payable and accrued expenses and other current liabilities have no contractual maturity date but are typically settled within 30 days or within the timeframe as set out in the Trust Deed.

## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **5. Financial risk management (Continued)**

##### **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially expose the Scheme to credit risk consist of cash, receivables, and investments in unlisted products. The maximum credit exposure to credit risk is the carrying value of these financial instruments.

The Manager manages and monitors credit risk by agreeing on target asset allocations for each Investment Fund and by diversifying, as per the SIPO, the Scheme's investment funds over a range of investment products. The Manager performs due diligence over all Fund Managers before appointment and uses the services of an investment consultant to alert it to any potential or actual risks associated with the Fund Managers.

##### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Due to the unlisted nature of the investments it is not practical to determine the sensitivity of the unit price to changes in foreign exchange rates or interest rates. The funds are managed by ANZ New Zealand Investments Ltd, Milford Funds Limited, Nikko Asset Management New Zealand Limited and Russell Investment Group Limited. Risk management activities are undertaken by the Scheme's Fund Managers to operate within the guidelines provided by the Manager.

The Manager uses the services of an investment consultant to alert it to any actual or potential risks associated with the Fund Manager or their products.

**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 indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unlisted products which invest in foreign currency denominated investments. Risk management activities are undertaken by the Scheme's Fund Managers to operate within the guidelines provided by the Manager.

The Manager, in conjunction with the investment consultant, monitors currency risk by receiving reports regularly from all Fund Managers which are reviewed and assessed against relevant asset allocation profiles and performance targets.

**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. The Scheme is indirectly exposed to interest rate risk in that future interest rate movements will indirectly affect the valuation of investments in unlisted products which invest in cash and fixed interest investments. The Scheme has direct exposure to interest rate risk on its cash holdings, but this is not material due to the levels of cash held at balance date.

The Scheme's interest rate risk is monitored on a regular basis by the Fund Managers in accordance with policies and procedures in place including monitoring of exposure to interest rates and assessment of actual interest rates against the relevant benchmarks. The Manager monitors interest rate risk on a regular basis by monitoring the asset allocation and performance against relevant asset allocation profiles and performance targets.



## AON KIWISAVER SCHEME

Notes to the Financial Statements  
For the year ended 31 March 2019

### 5. Financial risk management (Continued)

#### Sensitivity analysis - Other price risk (Continued)

	Russell LifePoints® 2035	Russell LifePoints® 2045	Russell LifePoints® 2055	Russell LifePoints® Balanced	Russell LifePoints® Conservative	Russell LifePoints® Growth	Russell LifePoints® Moderate
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
A ten percent decrease in the unit price of the Scheme's investment funds	(2,030)	(1,803)	(95)	(15,953)	(7,332)	(4,244)	(2,358)
A ten percent increase in the unit price of the Scheme's investment funds	2,030	1,803	95	15,953	7,332	4,244	2,358

	Russell LifePoints® 2035	Russell LifePoints® 2045	Russell LifePoints® 2055	Russell LifePoints® Balanced	Russell LifePoints® Conservative	Russell LifePoints® Growth	Russell LifePoints® Moderate
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
A ten percent decrease in the unit price of the Scheme's investment funds	(1,829)	(1,652)	(62)	(13,044)	(7,429)	(3,734)	(2,094)
A ten percent increase in the unit price of the Scheme's investment funds	1,829	1,652	62	13,044	7,429	3,734	2,094



## **AON KIWISAVER SCHEME**

### **Notes to the Financial Statements For the year ended 31 March 2019**

#### **6. Total Investments at Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Scheme's accounting policies as described in Note 3.

The Scheme 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Valuation techniques using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Valuation techniques using inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Scheme has investments in financial instruments of which fair values are classified as Level 2 as they are unlisted based on prices provided by the Fund Manager. The Scheme does not have investments in financial instruments classified as either Level 1 or Level 3. There have been no transfers between levels during the year (2018: Nil).

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

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

#### **7. Commitments and contingent liabilities**

There were no commitments or contingent liabilities outstanding as at 31 March 2019 (2018: Nil).

#### **8. Vested benefits**

Vested Benefits are benefits payable to Members or Beneficiaries, under the conditions of the Trust Deed, on the basis of all Members ceasing to be members of the Scheme at balance date. Vested Benefits as at 31 March 2019 equalled the net assets available for benefits (2018: Same).

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 9. Auditors' Remuneration - Audit Fees

Total of the Scheme	ANZ Balanced		ANZ Cash		Milford Fund		Nikko Balanced		Nikko Cash		Russell LifePoints® 2015		Russell LifePoints® 2025	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Audit of financial statements	43	3	-	11	-	-	-	-	-	-	-	-	-	2
Audit of register	10	1	-	3	-	-	-	-	-	-	-	-	-	-
Other assurance services (Note A)	27	1	1	7	1	1	-	-	-	-	-	-	-	1
	80	5	1	21	1	1	-	-	-	-	-	-	-	3

Total of the Scheme	Russell LifePoints® 2035		Russell LifePoints® 2045		Russell LifePoints® 2055		Russell LifePoints® Balanced		Russell LifePoints® Conservative		Russell LifePoints® Growth		Russell LifePoints® Moderate	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Audit of financial statements	2	-	2	-	-	12	6	3	3	2	2	2	2	2
Audit of register	-	-	-	-	-	3	1	1	1	-	-	-	-	-
Other assurance services (Note A)	1	1	1	-	-	7	4	4	2	2	2	2	2	1
	3	3	3	-	-	22	11	6	6	3	3	3	3	3

Note A: Other assurance services comprise custodial assurance services. Other assurance services were not performed by the statutory auditor.

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 9. Auditors' Remuneration - Audit Fees (Continued)

Total of the Scheme	ANZ Balanced		ANZ Cash		Milford Fund		Nikko Balanced		Nikko Cash		Russell LifePoints® 2015		Russell LifePoints® 2018		Russell LifePoints® 2025	
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Audit of financial statements	43	3	1	11	1	1	-	-	-	-	-	1	1	2		
Audit of register	10	1	-	3	-	-	-	-	-	-	-	-	-	-		
Other assurance services (Note A)	40	2	-	11	1	1	-	-	-	-	-	-	-	2		
	93	6	1	25	2	2	-	-	-	-	-	1	1	4		

Total of the Scheme	Russell LifePoints® 2035		Russell LifePoints® 2045		Russell LifePoints® 2055		Russell LifePoints® Balanced		Russell LifePoints® Conservative		Russell LifePoints® Growth		Russell LifePoints® Moderate	
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Audit of financial statements	2	1	-	-	10	6	3	2						
Audit of register	-	-	-	-	3	2	1	-						
Other assurance services (Note A)	1	2	-	-	10	6	3	2						
	3	3	-	-	23	14	7	4						

Note A: Other assurance services comprise custodial assurance services. Other assurance services were not performed by the statutory auditor.

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 10. Related Parties

The related parties are Aon New Zealand and the Manager, Aon Saver Limited. Aon New Zealand is the Investment Manager, Administration Manager and Consultant of the Scheme.

One director of the Manager is a member of the Scheme who is entitled to all the benefits accruing in their account as prescribed in the Trust Deed. The director fees charged to the Scheme this year were \$26,675 (2018: \$13,668).

The Scheme pays member fees, administration management fees, transfer fees, consulting fees and investment management fees to Aon New Zealand. The fees charged are presented in the Statement of Changes in Net Assets. During the year the fees charged were:

Total of the Scheme	ANZ Balanced		ANZ Cash		Milford Fund		Nikko Balanced		Nikko Cash		Russell LifePoints® 2015		Russell LifePoints® 2025	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Member Fees	943	28	8	216	9	2	7	20						
Transfer Fees	44	1	-	9	-	-	-	-						
Investment Management Fees	752	69	10	-	13	2	9	39						
Administration Management Fees	1,393	78	11	374	24	4	13	54						
Consulting Fees	174	10	1	46	3	1	2	7						
	3,303	186	30	645	49	9	31	120						

	Russell LifePoints® 2035		Russell LifePoints® 2045		Russell LifePoints® 2055		Russell LifePoints® Balanced		Russell LifePoints® Conservative		Russell LifePoints® Growth		Russell LifePoints® Moderate	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Member Fees	19	36	2	394	120	54	28							
Transfer Fees	1	1	-	24	6	1	1							
Investment Management Fees	38	32	1	277	143	77	42							
Administration Management Fees	51	45	2	379	195	105	58							
Consulting Fees	6	6	-	49	23	13	7							
	115	120	5	1,123	487	250	136							

# AON KIWISAVER SCHEME

Notes to the Financial Statements  
For the year ended 31 March 2019

## 10. Related Parties (Continued)

	Total of the Scheme	ANZ Balanced	ANZ Cash	Milford Fund	Nikko Balanced	Nikko Cash	Russell LifePoints® 2015	Russell LifePoints® 2025
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Member Fees	960	30	8	229	9	2	8	21
Transfer Fees	53	1	-	11	-	-	-	1
Investment Management Fees	668	61	9	-	11	2	10	36
Administration Management Fees	1,247	75	10	337	21	4	13	50
Consulting Fees	308	19	3	82	5	1	3	12
	3,236	186	30	659	46	9	34	120

	Russell LifePoints® 2035	Russell LifePoints® 2045	Russell LifePoints® 2055	Russell LifePoints® Balanced	Russell LifePoints® Conservative	Russell LifePoints® Growth	Russell LifePoints® Moderate
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Member Fees	20	36	1	371	143	54	28
Transfer Fees	1	1	-	27	8	2	1
Investment Management Fees	34	30	1	221	148	67	38
Administration Management Fees	46	41	1	305	200	92	52
Consulting Fees	11	10	-	78	48	23	13
	112	118	3	1,002	547	238	132

## AON KIWISAVER SCHEME

### Notes to the Financial Statements For the year ended 31 March 2019

#### 10. Related Parties (Continued)

The fees payable to the related parties are included in Sundry Creditors in the Statement of Net Assets. The fees payable at year end were:

Total of this Scheme	ANZ Balanced		ANZ Cash		Milford Fund		Nikko Balanced		Nikko Cash		Russell LifePoints® 2015		Russell LifePoints® 2025	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Member Fees	79	2	1	17	1	1	1	1	-	-	1	1	2	2
Transfer Fees	3	-	-	1	-	-	-	-	-	-	-	-	-	-
Investment Management Fees	70	7	1	-	1	1	1	1	-	-	1	1	4	4
Administration Management Fees	125	7	1	32	2	2	2	2	-	-	1	1	5	5
Consulting Fees	108	6	1	28	2	2	2	2	-	-	1	1	4	4
	385	22	4	78	6	6	6	6	-	-	4	4	15	15

  

	Russell LifePoints® 2035		Russell LifePoints® 2045		Russell LifePoints® 2055		Russell LifePoints® Balanced		Russell LifePoints® Conservative		Russell LifePoints® Growth		Russell LifePoints® Moderate	
	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000	2019 \$000
Member Fees	2	3	-	-	-	34	9	5	2	2	2	2	2	2
Transfer Fees	-	-	-	-	-	2	-	-	-	-	-	-	-	-
Investment Management Fees	3	3	-	-	-	27	12	7	4	4	4	4	4	4
Administration Management Fees	5	4	-	-	-	36	17	10	5	5	5	5	5	5
Consulting Fees	4	3	-	-	-	31	15	8	5	5	5	5	5	5
	14	13	-	-	-	130	53	30	16	16	16	16	16	16

## AON KIWISAVER SCHEME

Notes to the Financial Statements  
For the year ended 31 March 2019

### 10. Related Parties (Continued)

Total of the Scheme	ANZ Balanced		ANZ Cash		Milford Fund		Nikko Balanced		Nikko Cash		Russell LifePoints® 2015		Russell LifePoints® 2025	
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Member Fees	80	2	1	19	1	1	-	1	-	1	1	1	2	2
Transfer Fees	4	-	-	1	-	-	-	-	-	-	-	-	-	-
Investment Management Fees	91	9	2	-	1	1	-	1	-	1	1	1	5	5
Administration Management Fees	112	7	1	30	2	2	-	2	-	1	1	4	4	4
Consulting Fees	140	8	1	38	2	2	-	2	-	1	1	5	5	5
	427	26	5	88	6	6	-	6	-	4	4	16	16	16

	Russell LifePoints® 2035		Russell LifePoints® 2045		Russell LifePoints® 2055		Russell LifePoints® Balanced		Russell LifePoints® Conservative		Russell LifePoints® Growth		Russell LifePoints® Moderate	
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Member Fees	2	3	-	-	32	11	4	2	2	2	4	2	2	2
Transfer Fees	-	-	-	-	2	1	-	-	-	-	-	-	-	-
Investment Management Fees	5	4	-	-	31	19	9	5	5	9	5	5	5	5
Administration Management Fees	4	4	-	-	29	17	8	5	5	8	5	5	5	5
Consulting Fees	5	5	-	-	37	21	11	6	6	11	6	6	6	6
	16	16	-	-	131	69	32	18	18	32	18	18	18	18

Outstanding balances at year-end are unsecured, interest free and settlement will occur in cash. No related party debits have been written off or forgiven during either the current or prior year.

### 11. Subsequent Events

There were no subsequent events which require additional adjustment or disclosure in the financial statements (2018: nil).