

# Financial Statements

KiwiWRAP KiwiSaver Scheme  
For the year ended 31 March 2022

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**INDEPENDENT AUDITOR’S REPORT  
TO THE MEMBERS OF KIWWRAP KIWISAVER SCHEME**

**Opinion**

We have audited the financial statements of KiwiWRAP KiwiSaver Scheme (“the Scheme”), which comprise the Statement of Net Assets Available for Benefits as at 31 March 2022, and the Statement of Changes in Net Assets Available for Benefits and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the Scheme as at 31 March 2022, and its financial performance and its cash flows for the period then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Scheme.

**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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Valuation and existence of financial assets held at fair value through profit or loss (FVTPL)***

<b><i>Key audit matter</i></b>	<b><i>How the matter was addressed in our audit</i></b>
<p>Financial Assets at Fair Value through Profit or Loss are included in note 4 of the financial statements. This balance included material movements in revenues recognised as both realised and unrealised gains on Investment.</p> <p>The Scheme recognises their investments as financial assets at fair value through profit or loss. The fair value of the financial assets is considered to be their redeemable value</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Updating our understanding of the processes over classification, recognition, and measurement of financial assets held a FVTPL.</li> <li>• Obtaining confirmations from the Custodian and financial institutions of the</li> </ul>

according to published prices as reporting date and they are therefore included in Level 2 of the fair value hierarchy.

In assessing the fair value, the Manager uses information provided by the investment fund administrators including the financial statements of the underlying funds and recent transaction prices. When the market prices are quoted in foreign currencies, these are translated to New Zealand dollars using the applicable exchange rate at balance date.

Investments held by the Scheme as of 31 March 2022 total \$22,466,378. Due to the significance of the balance, and the associated movements, this was considered to be a key audit matter.

holdings of all the financial instruments held by the Scheme and the Funds as at balance date;

- Reviewing the movements recognized as revenues through both realized and unrealized gains on investments;
- Considering whether there were any indicators of impairment;
- Obtaining the Custodian and Investment Management Firm's internal control reports for services provided, performing bridging procedures where applicable, and considering whether those controls relied upon operated effectively for the full year ended 31 March 2022;
- Assessing the adequacy of the disclosures made in respect of the investments in the financial statements.

### Directors of the Licensed Managers Responsibilities for the Financial Statements

The directors are responsible on behalf of the Scheme for the preparation and fair presentation of the financial statements in accordance with NZ IFRS, and for such internal control as the directors 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 directors are responsible on behalf of the Scheme for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

### 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 ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

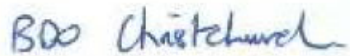
A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>.

This description forms part of our auditor's report.

**Who we Report to**

This report is made solely to the Scheme's members, as a body. Our audit work has been undertaken so that we might state those matters which 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.

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

A handwritten signature in blue ink that reads 'BDO Christchurch'.

BDO Christchurch  
Christchurch  
New Zealand  
25 July 2022

# Statement of Changes in Net Assets Available for Benefits

## KiwiWRAP KiwiSaver Scheme For the year ended 31 March 2022

	NOTE	2022	2021
<b>Changes in Net Assets</b>			
<b>Income</b>			
Dividend Income		215,325	161
Interest Income		5,960	9
Net Foreign Exchange Gain/Loss		-	409
Net Gain/Loss on Financial Instruments Held at Fair Value through Profit or Loss		-	5,278
<b>Total Income</b>		<b>221,285</b>	<b>5,856</b>
<b>Expenses</b>			
Adviser Fee		88,168	-
Brokerage		16,219	248
Other		1,227	1
Net Foreign Exchange Gain/Loss		30,061	-
Net Gain/Loss on Financial Instruments Held at Fair Value through Profit or Loss	3	536,286	-
Scheme Fees		31,844	42
<b>Total Expenses</b>		<b>703,805</b>	<b>291</b>
<b>Profit (Loss) before income tax and membership activities</b>		<b>(482,521)</b>	<b>5,565</b>
<b>Income Tax</b>			
Tax Expense	9	17,996	56
<b>Profit (Loss) after income tax and before membership activities</b>		<b>(500,516)</b>	<b>5,510</b>
<b>Membership activities</b>			
<b>Contributions</b>			
Member Contributions		493,550	21,519
Employer Contributions		401,894	14,418
Crown Contributions		19,101	-
Transfer of Members' Accumulations from Other KiwiSaver Schemes		23,582,337	656,332
Transfer of Members' Accumulations from Other Retirement Schemes		264,968	-
Other Voluntary Contributions		321,344	35,000
<b>Total Contributions</b>		<b>25,083,194</b>	<b>727,269</b>
<b>Net Membership movements for the year</b>		<b>25,083,194</b>	<b>727,269</b>
<b>Members' Accounts</b>			
Members' Accounts at the start of the year		732,778	-
<b>Total movements in members' accounts for the year</b>		<b>24,582,678</b>	<b>732,778</b>
<b>Members' accounts at the end of the year</b>		<b>25,315,456</b>	<b>732,778</b>

The attached notes form part of and are to be read in conjunction with the financial statements.

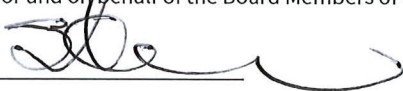
# Statement of Net Assets Available for Benefits

## KiwiWRAP KiwiSaver Scheme

As at 31 March 2022

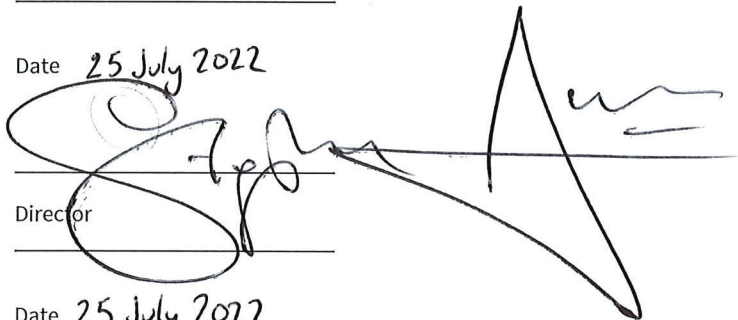
	NOTE	2022	2021
<b>Assets</b>			
Cash and cash equivalents	4	2,550,454	6,993
Trade and other receivables	4	331,887	437,946
Financial assets held at fair value through profit or loss	4	22,466,378	287,933
<b>Total Assets</b>		<b>25,348,719</b>	<b>732,872</b>
<b>Liabilities</b>			
Trade and other payables	5	17,901	42
Income tax payable	9	15,362	52
<b>Total Liabilities</b>		<b>33,263</b>	<b>93</b>
<b>Net amounts available for benefits</b>		<b>25,315,456</b>	<b>732,778</b>
<b>Represented by:</b>			
Liability for promised benefits		25,315,456	732,778
Funds & Benefits Attributable to Members		25,315,456	732,778

Signed for and on behalf of the Board Members of Consilium NZ Limited, as licensed manager.



Director

Date 25 July 2022



Director

Date 25 July 2022

The attached notes form part of and are to be read in conjunction with the financial statements.

# Statement of Cash Flows

## KiwiWRAP KiwiSaver Scheme For the year ended 31 March 2022

	2022	2021
<b>Operating Activities</b>		
<b>Cash was provided from:</b>		
Dividends received	201,545	161
Interest income	5,965	-
<b>Total Cash was provided from:</b>	<b>207,510</b>	<b>161</b>
<b>Cash was applied to:</b>		
Payments to suppliers	(119,598)	(250)
Income tax paid	(2,686)	(4)
<b>Total Cash was applied to:</b>	<b>(122,284)</b>	<b>(254)</b>
<b>Net Cash from / (used in) Operating Activities (Note 8)</b>	<b>85,226</b>	<b>(93)</b>
<b>Investing Activities</b>		
<b>Cash was applied to:</b>		
Purchase of investments	(22,744,792)	(282,246)
<b>Total Cash was applied to:</b>	<b>(22,744,792)</b>	<b>(282,246)</b>
<b>Net Cash used in Investing Activities</b>	<b>(22,744,792)</b>	<b>(282,246)</b>
<b>Financing Activities</b>		
<b>Cash was provided from:</b>		
Contributions received	25,203,027	289,332
<b>Total Cash was provided from:</b>	<b>25,203,027</b>	<b>289,332</b>
<b>Net Cash from / (used in) Financing Activities (Note 8)</b>	<b>25,203,027</b>	<b>289,332</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,543,461</b>	<b>6,993</b>
<b>Bank Accounts and Cash</b>		
Cash and Cash Equivalents at the Beginning of the Period	6,993	-
Cash and Cash Equivalents at the End of the Period	2,550,454	6,993
<b>Net change in cash for period</b>	<b>2,543,461</b>	<b>6,993</b>

The attached notes form part of and are to be read in conjunction with the financial statements.



# Notes to the Financial Statements

## KiwiWRAP KiwiSaver Scheme For the year ended 31 March 2022

### 1. General Information

These financial statements are for the KiwiWRAP KiwiSaver Scheme (the Scheme) and cover the period from 1 April 2021 to 31 March 2022 (reporting date).

The Scheme is domiciled and registered in New Zealand under the Financial Markets Conduct Act 2013 as a KiwiSaver scheme. The Scheme is a defined contribution scheme.

The Scheme is designed to help Members save for retirement by allowing them to select investments and build a portfolio to meet their investment objectives and risk profile, under the advice of an Adviser, who has signed an Adviser Agreement with the Manager.

Members can select from any of the authorised investments in the Investment Options Supplement (IOS).

The investments are held collectively by FNZ Custodians Limited, as the Custodian of the Scheme, but each Member's investments are recorded separately as their Personal Plan.

The Scheme has issued a Product Disclosure Statement (PDS), the last version is dated 31 March 2022.

The Scheme is currently governed by a Trust Deed dated 4 November 2020 between Consilium NZ Limited (the Manager) and the Trustees Executors Limited (the Supervisor).

The registered office of the Manager and the Scheme is located at 209 Cambridge Terrace, Central Christchurch, Christchurch 8013, New Zealand.

The licence for the Scheme was granted on 1 April 2020, and membership was offered from 29 January 2021.

For the purposes of complying with generally accepted accounting practice in New Zealand (NZ GAAP), the Scheme is a for-profit entity.

These financial statements were authorised for issue by the Board of Directors of Consilium NZ Ltd, the Manager, on 25 July 2022.

## 2. Summary of Significant Accounting Policies

The accounting policies that materially affect the financial statements are set out below and are consistent with the prior period unless otherwise stated.

### (a) Basis of preparation

The financial statements have been prepared in accordance with the Trust Deed governing the Scheme, the KiwiSaver Act 2006, the Financial Markets Conduct Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and the requirements of the Financial Markets Conduct Act 2013 and are compliance with the Financial Reporting Act 2013. These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) as appropriate to Tier 1 for profit entities and the requirements of the Trust Deed.

The financial statements have been prepared for the year ended 31 March 2022. The comparatives cover the period from 29 January 2021 to 31 March 2021.

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

The Statement of Net Assets Available for Benefits is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All assets have a maturity of less than 1 year or have no fixed maturity and are considered current assets and current liabilities.

### (b) Investment entities

The Scheme meets the definition of an investment entity.

The Manager determined that the Scheme met the definition of an investment entity by considering the number of Members in the Scheme, the Scheme's business purpose which is to generate a return to Members from capital appreciation and that substantially all of the Scheme's financial assets are measured and evaluated on a fair value basis.

### (c) Foreign currency translation

The financial statements are presented in New Zealand dollars, which is the Scheme's functional and presentation currency. All values are rounded to the nearest dollar.

#### *(i) Functional and presentation currency*

The Scheme's members are mainly located within New Zealand, with the contributions and withdrawals to and from members being denominated in New Zealand Dollars ("NZD"). The performance of the Scheme is measured and reported to members in NZD. The Manager considers the NZD as the currency that most faithfully represents the economic effects of the underlying events and conditions, the financial statements are presented in NZD, which is the Scheme's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss in the Statement of Changes in Net Assets. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Changes in Net Assets within the net gains/(losses) on financial instruments held at fair value through profit or loss.

#### (d) Income

Dividend and distribution income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest rate method. Interest income is recognised in the Statement of Changes in Net Assets.

Net gains or losses on financial assets at fair value through profit or loss includes realised gains and losses on the disposal of financial assets and unrealised gains and losses arising from changes in the fair value of financial assets. Net gains or losses on financial assets at fair value through profit or losses recognised in the Statement of Changes in Net Assets.

#### (e) Expenses

Expenses are recognised on an accrual basis. All expenses are recognised in the Statement of Changes in Net Assets.

#### (f) Financial instruments

##### *(i) Classification*

The Scheme classifies its financial assets and financial liabilities as:

##### (1) Financial assets at fair value through profit or loss

The Scheme includes in this category investments in collective investment schemes. Such financial assets are included in this category because they are not held within a business model whose objective is to either collect the contractual cash flow, or collect contractual cash flows and sell the financial assets (i.e. they are mandatorily measured at fair value through profit or loss). The Scheme does not designate any financial assets at fair value through profit or loss.

##### (2) Financial assets at amortised cost

The Scheme includes in this category cash and cash equivalents, and receivables. These assets are classified as financial assets at amortised cost because the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding and they are managed to collect the contractual cash flows.

##### (3) Financial liabilities at amortised cost

The Scheme includes in this category payables which may include liabilities and accrued expenses owing by the Scheme which are unpaid as at the reporting date. All financial liabilities are included in this category.

##### *(ii) Recognition/derecognition*

The Scheme recognises financial assets and liabilities on the date they become party to the contractual agreement (trade date). Financial assets and liabilities are initially recognised at fair value and for those instruments not at fair value through profit or loss, plus directly attributable transaction costs.

Financial assets are derecognised when the right to receive cash flows from the asset has expired or the Scheme has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in fair value are recognised in the Statement of Changes in Net Assets when they arise. Transaction costs relating to financial assets at fair value through profit and loss are expensed separately in the Statement of Changes in Net Assets as they are incurred.

##### *(iii) Measurement*

##### (1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured initially at fair value. After initial recognition, financial assets at fair value through profit or loss are revalued to fair value with changes in their fair value recognised in the Statement of Changes in Net Assets.

(2) Financial assets measured at amortised cost

Financial assets measured at amortised cost are measured initially at fair value plus transaction costs subsequently amortised using the effective interest rate method, less expected credit losses (if any). Receivables have no significant financing component and a maturity of less than 12 months. The Scheme does not track changes in credit risk. The Scheme follows an approach similar to the simplified approach to expected credit losses (ECL) and recognises a loss allowance based on lifetime ECL at reporting date due to the short term nature of these financial assets.

(3) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term liquid financial assets with an original date of maturity up to 90 days, and bank overdrafts.

Payments and receipts relating to the purchase and sale of financial assets at fair value through profit or loss are classified as cash flows from operating activities, as movements in the fair value of these financial assets represent the Scheme's main income generating activity.

**(h) Income tax and other taxes**

*(i) Income Tax*

Income tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

*(ii) Goods and Services Tax (GST)*

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

*(iii) Deferred Tax*

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted at that date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

**(i) Contributions**

Contributions are recognised in the Statement of Changes in Net Assets when received. Each Member contributes to their Personal Plan within the Scheme in accordance with the KiwiSaver Act 2006, the Trust Deed and at a rate determined by the Member and their Adviser.

**(j) Net assets available for benefits**

Net assets available for benefits is the Scheme's present obligation to pay benefits to Members and is the difference between the carrying amount of the assets and the carrying amount of the liabilities.

**(k) Members' funds**

The Scheme is a single trust fund with the value of the various Members' interests in the Scheme property determined by reference to each Member's Personal Plan. A Personal Plan comprises the investment portfolio established within the Scheme for that Member.

**(l) Critical accounting estimates and judgements**

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates.

Valuation techniques are used to establish the fair value of investments measured at fair value through profit and loss. These valuation techniques maximise the use of observable data to the greatest extent practicable. Areas such as credit risk, volatility and correlations require management to make estimates. Changes in assumptions about these factors could affect the reporting fair value of financial instruments.

The Manager continues to closely monitor the impacts of COVID-19 on the Scheme. As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the Scheme considered that the ultimate financial effects of COVID-19 on the Scheme's financial statements cannot be reasonably estimated for future financial periods. The Scheme has sufficient working capital and cashflow to meet its operational requirements.

**(m) New accounting standards and interpretations***(i) Changes in accounting policy and disclosures*

The accounting policies that materially affect the financial statements are set out above and below and have been consistently applied throughout the period unless otherwise stated. There were no new standards which became effective during the period that had a material impact on the entity. All accounting policies are consistent with those of the prior period.

*(ii) Accounting standards issued but not yet effective*

No standards and interpretations have been issued with an effective date after the Scheme's reporting date which would have a material impact on the financial statements of the Scheme.

	2022	2021
<b>3. Net gains/(loss) on financial instruments held at fair value through profit or loss</b>		
Unrealised Gains/(Losses) on Financial Instruments	(536,286)	5,278
<b>Total Net gains/(loss) on financial instruments held at fair value through profit or loss</b>	<b>(536,286)</b>	<b>5,278</b>

Net gains or losses on financial assets at fair value through profit or loss includes realised gains and losses on the disposal of financial assets and unrealised gains and losses arising from changes in the fair value of financial assets.

2022 2021

**4. Financial Assets**

<b>Financial Assets at fair value through profit or loss</b>		
Australasian Equities (Managed Funds) (FV Level 2)	5,571,017	43,113
Australasian Equities (Listed Securities) (FV Level 1)	8,291	-
Cash & cash equivalents (Managed Funds) (FV Level 2)	275,678	-
International Equities (Managed Funds) (FV Level 2)	10,190,020	168,107
International Equities (Listed Securities) (FV Level 1)	2,142,912	42,181
International Fixed Interest (Managed Funds) (FV Level 2)	2,435,007	20,806
Listed Property (Managed Funds) (FV Level 2)	373,834	-
New Zealand Fixed Interest (Managed Funds) (FV Level 2)	777,328	-
Other (Managed Funds) (FV Level 2)	426,996	13,726
Other (Listed Securities) (FV Level 1)	265,295	-
<b>Total Financial Assets at fair value through profit or loss</b>	<b>22,466,378</b>	<b>287,933</b>
<b>Cash and Cash Equivalents</b>		
USD Cash Account	2,252	13
NZD Cash Account	-	6,980
NZD Call Cash Account	3,835	-
AUD Settled Cash	58,040	-
NZD Settled Cash	2,485,200	-
GBP Settled Cash	1,127	-
<b>Total Cash and Cash Equivalents</b>	<b>2,550,454</b>	<b>6,993</b>
Receivables	331,887	437,946
<b>Total Financial Assets</b>	<b>25,348,719</b>	<b>732,872</b>

**Hierarchy of Fair Value Measurements**

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value grouped into levels 1 to 2 based on the degree to which the fair value is observable.

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

The fair value of unlisted Level 2 financial assets have been determined directly with reference to valuations published by the managers of managed funds the Scheme invests with. All market information has been obtained directly from independent third parties. The fair value of the units have been determined by deducting the fair value of their liabilities from the fair value of their assets and dividing the result by the number of units.

**Receivables**

The receivables recorded at reporting date relate to Members' contributions that are currently being transferred into the Scheme from other providers.

	2022	2021
<b>5. Financial Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Payables	17,901	42
<b>Total Financial liabilities at amortised cost</b>	<b>17,901</b>	<b>42</b>
<b>Total Financial Liabilities</b>	<b>17,901</b>	<b>42</b>

The financial liabilities are payable within one year.

## 6. Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

## 7. Capital Management

The Scheme's capital is represented by individual member portfolio balances, less fees owing, and is reflected in the Statement of Net Assets Available for Benefits. Each Member's Adviser is responsible for ensuring that the Member is invested in accordance with their latest Investment Direction, which details the investments selected and the proportion in which they will be held.

	2022	2021
<b>8. Reconciliation of Profit after Income Tax to Net Cash Inflow from Operating Activities</b>		
Net Profit / (Loss) After Tax	(500,516)	5,510
<b>Adjustments for Non-Cash Items Included In Profit / (Loss) for the period:</b>		
Net (Gains) / Losses on Financial Assets at Fair Value Through Profit or Loss	536,286	(5,278)
Net Foreign Exchange Gain / (Loss)	30,061	(409)
<b>Total Adjustments for Non-Cash Items Included In Profit / (Loss) for the period:</b>	<b>566,347</b>	<b>(5,687)</b>
<b>Movements In Working Capital</b>		
Increase/(Decrease) in Accounts Receivables	106,059	(437,946)
Increase / (Decrease) in Payables	17,860	41
(Increase) / Decrease in Accrued Interest	-	-
Increase/(Decrease) in Tax Payable	15,310	52
<b>Total Movements In Working Capital</b>	<b>139,229</b>	<b>(437,853)</b>
<b>Items Classified As Investing or Financing Activities</b>		
Contributions Awaiting Transfer into the Scheme	(119,834)	437,937
<b>Total Items Classified As Investing or Financing Activities</b>	<b>(119,834)</b>	<b>437,937</b>
Net Cash Inflow / (outflow) from Operating Activities	85,226	(93)

	2022	2021
<b>Financing Activities Cash Flow Reconciliation</b>		
Total Contributions	25,083,194	727,269
(Increase) / Decrease in Contributions Awaiting Transfer into the Scheme	119,834	(437,937)
Net Cash inflow / (outflow) from Financing Activities	25,203,028	289,332
	2022	2021

## 9. Taxation

Profit (Loss) before income tax and membership activities	(482,521)	5,565
<b>Additions to Taxable Profit</b>		
Other - Foreign Tax Credits Not Utilised	1,227	1
Non-deductible Unrealised Losses on Financial Instruments	415,557	-
Non-Assessable Dividends	(210,071)	(161)
Non-Assessable Realised Gains	(2,169)	-
Non-assessable Unrealised Gains on Financial Instruments	-	(5,278)
PIE Tax	(6,294)	-
Rebate	(201)	-
Fair Dividend Rate Income	349,260	71
<b>Total Additions to Taxable Profit</b>	<b>547,311</b>	<b>(5,366)</b>
<b>Deductions from Taxable Profit</b>		
Losses c/f from prior year (per return filed)	335	-
<b>Total Deductions from Taxable Profit</b>	<b>335</b>	<b>-</b>
Taxable Profit (Loss)	64,455	199
Income Tax Expense at 28%	18,047	56
Overprovision of Previous Year Income Tax	(52)	-
Income Tax Expense	17,996	56
<b>Less FTC</b>		
Foreign Tax Credits	1,119	4
Resident Withholding Tax	1,566	-
Tax Liability	15,362	52

## 10. Financial Instruments and Risk Management

### (a) Financial risk management objectives, policies and processes

The Scheme is exposed to market risk (including price risk, currency risk and interest rate risk), credit risk (including foreign exchange, interest rate and other market price risk), and liquidity risk arising from the financial assets it holds.

The Manager conducts monitoring of Personal Plans to ensure:

- \* Minimum cash balances are maintained;
- \* Investment concentrations are identified and followed up;
- \* Initial funds are invested in accordance with the Member's Investment Direction;
- \* Investment income is received as expected;
- \* Accuracy of investment pricing;



\* Liquidity of investments and any Side-Pocketing.

The Manager is responsible for determining if new investments can be added to the IOS on a quarterly basis, by ensuring that they are not in any of the categories noted. The Manager also performs an annual review of all investments included in the IOS to ensure that they are still eligible for inclusion.

The Scheme's overall risk management programme focuses on the unpredictably of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance. The Scheme is indirectly exposed to risk factors such as credit risk of its investments, however the risk management notes below are not prepared on a look through basis. All securities investments present a risk of loss of capital. The maximum loss of capital on funds is limited to the fair value of those positions.

(b) Credit risk

Credit risk represents the risk that counter party to the financial instrument will fail to perform contractual obligations under a contract and cause the Scheme to incur a financial loss. Financial instruments that subject the Scheme to credit risk are cash and cash equivalents and other receivables.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statements of Net Assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Settlement risk is the risk of loss due to the failure of an entity to deliver cash, securities or other assets as contractually agreed. The Scheme's activities may give rise to settlement risk at the time of transactions. The majority of transactions are carried out by a broker which mitigates settlement risk by ensuring that the transaction is settled only when both parties have fulfilled their contractual obligations.

Cash and cash equivalents are held with banks registered in New Zealand.

There are no related credit derivatives or similar instruments to mitigate any risk, and there are no objectives, policies or processes for managing these risks given that Members have prepared their own Personal Plans, under the advice of an Adviser. The Manager is not aware of any credit loss to the Scheme arising from these credit risks.

(c) Market risk

Market price risk is the risk that the value of the Scheme's profit or loss will fluctuate as a result of changes in market conditions and prices.

Four components of market risk have been identified for the Scheme: market price risk, foreign exchange risk, interest rate risk and other price risk.

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market.

All equity, unit trust, and investments present a risk of capital loss often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate both domestically and internationally. There are no objectives, policies or processes for managing these risks given that Members have prepared their own Personal Plans, under the advice of an Adviser.

The table below shows the impact on the Statement of Changes in Net Assets Available for Benefits and Statement of Net Assets Available for benefits due to a reasonably possible change in the market price, with all other variables held constant:

2022 2021

**Increase / (Decrease) on Net Profit / (Loss) Before Tax and Increase / (Decrease) on Net Assets Available for Benefits**

Change in Market Price		
+ 10%	2,246,638	28,793
- 10%	(2,246,638)	(28,793)

*(ii) Foreign currency risk*

Foreign currency risk is the risk of loss to the Scheme arising from adverse changes in foreign currency exchange rates.

There are no objectives, policies or processes for managing these risks given that Members have prepared their own Personal Plans, under the advice of an Adviser.

The table below shows the impact on the value of investments if there is a change in foreign exchange rate:

2022 2021

**11. Impact on Value of Investment**

Change in Foreign Exchange Rate		
+5% (AUD)	2,206,282	3,750
+5% (GBP)	64,976	-
+5% (USD)	608,310	1,483
-5% (AUD)	(2,206,282)	(3,750)
-5% (GBP)	(64,976)	-
-5% (USD)	(608,310)	(1,483)

*(iii) 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 Funds are exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cashflow.

The Scheme's exposure to interest rate risk primarily arises from changes in interest rates applicable to cash and cash equivalents.

The Scheme's exposure to interest rate risk is not deemed significant.

*(iv) Other price risk*

Other price risk is the risk that the value of the Scheme's financial assets will increase or decrease due to a change in the price of assets in the Members' Personal Plans.

There are no objectives, policies or processes for managing these risks given that Members have prepared their own Personal Plans, under the advice of an Adviser.

*(d) Liquidity risk*

Liquidity risk is the risk that the Scheme will not be able to meet their financial obligations as they fall due. The risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay withdrawals. The Scheme will generally retain sufficient cash and cash equivalent balances to satisfy accrued expenses that may fall due. If required

withdrawals from the Scheme Funds are managed by redeeming investments in underlying funds sufficient to meet the liability of the Scheme Fund. The IOS requires all investments to have a maximum redemption time frame of eight business days.

If an investment becomes temporarily or permanently illiquid, it may be Side-Pocketed, and the Member cannot access it for any withdrawal or transfer unless the interest in the Side-Pocketed investment is to be terminated.

(e) Fair value of financial assets and liabilities

NZ IFRS 13 'Fair Value Measurement' require fair value measurements to be disclosed by the source of inputs, using a three level hierarchy. The fair value of the Scheme's financial assets at fair value through profit or loss are classified as being Level 2 with reference to the note 4 above.

At reporting date significant volatility was occurring in financial markets as a consequence of the COVID-19 pandemic. Consideration was given to the existence of increased credit, market, liquidity and cash flow risk, but no adjustment to the redemption prices used to value the Scheme's investments in the underlying funds was deemed necessary. The pandemic continues to cause ongoing volatility and the potential impact on the Scheme's investments can be extrapolated using the market price risk analysis in note 10(c).

## 12. Related Party Transactions

The Manager of the Scheme is Consilium NZ Limited. Consilium NZ Limited also provides Consilium Wrap, the custody and administration system powered by FNZ Limited. The Supervisor is Trustees Executors Limited, which supervises Consilium NZ Limited. The Administration Manager and Registrar of the Scheme is FNZ Limited. FNZ Custodians Limited holds the assets of the Scheme on behalf of the Members. In some markets, FNZ Custodians Limited may appoint a sub-custodian.

Consilium employees, directors and senior managers are members of the Scheme and have the same rights and obligations as other Members.

An annual Scheme fee of 0.29% is charged on all investments in a Member's Personal Plan, with the exclusion of cash held in the Member's Individual cash management account, which is not charged an annual Scheme fee. The annual Scheme fee covers the services of the Manager, the Custodian and the Supervisor. The Scheme's Trust Deed allows the Manager and Supervisor to be reimbursed for expenses.

Members of the Scheme select their investments under the advice of an Adviser. Advisers who have signed an Adviser Agreement and a Consilium Wrap Agreement with the Manager, use Consilium Wrap to instruct the Custodian to implement Members' Investment Directions. Advisers charge Members for advisory services. There can be two components to Adviser fees, being:

- an initial establishment fee of a maximum of 0.2% excluding GST, charged on the initial balance either transferred from an existing KiwiSaver account or from a voluntary contribution. This can only be charged once;
- an ongoing monitoring fee which can range from 0.00% to 0.75% per annum, excluding GST.

	2022	2021
<b>Transactions</b>		
Adviser Fee	88,168	-
Brokerage	16,219	248
Scheme Fees	31,844	42

## 13. Contingent Assets, Liabilities and Commitments

There are no contingent assets, liabilities or commitments as at reporting date.

#### 14. Events After Reporting Date

There have been no significant events since 31 March 2022 that require disclosure in these financial statements.