

Koura KiwiSaver Scheme
Financial Statements
For the year ended 31 March 2022

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Directory Listing

Manager:	Koura Wealth Limited
Registered Office:	Level 4, 37 Galway Street, Britomart, Auckland, 1011
Directors:	Rupert Carlyon, Angela Frazerhurst, Warren Coullault, Brent McGregor, Nigel Scott and Mark Solomon
Supervisor:	Public Trust (NZ) Limited
Custodian:	MMC Limited
Administrator:	MMC Limited
Auditor	Grant Thornton New Zealand Audit Limited

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Koura KiwiSaver Scheme as at 31 March 2022 and the results for the year ended on that date in accordance with the requirements of the Koura KiwiSaver Scheme Governing Document dated 16 August 2019.

The directors of the Manager are of the opinion that the Koura KiwiSaver Scheme will be able to pay its debts as and when they fall due.



Mark Solomon
07/28/2022 12:01 NZST

Director



Rupert Carlyon
07/28/2022 12:07 NZST

Director

Koura Wealth Limited

28 July 2022

Statements of Changes in Net Assets

\$		Note	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total		
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
	For the year ended 31 March																
	Income/(loss)																
	Interest income	11	913	178	133,519	53,356	274	89	358	110	161	53	85	23	135,310	53,809	
	Dividend and distribution income		-	-	-	-	137,994	53,013	89,119	48,996	74,446	28,981	38,558	-	340,117	130,990	
	Management fee rebate	8	-	6	-	-	-	-	-	-	-	-	-	-	-	6	
	Foreign exchange gains/(loss) on financial instruments at amortised cost		-	-	-	-	-	-	87	(3,101)	26	(3,037)	1,519	7,223	1,632	1,085	
	Net (loss)/gain on financial instruments at fair value through profit or loss		-	-	(380,928)	(38,300)	(314,705)	393,331	107,034	1,098,270	(266,290)	401,639	(163,041)	210,975	(1,017,930)	2,065,915	
	Other income		-	-	539	-	2,741	1	1	-	-	-	-	34	3,281	35	
	Total income		913	184	(246,870)	15,056	(173,696)	446,434	196,599	1,144,275	(191,657)	427,636	(122,879)	218,255	(537,590)	2,251,840	
	Expenses																
	Manager's fee	8	-	-	26,791	10,277	30,493	13,296	46,655	18,221	20,294	7,308	9,190	3,466	133,423	52,568	
	Broker fees	8	-	-	3,599	2,245	3,642	2,055	8,485	10,461	3,506	5,185	1,784	2,387	21,016	22,333	
	Other expenses		46	41	72	61	74	63	73	62	72	61	174	61	511	349	
	Total expenses		46	41	30,462	12,583	34,209	15,414	55,213	28,744	23,872	12,554	11,148	5,914	154,950	75,250	
	Net profit/(loss) before membership activities		867	143	(277,332)	2,473	(207,905)	431,020	141,386	1,115,531	(215,529)	415,082	(134,027)	212,341	(692,540)	2,176,590	
	Membership activities																
	Contributions																
	Member contributions		15,360	6,778	320,439	140,613	369,385	180,986	662,788	270,985	296,803	138,138	147,170	62,155	1,811,945	799,655	
	Employer contributions		8,514	3,295	163,194	76,937	189,776	100,860	342,093	164,359	155,139	82,102	76,665	34,643	935,381	462,196	
	Crown Contributions		1,557	491	35,326	12,375	39,756	15,712	69,238	26,246	32,364	12,907	15,488	5,288	193,729	73,019	
	Transfers from other funds within the scheme		29,712	53,301	673,049	748,835	416,813	220,129	373,154	362,477	169,633	255,772	182,332	165,912	-	-	
	Transfers from other KiwiSaver schemes		161,939	101,850	2,960,369	1,552,442	2,501,669	1,528,564	4,481,694	2,575,369	1,967,980	1,322,485	984,093	638,430	13,057,744	7,719,140	
	Transfers from Australian superannuation schemes		-	-	37,654	6,315	77,931	44,667	159,502	67,689	53,030	12,630	26,515	17,970	354,632	149,271	
	Voluntary and lump sum contributions		3,135	239	264,831	48,314	121,127	34,796	223,309	60,878	102,172	28,367	49,893	12,362	764,467	184,956	
	Other income		-	-	23	28	14	45	26	74	12	40	6	15	81	202	
	Total Contributions		220,217	165,954	4,454,885	2,585,859	3,716,471	2,125,759	6,311,804	3,528,077	2,777,133	1,852,441	1,482,162	936,775	17,117,979	9,388,439	
	Withdrawals																
	Transfers to other funds within the scheme		35,386	26,557	512,250	682,011	178,447	234,034	708,494	447,754	252,990	269,603	157,126	146,467	-	-	
	Transfers to other KiwiSaver schemes		7,420	546	187,108	54,351	130,544	81,044	228,318	141,109	89,421	73,437	53,213	34,915	696,024	385,402	
	First home purchase withdrawals		53,918	10,916	160,319	70,759	16,521	72,132	30,719	90,321	14,031	46,609	6,449	23,496	281,957	314,233	
	Significant financial hardship withdrawals		-	-	268	7,941	657	5,584	1,180	9,782	507	5,314	244	2,105	2,856	30,726	
	Total Withdrawals		96,724	38,019	859,945	815,062	326,169	392,794	968,711	688,966	356,949	394,963	217,032	206,983	980,837	730,361	
	Member PIE taxation		144	(113)	(68,338)	(4,349)	(4,205)	(9,323)	34,475	83,361	61,971	40,434	22,403	7,907	46,450	117,917	
	Administration fees	8	219	61	3,600	1,169	3,805	1,399	6,945	2,329	3,076	1,120	1,501	505	19,146	6,583	
	Members' accounts at the start of the year		123,130	127,987	3,659,678	1,773,977	3,390,702	1,740,889	5,301,673	2,753,421	2,355,137	1,415,924	1,241,226	721,380	16,071,546	8,533,578	
	Movements in members' accounts for the year		132,638	4,508	2,559,868	783,418	3,147,103	975,194	5,549,680	1,680,728	2,657,460	826,454	1,304,286	370,565	15,351,035	4,640,867	
	Movements in members' accounts for the year		123,997	128,130	3,382,346	1,776,450	3,182,797	2,171,909	5,443,059	3,868,952	2,139,608	1,831,006	1,107,199	933,721	15,379,006	10,710,168	
	Members' accounts at the end of the year		256,635	132,638	5,942,214	2,559,868	6,329,900	3,147,103	10,992,739	5,549,680	4,797,068	2,657,460	2,411,485	1,304,286	30,730,041	15,351,035	

These statements are to be read in conjunction with the accompanying notes on pages 7 - 22.

Statements of Net Assets

\$ As at 31 March	Note	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Members' Funds		256,635	132,638	5,942,214	2,559,868	6,329,900	3,147,103	10,992,739	5,549,680	4,797,068	2,657,460	2,411,485	1,304,286	30,730,041	15,351,035
Represented by:															
Assets															
Cash and cash equivalents		251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	34,678	729,174	379,433
Trade and other receivables	9	5,172	2,852	66,155	40,274	44,462	59,416	14,935	7,107	6,616	3,218	3,137	1,616	128,734	114,483
Management fee rebates receivable	8	14	13	-	-	-	-	-	-	-	-	-	-	14	13
Financial assets at fair value through profit or loss	6, 7	-	-	5,625,576	2,475,300	6,256,529	3,107,658	10,953,530	5,716,343	4,821,895	2,692,838	2,413,851	1,303,744	30,071,381	15,295,883
Member attributed taxation		1	1	66,225	4,993	4,268	1,557	4,456	3,163	16	220	2	-	74,968	9,934
Total assets		256,787	132,666	5,945,688	2,565,481	6,373,650	3,222,684	11,115,876	5,822,516	4,882,572	2,716,381	2,441,441	1,340,038	31,004,271	15,799,746
Liabilities															
Due to brokers		-	-	-	-	37,128	73,566	84,773	183,564	28,809	16,320	11,934	25,204	162,644	298,654
Management fees payable	8	-	-	3,099	1,378	3,268	1,710	4,748	2,522	2,017	1,047	942	509	14,074	7,166
Withdrawals payable		26	8	370	139	3,263	157	5,864	287	2,557	137	1,511	65	1,848	793
Financial liabilities at fair value through profit or loss	6, 7	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Member attributed taxation		126	20	5	4,096	91	128	22,704	83,806	48,823	39,879	15,569	9,974	87,318	137,903
Total liabilities		152	28	3,474	5,613	43,750	75,561	123,137	272,836	85,504	58,921	29,956	35,752	274,230	448,711
Net assets available for benefits		256,635	132,638	5,942,214	2,559,868	6,329,900	3,147,103	10,992,739	5,549,680	4,797,068	2,657,460	2,411,485	1,304,286	30,730,041	15,351,035

These statements are to be read in conjunction with the accompanying notes on pages 7 - 22.

These Financial Statements were authorised for issue by the Manager, Koura Wealth Limited.


 Mark Solomon
 07/28/2022 12:01 NZST
 Director

Date 28 July 2022


 Rupert Carlyon
 07/28/2022 12:07 NZST
 Director

Date 28 July 2022

Statements of Cash Flows

\$	For the year ended 31 March	Note	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Cash flows to operating activities																
<i>Cash was provided from:</i>																
Sale of investments	-	-	189,804	225,933	187,311	149,624	738,916	5,402,431	100,290	2,657,190	4,527	1,243,473	1,220,848	9,678,651		
Interest received	913	178	109,650	37,165	274	89	358	110	161	53	85	23	111,441	37,618		
Dividend and distribution income	-	-	-	-	68,126	34,454	89,119	48,996	74,446	28,981	38,558	-	270,249	112,431		
Manager's fees rebates	(1)	1	539	-	2,741	1	1	-	-	-	-	34	3,280	36		
Cash received upon settlement of forward exchange contracts	-	-	-	-	-	-	595,335	434,876	237,012	162,801	-	10,211	832,347	607,888		
<i>Cash was applied to:</i>																
Purchase of investments	-	-	(3,721,008)	(2,026,732)	(3,598,306)	(1,918,005)	(5,430,989)	(8,676,086)	(2,429,073)	(4,311,671)	(1,291,047)	(1,976,662)	(16,470,423)	(18,909,156)		
Payments made on settlement of forward exchange contracts	-	-	-	-	-	-	(1,130,393)	(122,047)	(289,506)	(56,931)	-	(10,260)	(1,419,899)	(189,238)		
Transaction costs	-	-	(3,599)	(2,266)	(3,720)	(1,999)	(8,485)	(10,557)	(3,483)	(5,185)	(1,814)	(2,397)	(21,101)	(22,404)		
Other expenses paid	(46)	(41)	(72)	(61)	(74)	(61)	(73)	(62)	(72)	(61)	(174)	(61)	(511)	(347)		
Manager fees paid	-	(3)	(25,070)	(10,417)	(28,935)	(13,705)	(44,429)	(18,716)	(19,324)	(7,462)	(8,757)	(3,499)	(126,515)	(53,802)		
Net cash inflow (outflow) from operating activities	10		866	135	(3,449,756)	(1,776,378)	(3,372,583)	(1,749,602)	(5,190,640)	(2,941,055)	(2,329,549)	(1,532,285)	(1,258,622)	(739,138)	(15,600,284)	(8,738,323)
Cash flows from financing activities																
<i>Cash was provided from:</i>																
Contributions			217,897	163,102	4,452,873	2,609,572	3,712,351	2,157,806	6,303,977	3,582,450	2,773,735	1,880,636	1,480,641	947,642	17,108,524	9,534,782
<i>Cash was applied to:</i>																
Withdrawals			(96,925)	(38,072)	(863,314)	(816,092)	(326,868)	(394,036)	(970,079)	(691,008)	(357,605)	(395,946)	(217,086)	(207,423)	(998,927)	(736,151)
Members' PIE Tax received/(paid)			(38)	132	3,015	5,139	1,458	7,989	(96,870)	21,175	(52,824)	7,129	(16,809)	597	(162,068)	42,161
Net cash inflow from financing activities			120,934	125,162	3,592,574	1,798,619	3,386,941	1,771,759	5,237,028	2,912,617	2,363,306	1,491,819	1,246,746	740,816	15,947,529	8,840,792
Net increase (decrease) in cash			121,800	125,297	142,818	22,241	14,358	22,157	46,388	(28,438)	33,757	(40,466)	(11,876)	1,678	347,245	102,469
Cash at the beginning of the year			129,800	4,503	44,914	22,673	54,033	31,876	95,903	126,349	20,105	62,862	34,678	25,466	379,433	273,729
Effect of exchange rate fluctuations			-	-	-	-	-	664	(2,008)	183	(2,291)	1,649	7,533	2,496	3,234	3,234
Cash at the end of the year			251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	34,678	729,174	379,433

These statements are to be read in conjunction with the accompanying notes on pages 7 - 22.

Notes to the Financial Statements for the year ended 31 March 2022

1. General information

Reporting entities

These Financial Statements are for the Koura KiwiSaver Scheme ("the Scheme") which comprises the following six funds (together the "Funds"):

- Koura Cash Fund
- Koura Fixed Interest Fund
- Koura NZ Equities Fund
- Koura US Equities Fund
- Koura Rest of World Equities Fund
- Koura Emerging Markets Equities Fund

The Manager and issuer of the Scheme is Koura Wealth Limited ("the Manager") and the Supervisor of the Scheme is Public Trust ("the Supervisor"). The Scheme is registered and domiciled in New Zealand. The registered office of the Scheme is Level 4, 37 Galway Street, Britomart, Auckland, 1011.

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received. The Scheme is a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

The Scheme was established by a Governing Document dated 16 August 2019. Establishment Deeds for the Cash Fund, Fixed Interest Fund, NZ Equities Fund, US Equities Fund, Rest of World Equities Fund and Emerging Markets Equities Fund were issued on 16 August 2019. All Funds commenced operations on 23 October 2019.

The principal activity of the Funds is investment.

Descriptions of the Funds are as follows:

- The Koura Cash Fund provides a high degree of liquidity to investors close to buying a house. The Fund invests in New Zealand dollar bank deposits, term deposits and short dated money market securities.
- The Koura Fixed Interest Fund provides investors with an exposure to New Zealand Government and Corporate bonds.
- The Koura NZ Equities Fund provides investors with an exposure to the New Zealand share market.
- The Koura US Equities Fund provides investors an exposure to the US share market, screened for high environmental, social and governance factors. The fund invests in underlying funds to provide this exposure.
- The Koura Rest of World Equities Fund provides exposure to the share markets of Europe, Australasia, Singapore, Hong Kong, Japan and Israel, screened for high environmental, social and governance factors. The Fund will invest in underlying funds to provide this desired exposure.
- The Koura Emerging Markets Equities Fund provides investors an exposure to emerging markets including Eastern Europe, the Middle East, South America, Africa and Asia including China, screened for high environmental, social and governance performance. The fund will invest in underlying funds that provide the desired exposure.

Statutory base

These Financial Statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 ('FMCA'), the KiwiSaver Act 2006 (the 'Act'), the Financial Reporting Act 2013 and the Governing Document.

The Financial Statements are for the year ended 31 March 2022. The comparatives are for the year ended 31 March 2021.

2. Summary of accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

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 profit-oriented entity. These Financial Statements have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') as issued by the External Reporting Board and other applicable reporting standards. The Financial Statements comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. These Financial Statements have been prepared under the historical cost method, except for financial assets and liabilities at fair value through profit or loss.

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Directors of the Manager to exercise their judgement in the process of applying the Scheme's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

(a) Presentation

These Financial Statements are presented in New Zealand dollars, which is the Scheme's functional currency and the figures have been rounded to the nearest dollar. The functional currency reflects the currency of the economy in which the Scheme competes for funds and is regulated.

(b) New standards and amendments

There are no new standards or amendments to existing standards that are effective for the financial year commencing on 1 April 2021 that have a material effect on the Financial Statements of the Scheme. There were also no standards issued but not yet effective that could have a material effect on the Scheme. No new standards have been adopted early.

Notes to the Financial Statements for the year ended 31 March 2022

2.2 Financial instruments

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Funds' business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. All financial assets measured at fair value are those mandatorily measured at fair value. The contractual cash flows of the Funds' fixed interest securities are solely principal and interest, however they are not held for the purpose of collecting contractual cash flows. The collection of contractual cash flows is only incidental in achieving the Funds' business model. As a result these fixed interest securities are classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit and loss comprise of equities, fixed interest securities, listed trusts and forward foreign exchange contracts.

(ii) *Financial assets at amortised cost*

(a) **Cash and cash equivalents** include cash in hand and deposits held at call with banks.

(b) **Receivables** are amounts representing assets owing to the Funds and may include amounts due for interest or dividends and amounts due for securities sold that have been contracted for but not yet delivered by the end of the accounting period.

Financial liabilities

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. All financial liabilities are mandatorily measured at fair value through profit or loss. Derivatives that have a negative fair value are presented as financial liabilities at fair value through profit or loss.

(ii) *Financial liabilities at amortised cost*

(a) **Payables** are amounts representing liabilities and accrued expenses owing by the Fund at period end and may include related party fees.

The Funds' policy requires the Manager to evaluate the information about financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition, measurement and derecognition

(i) *Financial assets and liabilities at fair value through profit or loss*

The Funds recognise financial assets and liabilities at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Changes in Net Assets.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Changes in Net Assets when they arise.

Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statement of Changes in Net Assets in the year the item is derecognised.

(ii) *Financial assets and liabilities at amortised cost*

The Fund recognises financial assets at amortised cost and financial liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost less any impairment. Any impairment charge is recognised in the Statement of Changes in Net Assets. At each reporting date, the Fund shall measure the loss allowance of amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

(c) Fair value measurement

'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 measurement date in the principal or, in its absence, the most advantageous market to which the Funds had access at that date. The fair value of a liability reflects its non-performance risk.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets such as publicly traded securities and listed trusts are based on quoted market prices at the close of trading on the reporting date. The quoted market price used by the Funds are the last traded market price for both financial assets and financial liabilities where the last traded prices falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. The quoted market price used for fixed interest securities is the current mid price. (refer to note 5.3 for further details on the methodologies applied for fixed income securities).

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Valuation techniques used include the use of recent comparable arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Funds would receive or pay to terminate the contract at balance date taking into account current market conditions (volatility and appropriate yield curve). It may be adjusted if the counterparty is not regarded as credit worthy. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

The rights of the Funds to request redemption of their investments in other funds may vary in frequency from daily to weekly redemptions. As a result, the carrying values of the other funds may not be indicative of the values ultimately realised on redemption. In addition, the Funds may be materially affected by the actions of other investors who have invested in other funds in which the Funds have invested.

If necessary, the Manager may make adjustments to the net asset value of various other fund investments to obtain the best estimate of fair value. Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss in the Statements of Changes in Net Assets include the change in fair value of each other fund.

Fair value classifications of the Funds' financial assets and liabilities are detailed in note 5.3.

Notes to the Financial Statements for the year ended 31 March 2022

2.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from Financial Instruments at Fair value through profit and loss, and for foreign exchange gains and losses.

2.4 Revenue recognition

- (a) Dividend and distribution income is recognised in the Statement of Changes in Net Assets when the right to receive payment is established.
- (b) Interest income on financial assets at amortised cost and net interest income on financial assets at fair value through profit or loss are included under Income in the Statements of Changes in Net Assets and are recognised as interest accrues on a time-proportionate basis using the effective interest rate method. Interest income on financial assets at amortised cost comprises of interest income earned on cash and cash equivalents.
- (c) Gains or losses of financial assets at fair value through profit or loss are recorded net of any foreign withholding tax and recognised in the Statement of Changes in Net Assets as disclosed in note 2.2.
- (d) Foreign exchange gains and losses on cash and financial instruments at fair value through profit or loss are recognised in the Statement of Changes in Net Assets as disclosed in note 2.9.
- (e) Dividend and interest income is disclosed net of any resident withholding taxes deducted at source, as these tax credits are allocated to members under the PIE regime.

2.5 Expenses

The Manager pays audit, accounting, supervisory, custody, registry and administration expenses from the management fee. The management fee is calculated on a daily basis based on the net asset value of the Scheme and is paid monthly. Administration and registry fees are charged monthly per member via a cancellation of units.

2.6 Taxation

The Funds are Portfolio Investment Entities (PIEs). Under the PIE regime, income is effectively taxed in the hands of the members and therefore the Funds have no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets. Under the PIE regime, the Manager attributes the taxable income of the Funds to members in accordance with the proportion of their overall interest in the Funds. The income attributed to each member is taxed at the member's "prescribed investor rate" which is capped at 28%. The Manager accounts for tax on behalf of members and undertakes any necessary adjustments to the members' interests in the Funds to reflect that the Scheme pays tax at varying rates on behalf of members. Members' funds have been adjusted to reflect the impact of tax on the value of unit holdings. The tax attributable to members is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Positions taken in attributing taxable income to members, with respect to situations in which applicable tax regulations are subject to interpretation, are evaluated by the Manager as required.

2.7 Goods and services tax (GST)

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

2.8 Statement of cash flows

Definitions of the terms used in the statement of cash flows are:

- (a) 'Operating activities' include all transactions and other events that are not financing activities; and
- (b) 'Financing activities' are those activities that result in changes in the size and composition of members' funds.

2.9 Foreign currencies

(a) Functional and presentation currency

These Financial Statements are presented in New Zealand dollars (\$), which is the Scheme's functional currency, on the basis that the Scheme's investors are mainly based in New Zealand, with the contributions and withdrawals denominated in New Zealand dollars.

(b) Transactions and balances

Transactions denominated in foreign currencies are recognised at the exchange rates on the date of the transactions. Monetary assets and liabilities as at balance date denominated in foreign currencies are translated at the foreign currency exchange rates on that date. Non-monetary assets and liabilities as at balance date denominated in foreign currencies and measured at historical cost are not retranslated; they remain at the exchange rate at the date of the transaction. Non-monetary assets and liabilities as at balance date denominated in foreign currencies and measured at fair value are translated at the exchange rate when the fair value was determined. Realised and unrealised exchange gains and losses during the financial year are recognised in profit and loss in the Statement of Changes in Net Assets.

2.10 Net assets available for benefits

The net assets available for benefits represent the liability for promised retirement benefits and is the Scheme's present obligation to pay benefits to Members. This has been calculated as the difference between carrying amounts of the assets and carrying amounts of the liabilities at the reporting date. The Funds issue units that are redeemable subject to the requirements of the Act at the Members' option and do not have identical features and are therefore classified as financial liabilities at the scheme level. The units can be put back to the Funds at any time for purposes of permitted withdrawals (such as reaching the retirement age of 65 or significant financial hardship), transfer to another Fund within the Koura KiwiSaver Scheme or to a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the year end date if Members exercise their right to put the units back to the Funds.

As stipulated in the Governing Document, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund. There are no separate classes of units within each Fund and each unit has the same rights attaching to it as all other units in the respective Fund.

Contributions received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed subject to the requirements of the KiwiSaver Act 2006 at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of each Fund with the total number of outstanding units of each Fund. There are currently no entry or exit fees payable.

As disclosed in note 1, the Scheme is a defined contribution scheme and the member funds presented as the Net assets available for benefits in the Statements of Net Assets represent the fully vested benefits to which the members are entitled to as at balance date. The movements of the liability for promised retirement benefits are presented by the movements as disclosed in the Statements of Changes in Net Assets during the year.

2.11 Related parties

A party is related to the Scheme if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme;
- (b) it is a parent, subsidiary or fellow subsidiary of a party defined in note 1 above;
- (c) it has an interest in or relationship with the Scheme that gives it significant influence over the Scheme;
- (d) the Scheme has an interest in or relationship with the party that gives it significant influence over the party; or
- (e) they are both the Manager, a related party of the Manager and any members of the Manager's key management personnel.

Notes to the Financial Statements for the year ended 31 March 2022

3. Accounting estimates and judgements

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Scheme's accounting policies. The Manager has applied its judgement in selecting the accounting policy to designate financial assets at fair value through profit or loss at initial recognition. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the fair value of all financial assets as quoted market prices are readily available and in the case of derivatives observable market inputs are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing a material adjustment 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.

The Manager has used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability (refer to note 5.3 for further details).

4. Derivatives

4.1 Forward foreign currency contracts

Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward contracts are agreed between the parties to the contract and are not traded on an exchange. The Scheme's open positions in forward contracts at balance date are outlined below:

\$ As at 31 March	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Forward exchange contracts (notional value in NZ\$)															
Sell AUD/Buy NZD	-	-	-	-	-	-	-	-	131,686	106,218	-	-	131,686	106,218	
Sell EUR/Buy NZD	-	-	-	-	-	-	-	-	1,020,559	766,684	-	-	1,020,559	766,684	
Sell USD/Buy NZD	-	-	-	-	-	-	-	5,633,801	3,927,342	165,076	136,859	-	-	5,798,877	4,064,201
Sell CHF/Buy NZD	-	-	-	-	-	-	-	-	225,992	106,086	-	-	225,992	106,086	
Sell GBP/Buy NZD	-	-	-	-	-	-	-	-	256,273	191,061	-	-	256,273	191,061	
Sell JPY/Buy NZD	-	-	-	-	-	-	-	-	701,233	572,528	-	-	701,233	572,528	
Forward exchange contracts (fair value in NZ\$)															
Sell AUD/Buy NZD	-	-	-	-	-	-	-	-	(889)	(55)	-	-	(889)	(55)	
Sell EUR/Buy NZD	-	-	-	-	-	-	-	-	35,894	(692)	-	-	35,894	(692)	
Sell USD/Buy NZD	-	-	-	-	-	-	-	133,984	(2,657)	4,198	(93)	-	-	138,182	(2,750)
Sell CHF/Buy NZD	-	-	-	-	-	-	-	-	4,298	(73)	-	-	4,298	(73)	
Sell GBP/Buy NZD	-	-	-	-	-	-	-	-	11,543	(105)	-	-	11,543	(105)	
Sell JPY/Buy NZD	-	-	-	-	-	-	-	-	48,993	(520)	-	-	48,993	(520)	

Notes to the Financial Statements for the year ended 31 March 2022

5. Financial Risk Management

5.1 Financial risk factors

The Governing Document for the Scheme requires the Fund Manager to invest the assets of each Fund of the Scheme in accordance with the SIPO, in order to manage risk. The Scheme's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow with fair value interest rate risk and price risk), credit risk and liquidity risk. The Scheme's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Scheme is exposed and seeks to minimise potential adverse effects on the Scheme's financial performance.

All securities investments present a risk of loss of capital. The Funds of the Scheme hold various financial instruments such as listed equities, listed trusts and fixed interest securities where the maximum loss of capital is limited to the carrying value of those positions. The maximum loss of capital on forward foreign exchange contracts is limited to the notional amount of currency that is contracted to be delivered under each contract.

The Funds are also indirectly exposed to risk factors such as liquidity risk, credit risk and interest rate risk via its investments underlying listed trusts. However the risk management note outlined below are not prepared on a look through basis.

In addition to internal risk management carried out by the Manager, financial risk is also managed by the setting of an investment policy, monitored by the Supervisor and set out in the SIPO.

5.1.1 Market risk

(a) Price risk

Price risk is the risk that the fair value or future cash flows of non-monetary financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market. All investments in listed trusts and listed equities present a risk of loss of capital often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The Manager of the underlying listed trusts advised that this risk is moderated through careful stock selection and diversification of investments, daily monitoring of the listed trusts' market position and adherence to the listed trusts' investment policy. Price risks are managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Any price risk associated with money instruments such as the fixed interest securities is considered to be part of the risk captured under interest rate risk and credit risk.

The maximum market risk resulting from financial instruments is determined by their fair value.

Listed trusts and equities denominated in currencies other than NZD, the price initially expressed in foreign currency and then converted into NZD will also fluctuate because of changes in foreign exchange rates. In addition, where the Scheme holds listed trusts which in turn invest in securities denominated in foreign currencies, the value of the listed trust will be indirectly affected by fluctuations in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

Sensitivity Analysis

As at 31 March 2022, the Manager has deemed it reasonable to apply 20% (31 March 2021: 20%) for price risk sensitivity as an appropriate sensitivity in normal market conditions. For illustrative purposes, variables of 5% and 10% have also been presented to demonstrate the impact on price sensitivity under such market conditions. If investments in financial instruments subject to price risk at that date increased/decreased by this variable, with all other variables held constant, this would have had the following impact on the Statement of Changes in Net Assets:

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
5% increase in prices	-	-	-	-	312,826	155,383	540,725	285,817	235,728	134,642	120,693	65,187	1,209,972	641,029
5% decrease in prices	-	-	-	-	(312,826)	(155,383)	(540,725)	(285,817)	(235,728)	(134,642)	(120,693)	(65,187)	(1,209,972)	(641,029)

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
10% increase in prices	-	-	-	-	625,653	310,766	1,081,450	571,634	471,456	269,284	241,385	130,374	2,419,944	1,282,058
10% decrease in prices	-	-	-	-	(625,653)	(310,766)	(1,081,450)	(571,634)	(471,456)	(269,284)	(241,385)	(130,374)	(2,419,944)	(1,282,058)

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
20% increase in prices	-	-	-	-	1,251,306	621,532	2,162,900	1,143,269	942,912	538,568	482,770	260,749	4,839,888	2,564,118
20% decrease in prices	-	-	-	-	(1,251,306)	(621,532)	(2,162,900)	(1,143,269)	(942,912)	(538,568)	(482,770)	(260,749)	(4,839,888)	(2,564,118)

Notes to the Financial Statements for the year ended 31 March 2022

(b) Foreign exchange risk

Foreign exchange 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 exposed to currency risk through holding Australian dollar, US dollar, Euro, British pound, Swiss franc and Japanese yen cash and cash equivalents, fixed interest securities, listed equities, listed trusts, trade and other receivables, trade and other payables and forward foreign exchange contracts. The Manager may hedge the exposure to currency fluctuations in line with the SIPO for each Fund.

At the balance date the Scheme had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Monetary assets/(liabilities)														
Australian Dollar (AUD)	-	-	-	-	-	-	-	-	(132,436)	(106,245)	-	-	(132,436)	(106,245)
Euro (EUR)	-	-	-	-	-	-	-	-	(946,073)	(766,722)	-	-	(946,073)	(766,722)
United States Dollar (USD)	-	-	-	-	-	-	(5,493,607)	(3,919,479)	(159,479)	(135,682)	437	1	(5,652,649)	(4,055,160)
Japanese Yen (JPY)	-	-	-	-	-	-	-	-	(651,359)	(572,786)	-	-	(651,359)	(572,786)
United Kingdom (GBP)	-	-	-	-	-	-	-	-	(232,913)	(191,128)	-	-	(232,913)	(191,128)
Switzerland (CHF)	-	-	-	-	-	-	-	-	(221,272)	(106,043)	-	-	(221,272)	(106,043)

As at 31 March 2022, the Manager has deemed it reasonable to apply the following variables for foreign exchange risk sensitivity. The variable of 5%, 10% and 20% has been applied. The tables below summarises the impact on the Statement of Changes in Net Assets on monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5%, 10% and 20% with all other variables held constant.

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Monetary assets/(liabilities)														
Increase of 5%	-	-	-	-	-	-	261,600	186,642	111,597	89,457	(21)	-	373,176	276,099
Decrease of 5%	-	-	-	-	-	-	(289,137)	(206,288)	(123,344)	(98,874)	23	-	(412,458)	(305,162)

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Monetary assets/(liabilities)														
Increase of 10%	-	-	-	-	-	-	499,419	356,316	213,048	170,782	(40)	-	712,427	527,098
Decrease of 10%	-	-	-	-	-	-	(610,401)	(435,498)	(260,392)	(208,734)	49	-	(870,744)	(644,232)

\$	Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Monetary assets/(liabilities)														
Increase of 20%	-	-	-	-	-	-	915,601	653,247	390,589	313,101	(73)	-	1,306,117	966,348
Decrease of 20%	-	-	-	-	-	-	(1,373,402)	(979,870)	(585,883)	(469,652)	109	-	(1,959,176)	(1,449,522)

As at 31 March 2022, the manager has deemed it reasonable to apply 20% (31 March 2021: 20%) for foreign exchange risk sensitivity. For illustrative purposes, variables of 5% and 10% have also been presented to demonstrate the impact on foreign exchange risk sensitivity under such market conditions. The tables below summarises the impact on the Statement of Changes in Net Assets on non-monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5%, 10% and 20% with all other variables held constant.

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Listed trusts														
United States Dollar (USD)	-	-	-	-	-	-	10,814,498	5,716,343	4,714,562	2,692,838	2,413,851	1,303,744	17,942,911	9,712,925

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Listed trusts														
Increase of 5%	-	-	-	-	-	-	(514,976)	(272,207)	(224,503)	(128,230)	(114,945)	(62,083)	(854,424)	(462,520)
Decrease of 5%	-	-	-	-	-	-	569,184	300,860	248,135	141,728	127,045	68,618	944,364	511,206

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Listed trusts														
Increase of 10%	-	-	-	-	-	-	(983,136)	(519,668)	(428,597)	(244,803)	(219,441)	(118,522)	(1,631,174)	(882,993)
Decrease of 10%	-	-	-	-	-	-	1,201,611	635,149	523,840	299,204	268,206	144,860	1,993,657	1,079,213

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Listed trusts														
Increase of 20%	-	-	-	-	-	-	(1,802,416)	(952,724)	(785,760)	(448,806)	(402,309)	(217,291)	(2,990,485)	(1,618,821)
Decrease of 20%	-	-	-	-	-	-	2,703,625	1,429,086	1,178,641	673,210	603,463	325,936	4,485,729	2,428,232

Notes to the Financial Statements for the year ended 31 March 2022

(c) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Funds hold fixed interest securities that expose that Funds of the Scheme to fair value interest rate risk. The Funds hold cash and cash equivalents that expose the Funds to cash flow interest rate risk. In addition to the Scheme's direct exposure to interest rate changes on the fair value of financial asset and liabilities and on the cash flows of cash and cash equivalents shown above, the Scheme is indirectly affected by the impact of interest rate changes on the earnings of their investments in listed trusts, which forms part of the Price Risk sensitivity (see above). Therefore, the above sensitivity analysis may not fully indicate the total effect on the Scheme's net assets attributable to members of future movements in interest rates.

The following table represents the maturity profile of financial instruments subject to interest rate risk at 31 March:

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
<i>Financial assets at fair value through profit or loss</i>														
Fixed interest securities:														
Less than one year	-	-	302,362	63,283	-	-	-	-	-	-	-	-	302,362	63,283
1-2 years	-	-	1,254,451	316,279	-	-	-	-	-	-	-	-	1,254,451	316,279
2-5 years	-	-	3,164,363	1,559,853	-	-	-	-	-	-	-	-	3,164,363	1,559,853
Over 5 years	-	-	904,400	535,885	-	-	-	-	-	-	-	-	904,400	535,885
	-	-	5,625,576	2,475,300	-	-	-	-	-	-	-	-	5,625,576	2,475,300
<i>Financial assets at amortised cost</i>														
Cash and cash equivalents														
	251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	25,467	729,174	379,433
	251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	25,467	729,174	379,433

(i) Cashflow interest rate risk

The Scheme holds cash and cash equivalents in New Zealand dollars that expose the Funds to cash flow interest rate risk.

A change in interest rates impacts the cash flow of the Scheme's cash and cash equivalents by increasing or decreasing the amount of interest received. A variable of 100 basis points (1%) was selected as this is a reasonably expected movement based on past overnight cash rate movements. The one year cash flow sensitivity to a 100 basis point movement in interest rates (based on assets held at reporting date), with all other variables held constant, is shown in the following table:

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Increase of 1%	2,516	1,298	1,877	449	684	540	1,430	959	540	201	245	347	7,292	3,794
Decrease of 1%	(2,516)	(1,298)	(1,877)	(449)	(684)	(540)	(1,430)	(959)	(540)	(201)	(245)	(347)	(7,292)	(3,794)

(ii) Fair value interest rate risk

At the balance date, had the interest rate increased or decreased by 1% (which is the Manager's assessment of a reasonable movement with regard to historical volatility) with all other variables held constant, the impact on the fair value of the fixed interest portfolio in the respective Funds and the related change to the Statement of Changes in Net Assets would have been as follows:

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Increase of 1%	-	-	(182,314)	(87,035)	-	-	-	-	-	-	-	-	(182,314)	(87,035)
Decrease of 1%	-	-	194,811	91,725	-	-	-	-	-	-	-	-	194,811	91,725

Notes to the Financial Statements for the year ended 31 March 2022

5.1.2 Credit Risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Scheme. Financial instruments that subject the Scheme to credit risk consist primarily of fixed interest securities, cash and cash equivalents and trade and other receivables.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. There is no risk of default relating to contributions receivable by the Scheme as this receivable has arisen only due to timing between the date of receipt of the funds and when the units are allocated and the receipts processed.

The maximum credit risk of financial instruments is considered to be the carrying amount on the statement of net assets. The risk of non recovery of monetary assets is considered by the Manager to be minimal due to the quality of counterparties dealt with. The Scheme does not require collateral or other security to support financial instruments with credit risk. The Scheme invests cash with banks registered in New Zealand and Australia which carry a minimum short term credit rating of AA- (Standard & Poor's).

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any credit loss. Management consider the probability of default to be close to zero as the instruments have a low risk of default. As a result, no loss allowance has been recognised, as any such impairment would be wholly insignificant to the Fund.

As at 31 March 2022 there were no financial assets past due or impaired (31 March 2021: nil).

The following table sets out the equivalent Standard and Poor's credit rating for cash and cash equivalents and fixed interest securities held by the Scheme:

\$		Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March															
Cash and cash equivalents	AA-	251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	34,678	729,174	379,433
		251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	34,678	729,174	379,433
Fixed Interest Securities															
Prime	AAA	-	-	604,584	190,545	-	-	-	-	-	-	-	-	604,584	190,545
High Grade	AA+ / AA / AA-	-	-	2,338,450	769,507	-	-	-	-	-	-	-	-	2,338,450	769,507
Upper Medium Grade	A+/A / A-	-	-	1,413,074	736,769	-	-	-	-	-	-	-	-	1,413,074	736,769
Lower Medium Grade	BBB+ / BBB / BBB-	-	-	1,269,468	778,479	-	-	-	-	-	-	-	-	1,269,468	778,479
		-	-	5,625,576	2,475,300	-	-	-	-	-	-	-	-	5,625,576	2,475,300

The forward foreign exchange contracts as disclosed in note 4 are with Bank of New Zealand. NZ registered Banks maintain a short term AA- Standard and Poor's credit rating.

5.1.3 Liquidity risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding liquid investments to enable the Scheme to meet liabilities as they fall due and withdrawals when requested. Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals from the Scheme.

The Scheme's investment policies do not state a minimum required level of investment in liquid investments. The Scheme's financial liabilities consist of trade and other payables and derivatives (forward foreign exchange contracts) which are short term in nature and classified as a current liability at reporting date. Current liabilities of financial derivative instruments consist of the fair value of forward foreign exchange contracts at year end. The current fair value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Scheme and realised liabilities may differ from current liabilities based on future changes in market conditions.

There have been no significant withdrawals and no need to suspend withdrawals, nor has the Manager identified any illiquid investments. The Scheme remains liquid and able to meet potential withdrawals.

The table below shows the undiscounted contracted cash outflows, excluding gross settled derivatives, for the Funds' financial liabilities:

\$		Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March															
Financial liabilities held at fair value through profit or loss															
7 days to 2 months		-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Related party payables															
7 days to 2 months		-	-	3,099	1,378	3,268	1,710	4,748	2,522	2,017	1,047	942	509	14,074	7,166
Due to brokers															
Less than 7 days		-	-	-	-	37,128	73,566	84,773	183,564	28,809	16,320	11,934	25,204	162,644	298,654
Withdrawals payable															
Less than 7 days		26	8	370	139	3,263	157	5,864	287	2,557	137	1,511	65	1,848	793

Notes to the Financial Statements for the year ended 31 March 2022

5.2 Capital risk management

Net assets available to pay benefits are considered to be the Scheme's capital for the purposes of capital management not withstanding net assets available to pay benefits is classified as a liability for accounting. The Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Scheme's members' values as well as ensuring its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Scheme's management monitors the Scheme's performance on a regular basis.

5.2.1 Units on Issue

Units For the year ended 31 March	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund	
	Year End 2022	2021	Year End 2022	2021	Year End 2022	2021	Year End 2022	2021	Year End 2022	2021	Year End 2022	2021
Units on issue at the start of the year	132,165	4,501	2,529,054	793,950	2,711,177	1,109,431	4,449,552	1,908,941	2,477,608	987,391	1,087,021	417,862
Total contributions for the year	219,365	165,670	4,555,960	2,536,598	3,204,313	1,956,606	4,595,462	3,251,971	2,461,117	1,936,024	1,219,464	870,008
Total withdrawals for the year	(96,950)	(38,006)	(869,684)	(801,494)	(291,750)	(354,860)	(746,152)	(711,360)	(375,643)	(445,807)	(197,763)	(200,849)
Units on issue at the end of the year	254,580	132,165	6,215,330	2,529,054	5,623,740	2,711,177	8,298,862	4,449,552	4,563,082	2,477,608	2,108,722	1,087,021

5.3 Fair value estimation

The carrying amounts of the Scheme's assets and liabilities at the balance date are their fair values. Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. The Scheme recognises transfers between levels of the fair value hierarchy as at the end of the financial reporting year during which the change has occurred.

Level one - fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last sale prices.

Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data.

Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, grouped into levels 1 to 3 based on the degree to which the fair value is observable. There are no level 3 financial instruments. There have been no transfers between levels.

\$ As at 31 March	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Level 1														
<i>Financial assets at fair value through profit and loss</i>														
Listed equities	-	-	-	-	6,256,529	3,107,658	-	-	-	-	-	-	6,256,529	3,107,658
Listed trusts	-	-	-	-	-	-	10,814,498	5,716,343	4,714,562	2,692,838	2,413,851	1,303,744	17,942,911	9,712,925
Equity options	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Level 1 assets	-	-	-	-	6,256,529	3,107,658	10,814,498	5,716,343	4,714,562	2,692,838	2,413,851	1,303,744	24,199,440	12,820,583
Level 2														
<i>Financial assets at fair value through profit and loss</i>														
Fixed interest securities	-	-	5,625,576	2,475,300	-	-	-	-	-	-	-	-	5,625,576	2,475,300
Forward foreign exchange contracts	-	-	-	-	-	-	139,032	-	107,333	-	-	-	246,365	-
Total Level 2 assets	-	-	5,625,576	2,475,300	-	-	139,032	-	107,333	-	-	-	5,871,941	2,475,300
Level 2														
<i>Financial liabilities at fair value through profit and loss</i>														
Forward foreign exchange contracts	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Total Level 2 liabilities	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195

All listed equities at 31 March 2022 and 31 March 2021 were held with entities registered and domiciled in New Zealand and trading on the New Zealand Stock Exchange (NZX).

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1 include listed equities and listed trusts. The Funds do not adjust the quoted price for these instruments.

The fair value of forward foreign exchange contracts is calculated from spot exchange rates and forward points supplied by WM/Reuters. This measurement basis falls within Level 2 of the fair value hierarchy as all inputs used to calculate the fair value are based on observable market data.

The Scheme also holds investments fixed interest securities. The fair values of these fixed interest securities are determined by using a valuation model for which the inputs are directly observable and are therefore classified in Level 2. Fixed interest securities are calculated using market accepted formulas. The yields are derived from either credit spreads sourced from the New Zealand Financial Markets Association, direct sourcing such as New Zealand government bonds, relative value against like securities where there are a small number of quotes available and matrix yield curves.

Refer to note 2.2(c) of the accounting policies for further details on the fair value hierarchy.

Notes to the Financial Statements for the year ended 31 March 2022

6. Financial assets and liabilities at fair value through profit or loss

6.1 Financial assets at fair value through profit or loss

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Financial assets at fair value through profit or loss														
Listed equities	-	-	-	-	6,256,529	3,107,658	-	-	-	-	-	-	6,256,529	3,107,658
Listed trusts	-	-	-	-	-	-	10,814,498	5,716,343	4,714,562	2,692,838	2,413,851	1,303,744	17,942,911	9,712,925
Fixed interest securities	-	-	5,625,576	2,475,300	-	-	-	-	-	-	-	-	5,625,576	2,475,300
Forward foreign exchange contracts	-	-	-	-	-	-	139,032	-	107,333	-	-	-	246,365	-
Equity options	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets at fair value through profit or loss	-	-	5,625,576	2,475,300	6,256,529	3,107,658	10,953,530	5,716,343	4,821,895	2,692,838	2,413,851	1,303,744	30,071,381	15,295,883

6.2 Financial liabilities at fair value through profit or loss

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Financial liabilities at fair value through profit or loss														
Forward foreign exchange contracts	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Total financial liabilities at fair value through profit or loss	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195

Notes to the Financial Statements for the year ended 31 March 2022

7. Financial instruments

The following table shows the details of any single investment exceeding 5% of net assets or 5% of any category of investments for each of the Funds and the Scheme as at 31 March:

7.1 Trading securities exceeding 5% of Net assets available for benefits by Fund and by Scheme Total

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
List of Securities														
AIANZ 3.51% 10/10/2024			\$ of net asset value 293,027	222,371										
			% of net asset value 4.93%	8.69%										
AUCKCN 3.338% 27/07/2026			\$ of net asset value 153,786											
			% of net asset value 6.01%											
BZLNZ 3.648% 16/11/2023			\$ of net asset value 208,103											
			% of net asset value 8.13%											
CCB 3.932% 09/11/2022***			\$ of net asset value** 125,723											
			% of net asset value 4.91%											
CHRINT 4.13% 24/05/2024			\$ of net asset value 172,212											
			% of net asset value 6.73%											
CNUNZ 4.35% 06/12/2028			\$ of net asset value 128,027											
			% of net asset value 5.00%											
ICBCAS 2.61% 27/06/2024			\$ of net asset value 318,450											
			% of net asset value 5.36%											
WSTP 1.439% 02/24/26**			\$ of net asset value 288,944											
			% of net asset value 4.86%											
Auckland International Airport Ltd			\$ of net asset value 480,159	220,500										
			% of net asset value 7.59%	7.01%										
A2 Milk Company Ltd			\$ of net asset value 188,347											
			% of net asset value 5.98%											
Contact Energy Limited			\$ of net asset value 414,558											
			% of net asset value 6.55%											
Ebos Group Ltd			\$ of net asset value 405,784											
			% of net asset value 6.41%											
Fletcher Building Ltd			\$ of net asset value 334,714	178,940										
			% of net asset value 5.29%	5.69%										
Fisher & Paykel Healthcare Ltd			\$ of net asset value 386,313	231,024										
			% of net asset value 6.10%	7.34%										
Infratil Ltd			\$ of net asset value 382,874	157,919										
			% of net asset value 6.05%	5.02%										
Mainfreight Ltd			\$ of net asset value 441,614	179,954										
			% of net asset value 6.98%	5.72%										
Meridian Energy Limited			\$ of net asset value 392,441	200,201										
			% of net asset value 6.20%	6.38%										
Ryman Healthcare Ltd			\$ of net asset value 194,682											
			% of net asset value 6.19%											
Spark New Zealand Ltd			\$ of net asset value 471,387	206,179										
			% of net asset value 7.45%	6.55%										
iShares ESG MSCI USA Leaders ETF			\$ of net asset value											
			% of net asset value											
iShares ESG Advanced MSCI USA ETF			\$ of net asset value					10,814,498	5,716,343				10,814,498	5,716,343
			% of net asset value					98.38%	103.00%				35.19%	37.24%
iShares ESG Advanced MSCI EAFE ETF			\$ of net asset value							4,714,562	2,692,838		4,714,562	2,692,838
			% of net asset value							98.26%	101.33%		15.34%	17.54%
iShares ESG Advanced MSCI EM ETF			\$ of net asset value									2,413,851	1,303,744	2,413,851
			% of net asset value									100.10%	99.96%	7.86%

*AIANZ 3.51% 10/10/2024 made up 4.93% of the net asset value of the Koura Fixed Interest Fund at 31 March 2022, however made up 5.21% of the Fixed Interest Securities of the Fund.

**WSTP 1.439% 02/24/26 made up 4.86% of the net asset value of the Koura Fixed Interest Fund however made up 5.14% of the Fixed Interest Securities of the Fund

***CCB 3.932% 09/11/2022 made up 4.91% of the net asset value of the Koura Fixed Interest Fund at 31 March 2021, however made up 5.08% of the Fixed Interest Securities of the Fund.

Notes to the Financial Statements for the year ended 31 March 2022

7.2 Financial instruments

Financial instruments currently recognised in the Financial Statements comprise trade and other receivables, financial assets at fair value through profit or loss and trade and other payables. The following table details the Scheme's financial assets and liabilities by category:

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Financial assets at fair value through profit and loss														
Financial assets measured at fair value through profit or loss	-	-	5,625,576	2,475,300	6,256,529	3,107,658	10,953,530	5,716,343	4,821,895	2,692,838	2,413,851	1,303,744	30,071,381	15,295,883
Financial assets at amortised cost														
Cash and cash equivalents	251,600	129,800	187,732	44,914	68,391	54,033	142,955	95,903	54,045	20,105	24,451	34,678	729,174	379,433
Trade and other receivables	5,172	2,852	66,155	40,274	44,462	59,416	14,935	7,107	6,616	3,218	3,137	1,616	128,734	114,483
Management fee rebates receivable	14	13	-	-	-	-	-	-	-	-	-	-	14	13
Total financial assets at amortised cost	256,786	132,665	253,887	85,188	112,853	113,449	157,890	103,010	60,661	23,323	27,588	36,294	857,922	493,929
Total financial assets	256,786	132,665	5,879,463	2,560,488	6,369,382	3,221,107	11,111,420	5,819,353	4,882,556	2,716,161	2,441,439	1,340,038	30,929,303	15,789,812
Liabilities at fair value through profit and loss														
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Financial liabilities at amortised cost														
Due to brokers	-	-	-	-	37,128	73,566	84,773	183,564	28,809	16,320	11,934	25,204	162,644	298,654
Management fees payable	-	-	3,099	1,378	3,268	1,710	4,748	2,522	2,017	1,047	942	509	14,074	7,166
Withdrawals payable	26	8	370	139	3,263	157	5,864	287	2,557	137	1,511	65	1,848	793
Total financial liabilities at amortised cost	26	8	3,469	1,517	43,659	75,433	95,385	186,373	33,383	17,504	14,387	25,778	178,566	306,613
Total financial liabilities	26	8	3,469	1,517	43,659	75,433	100,433	189,030	36,681	19,042	14,387	25,778	186,912	310,808

7.3 Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 March 2022, the Scheme was subject to an International Swaps and Derivatives Association (ISDA) arrangement with Bank of New Zealand (BNZ), the derivative counterparty. According to the terms of the ISDA arrangement with the counterparty, all the derivatives are settled net.

\$	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2,022	2021	2,022	2021	2,022	2021	2,022	2021	2,022	2021	2,022	2021	2,022	2021
As at 31 March														
<i>Derivative assets</i>														
Gross amounts of recognised financial assets	-	-	-	-	-	-	139,032	-	107,333	-	-	-	246,365	-
Net amounts of financial assets presented in the Statement of Net Assets	-	-	-	-	-	-	139,032	-	107,333	-	-	-	246,365	-
<i>Derivative liabilities</i>														
Gross amounts of recognised financial liabilities	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195
Net amounts of financial liabilities presented in the Statement of Net Assets	-	-	-	-	-	-	5,048	2,657	3,298	1,538	-	-	8,346	4,195

Each party has the option to settle all open contracts on a net basis in the event of default by the other party. Per the terms of the ISDA agreement, an event of default includes the following:

- * failure by a party to make a payment when due;
- * failure by a party to perform an obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after such notice of such failure is given to the party; or
- * bankruptcy

Notes to the Financial Statements for the year ended 31 March 2022

8. Related parties

8.1 Manager and Supervisor

Fees charged by the Manager are as follows:

- Koura Cash Fund	- 0.00% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)
- Koura Fixed Interest Fund	- 0.63% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)
- Koura NZ Equities Fund	- 0.63% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)
- Koura US Equities Fund	- 0.53% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)
- Koura Rest of World Equities Fund	- 0.51% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)
- Koura Emerging Markets Equities Fund	- 0.47% + GST of the net asset value per annum (Administration fee totalling \$30 per annum for all members over the age of 18)

During the year ended 31 March 2022, the Manager elected not to charge any management fee to the Koura Cash Fund. It was expected that charging management fees would have turned this fund into a negative return given the very low interest rate environment, so the Manager did not charge a fee on this fund during the period.

The capped management fees are used to cover expenses for audit, accounting, supervisory, custody, registry and administration expenses. The capped management fees are calculated daily and paid monthly directly from the Scheme. The audit expenses relate to the fees paid to the auditor for statutory audit amounting to \$26,000 and \$1,600 for other professional services (31 March 2021: \$30,000) (31 March 2021: no other fees paid to the auditor by the Scheme). No brokerage fees were paid to the Manager.

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
\$	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
For the year ended 31 March														
Koura Wealth Limited														
Management fees	-	-	26,791	10,277	30,493	13,296	46,655	18,221	20,294	7,308	9,190	3,466	133,423	52,568
Koura Wealth Limited														
Management fee rebates	-	6	-	-	-	-	-	-	-	-	-	-	-	6
Hobson Wealth Limited														
Brokerage fees	-	-	3,599	2,245	3,642	2,055	8,485	10,461	3,506	5,185	1,784	2,387	21,016	22,333

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
\$	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Koura Wealth Limited														
Management fees payable	-	-	3,099	1,378	3,268	1,710	4,748	2,522	2,017	1,047	942	509	14,074	7,166
Koura Wealth Limited														
Management fee rebates receivable	14	13	-	-	-	-	-	-	-	-	-	-	14	13

Public Trust is the Supervisor of the Scheme from 9th March 2020. The Supervisor is entitled to receive a fee from the Manager for supervisory services. Audit expenses are also paid on behalf of the Scheme by the Manager. Brokerage costs are paid to Hobson Wealth Limited and are included in transaction costs in the Statement of Changes in Net Assets.

The Manager also paid administration, registry and custody expenses on behalf of the Funds to non-related parties. A monthly \$2.50 administration fee is deducted from each member by way of unit redemption and is payable to the Manager. This is accounted for as a withdrawal and does not impact net profit before membership activities. During the year, administration fees paid to the Manager totalled \$19,146 (31 March 2021: \$6,583). MMC Limited maintain the members' accounts and register of the Scheme and receives a fee for this service, paid by the Manager.

Directors of the Manager held units in the Koura KiwiSaver Scheme in the following proportions:

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
\$	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Holdings	-	-	29,862	46,191	141,066	113,150	277,246	189,498	103,029	129,475	128,005	97,917	679,208	576,231

9. Trade and other receivables

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
\$	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March														
Accrued interest	-	-	46,169	22,300	-	-	-	-	-	-	-	-	46,169	22,300
Due from broker	-	-	-	-	-	42,200	-	-	-	-	-	-	-	42,200
Dividends and distributions receivable	-	-	-	-	36,035	12,909	-	-	-	-	-	-	36,035	12,909
Contributions receivable	5,172	2,852	19,986	17,974	8,427	4,307	14,935	7,107	6,616	3,218	3,137	1,616	46,530	37,074
Total trade and other receivables	5,172	2,852	66,155	40,274	44,462	59,416	14,935	7,107	6,616	3,218	3,137	1,616	128,734	114,483

All trade and other receivable balances are carried at amortised cost and their carrying values approximate fair value.

Notes to the Financial Statements for the year ended 31 March 2022

10. Reconciliation of net profit/(loss) before tax and membership activities to net cash flows from operating activities

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
\$														
For the year ended 31 March	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net profit/(loss) after tax and before membership activities	867	143	(277,332)	2,473	(207,905)	431,020	141,386	1,115,531	(215,529)	415,082	(134,027)	212,341	(692,540)	2,176,590
Adjustments for non cash items:														
Unrealised changes in the fair value of financial instruments	-	-	(3,153,339)	(1,761,297)	(3,086,743)	(2,157,349)	(5,813,104)	(2,892,789)	(2,166,523)	(1,552,124)	(1,123,450)	(755,345)	(15,343,159)	(9,118,904)
Unrealised foreign exchange losses/(gains) on financial instruments at amortised cost	-	-	-	-	-	-	(87)	3,101	(26)	3,037	(1,519)	(7,223)	(1,632)	(1,085)
Distributions and dividends re-invested	-	-	-	-	(46,742)	(12,635)	-	-	-	-	-	-	(46,742)	(12,635)
	-	-	(3,153,339)	(1,761,297)	(3,133,485)	(2,169,984)	(5,813,191)	(2,889,688)	(2,166,549)	(1,549,087)	(1,124,969)	(762,568)	(15,391,533)	(9,132,624)
Movements in working capital items:														
(Increase)/decrease in trade and other receivables	(1)	(5)	(23,869)	(16,191)	(23,126)	(5,924)	-	-	-	-	-	-	(46,996)	(22,120)
Increase/(decrease) in trade and other payables	-	(3)	1,721	(161)	1,480	(353)	2,226	(591)	993	(154)	403	(43)	6,823	(1,305)
Decrease/(increase) in cost of investments	-	-	3,063	(1,202)	(9,547)	(4,361)	478,939	(1,166,307)	51,536	(398,126)	(29)	(188,868)	523,962	(1,758,864)
	(1)	(8)	(19,085)	(17,554)	(31,193)	(10,638)	481,165	(1,166,898)	52,529	(398,280)	374	(188,911)	483,789	(1,782,289)
Net cash inflow/(outflow) from operating activities	866	135	(3,449,756)	(1,776,378)	(3,372,583)	(1,749,602)	(5,190,640)	(2,941,055)	(2,329,549)	(1,532,285)	(1,258,622)	(739,138)	(15,600,284)	(8,738,323)

11. Interest income

	Koura Cash Fund		Koura Fixed Interest Fund		Koura NZ Equities Fund		Koura US Equities Fund		Koura Rest of World Equities Fund		Koura Emerging Markets Equities Fund		Scheme Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
\$														
For the year ended 31 March	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Interest on financial assets at amortised cost	913	178	640	140	274	89	358	110	161	53	85	23	2,431	593
Interest on financial assets and liabilities at fair value through profit or loss	-	-	132,879	53,216	-	-	-	-	-	-	-	-	132,879	53,216
Total interest income	913	178	133,519	53,356	274	89	358	110	161	53	85	23	135,310	53,809

12. Contingent liabilities

There were no contingent liabilities as at 31 March 2022 (31 March 2021: nil).

13. Capital commitments

There were no capital commitments as at 31 March 2022 (31 March 2021: nil).

14. Events after balance date

Effective 28 April 2022, the following Funds have been established :

- Carbon Neutral Crypto Currency Fund
- Clean Energy Fund
- NZ Property Fund

There have been no other events subsequent to balance date that require adjustment to, or disclosure of, in these Financial Statements.

Independent Auditor's Report

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To the Scheme Participants of each Fund comprising the Koura Kiwisaver Scheme (the "Scheme") Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the following funds (each a "Fund" collectively "the Funds") which together comprise the Scheme:

- Koura Cash Fund
- Koura Fixed Interest Fund
- Koura NZ Equities Fund
- Koura US Equities Fund
- Koura Rest of World Equities Fund
- Koura Emerging Markets Equities Fund

The financial statements of each Fund and the Scheme on pages 4 to 20 comprise the statement of net assets of each Fund and the Scheme as at 31 March 2022, and the statement of changes in net assets and the statement of cash flows for the year then ended of each Fund and the Scheme, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 20 present fairly, in all material respects, the financial position of each Fund and the Scheme as at 31 March 2022 and their financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)") issued by the New Zealand Auditing and Assurance Standards Board. 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 and the provision of other assurance services 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.

Why the audit matter is significant	How our audit addressed the key audit matter
<p>Valuation and Existence of Financial Assets at Fair Value through Profit or Loss</p> <p>As at 31 March 2022, the Funds hold significant financial assets. As detailed in Note 6 and accounting policies Note 2.2, the majority of financial asset investments are recognised at fair value through profit or loss in accordance with <i>NZ IFRS 9: Financial Instruments</i>.</p> <p>While these financial asset investments were not assessed to be at a significant risk of misstatement or subject to significant levels of judgement, due to their materiality in the context of the Funds as a whole, these were considered to be an area which had the greatest impact on our overall audit strategy and the allocation of resources in planning and completing our audit.</p> <p>Market volatility can have a significant impact on the value of these financial assets and the financial statements; therefore, the recognition and valuation of these investments is considered a key audit matter.</p> <p>At and subsequent to 31 March 2022 financial markets continue to be impacted by the COVID-19 pandemic and other global macro-economic factors where during this period they have experienced greater volatility than is usual. Disclosures are included in Note 5 to the financial statements regarding the sensitivity of impact of market volatility on investments and financial risk management.</p>	<p>To address the risk associated with financial asset valuation and existence, the following audit procedures were carried out:</p> <ul style="list-style-type: none"> • Documented and understood the controls in place for recording investment transactions and valuing the portfolio. This included evaluating the control environment in place at the custodian and the third-party service provider by obtaining and reading the reports issued by an independent auditor on the design and operation of those controls throughout the period. • Agreed the 31 March 2022 investment holdings to confirmations received from the custodian of those investments. • Assessing whether the disclosures in the financial statements appropriately reflected the Fund's exposure to financial instrument risk with reference to NZ IFRS 7 Financial Instruments: Disclosures.

Other Matter

The financial statements of Koura KiwiSaver Scheme for the year ended 31 March 2021 was audited by another auditor who expressed an unmodified opinion on those statements on 27 July 2021.

Other Information

The Manager is responsible for the other information. The other information comprises the Directory and Manager's Statement but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Manager's responsibilities for the Financial Statements

The Manager is responsible on behalf of each of the Funds and the Scheme for the preparation and fair presentation of the financial statements in accordance with NZ IFRS, and for such internal control as those charged with governance 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 Manager is responsible on behalf of each of the Funds and 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 Manager 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 economic decisions of users taken on the basis of these financial statements.

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

Restriction on use of our report

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

Grant Thornton New Zealand Audit Limited



K Price

Partner

Auckland

28 July 2022