NZ POST SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 $	2022 $
INVESTMENT ACTIVITIES			
Interest income	3	1,997,855	1,373,776
Dividends - New Zealand		479,078	461,946
Dividends - Foreign		965,322	704,151
Net (losses) / gains on financial instruments	4	(2,194,669)	249,845
Investment income		1,247,586	2,789,718
Investment management fees	22	(354,992)	(246,951)
Investment expenses		(354,992)	(246,951)
Net investment revenue		892,594	2,542,767
OTHER EXPENSES			
Auditor's Remuneration - fees for audit of financial statements		74,561	63,635
Auditor's Remuneration - fees for custody controls report		50,600	46,000
Communications expenses		47,964	45,313
Consultancy fees		51,904	40,634
FMA expenses		32,110	29,089
Legal expenses		-	8,143
Office expenses		35,796	29,351
Personnel expenses		264,687	229,094
Trustee fees		50,000	61,250
Total other expenses		607,622	552,509
Net surplus before membership activities		284,972	1,990,258
MEMBERSHIP ACTIVITIES			
Members' contributions		2,750,155	2,828,564
Employers' contributions		3,196,980	3,260,161
Voluntary members' contributions		260,010	251,253
		6,207,145	6,339,978
Benefits paid or payable	10	(12,631,762)	(11,473,106)
Net benefits paid or payable		(6,424,617)	(5,133,128)
Insurance policy premiums		(181,668)	(191,248)
Insurance policy proceeds		160,000	240,645
PIE tax expense allocated to members	16	(263,565)	(501,314)
Net membership activities		(6,709,850)	(5,585,045)
(Decrease) in promised retirement benefits		(6,424,878)	(3,594,787)
Liability for promised retirement benefits - opening balance		132,674,585	136,269,372
Liability for promised retirement benefits - closing balance		126,249,707	132,674,585
(Decrease) in promised retirement benefits			
Represented by:			
Members' accounts		(6,745,472)	(3,260,003)
Employers' accounts		(1,575)	(28,041)
Reserve account		322,169	(306,743)
		(6,424,878)	(3,594,787)

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NZ POST SUPERANNUATION PLAN
STATEMENT OF NET ASSETS
AS AT 31 MARCH 2023

	Notes	2023 $	2022 $
LIABILITY FOR PROMISED RETIREMENT BENEFITS			
Represented by:			
Members' accounts	5	125,761,308	132,506,780
Employers' accounts	5	29,366	30,941
Reserve account	5	459,033	136,864
		126,249,707	132,674,585
ASSETS			
Cash and cash equivalents			
Bank accounts - New Zealand	7	14,192,379	12,387,968
- Offshore	7	97,331	48,970
Short term deposits	7	881,467	1,191,239
Trade and other receivables			
Accrued investment income	7	592,033	356,841
Contributions receivable	9	48,567	41,943
Sundry receivables	7	134,819	10,112
Financial assets held at fair value through profit or loss			
Fixed interest securities - New Zealand government stock	7	16,192,166	13,610,339
- New Zealand bonds	7	3,325,223	5,823,433
Equities and Funds - New Zealand	7	15,317,247	15,974,508
- Offshore	7	42,813,608	44,158,319
FX contracts	7 / 14	51,857	-
Term deposits	7	33,059,168	44,525,226
Tax refund due	16	1,118,392	779,163
TOTAL ASSETS		127,824,257	138,908,061
LESS LIABILITIES			
Financial liabilities held at fair value through profit or loss			
FX contracts	7 / 14	-	32,410
Trade and other payables			
Benefits payable	7	1,177,997	1,028,465
Sundry payables	7	213,178	143,905
Related party payable	7 / 17	183,375	339,929
Investment payables	7	-	4,688,767
TOTAL LIABILITIES		1,574,550	6,233,476
NET ASSETS AVAILABLE TO PAY BENEFITS		126,249,707	132,674,585

For and on behalf of the Trustee, New Zealand Post Trustees Limited, who authorised the issue of these financial statements.

Date 29/06/2023

Date 29/06/2023

NZ POST SUPERANNUATION PLAN
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Members' contributions		2,746,877	2,838,170
Employers' contributions		3,193,916	3,271,549
Voluntary contributions		259,728	252,317
Insurance policy proceeds		30,000	240,645
Interest		1,773,857	1,614,156
Dividends		1,446,093	1,130,938
		9,450,471	9,347,775
Cash was applied to:			
Benefits paid		12,482,230	10,862,115
Insurance policy premiums		176,375	190,426
Income tax paid		602,794	755,623
Expenses paid		694,904	257,676
		13,956,303	12,065,840
Net cash flows to operating activities	19	(4,505,832)	(2,718,065)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Maturities and sale of investments		59,908,589	70,139,449
		59,908,589	70,139,449
Cash was applied to:			
Purchase of investments		53,867,968	64,747,179
Direct investment expenses		354,992	246,951
		54,222,960	64,994,130
Net cash flows from investing activities		5,685,629	5,145,319
Net increase in cash held		1,179,797	2,427,254
Cash and cash equivalents at beginning of year		13,628,177	11,226,892
Exchange losses on offshore bank accounts		363,203	(25,969)
Cash and cash equivalents at end of year		15,171,177	13,628,177
Comprises:			
Bank accounts			
New Zealand		14,192,379	12,387,968
Offshore		97,331	48,970
Short term deposits		881,467	1,191,239
Cash and cash equivalents as per Statement of Net Assets		15,171,177	13,628,177

1 REPORTING ENTITY

The NZ Post Superannuation Plan (the "Plan") is a defined contribution superannuation scheme, domiciled in New Zealand, and is registered as a workplace savings scheme under the Financial Markets Conduct Act 2013. The purpose of the Plan is to provide employees of New Zealand Post Limited (the "Company") and its participating employers with benefits on their retirement or otherwise ceasing service with the Company. The retirement benefits due to members are their contributions and investment earnings thereon.

The investment options of the Plan include a Short Term Fund, a Medium Term Fund and a Long Term Fund. The liabilities of the Plan are not ring-fenced by investment option and therefore, reporting in these financial statements is not segmented by investment option.

New Zealand Post Trustees Limited is the Trustee for the Plan.

These financial statements were authorised for issue by the Trustee on 29 June 2023.

The registered office of the NZ Post Superannuation Plan is:
7-27 Waterloo Quay
Wellington 6011

Employers (hereafter referred to as the "Employers") of the Plan are:
Datacom Systems Limited
Kiwibank Limited
New Zealand Transport Agency
New Zealand Post Limited

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Financial Markets Conduct Act 2013 ("FMCA") and other relevant legislative requirements as appropriate.

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain financial assets and financial liabilities at fair values through profit or loss.

Statement of compliance
The Plan is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), other applicable Financial Reporting Standards and authoritative notices as appropriate for for-profit entities and also with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Foreign currency translation

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

(ii) Transactions and balances
Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Monetary items receivable or payable in a foreign currency are translated at balance date at the closing rate. Exchange differences on foreign currency balances are recognised in the Statement of Changes in Net Assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Financial instruments

(i) Classification

Financial assets and liabilities at fair value through profit or loss

The Plan investments are categorised as financial assets and liabilities held at fair value through profit or loss. They comprise:

Financial instruments held for trading

The Plan uses foreign exchange forward contracts to hedge its exposure to changes in foreign currency exchange rates. Derivative financial instruments are classified as held for trading as the Plan does not designate any derivatives as hedges in a hedging relationship.

Financial instruments designated at fair value through profit or loss

These include investments in exchange traded debt and equity instruments, and fixed interest securities.

Financial assets and financial liabilities designated at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Plan's documented investment strategy.

Financial assets at fair value through profit or loss can be converted to cash as required where the market is active. The amount received on disposal of these assets may be different to the amount disclosed due to changes in market conditions and transaction costs incurred at the time of sale.

Financial assets at amortised cost

These include non-derivative assets with fixed and determinable payments that are not quoted in an active market. These cover cash and cash equivalents, trade and other receivables and term deposits.

(ii) Recognition/derecognition

The Plan recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Plan has transferred substantially all risks and rewards of ownership.

(iii) Measurement

(1) Financial assets and liabilities held at fair value through profit or loss

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

Fair value in an active or quoted 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 are priced at current bid prices, while financial liabilities are priced at current asking prices. The fair value of forward exchange contracts is determined using forward exchange market rates at balance date.

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. These include the use of recent arm's length market transactions or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(2) Financial assets at amortised cost

Financial assets at amortised cost are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less allowances for expected credit losses if any. The amount of the expected credit loss, if any, is updated at each reporting date to reflect changes in credit risk since initial recognition.

Where applicable, the Plan recognises lifetime expected credit losses for trade and other receivables. The expected credit losses on these financial assets are estimated based on historical credit loss experience adjusted for factors that are specific to the debtors and general economic conditions.

Expected credit losses are recognised in the Statement of Changes in Net Assets as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

(3) Derivatives

In the normal course of business the Plan enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions may include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Plan's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- economic hedging to protect an asset or liability of the Plan against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives may be used for trading purposes from time to time, they are not used to gear (leverage) a portfolio. Gearing a portfolio may occur if the level of exposure to the markets exceeds the underlying value of the Plan. The use of derivatives is governed by the current Statement of Investment Policy and Objectives ("SIPO"). The most current version of the SIPO is available on the schemes register at www.business.govt.nz/disclose.

The Plan holds the following derivative instruments:

Forward currency contracts

Forward currency contracts are primarily used by the Plan to economically hedge against foreign currency exchange rate risks on its non New Zealand dollar denominated trading securities. The Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the reporting date. The Plan recognises a gain or loss equal to the change in fair value at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks in New Zealand and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash, and which are subject to insignificant risks of changes in value, and bank overdrafts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Cash and cash equivalents (cont'd)

Statement of Cash Flows
Investing activities: Comprise acquisition and disposal of investments and returns on investments including dividends and interest. Investments include securities not falling within the definition of cash.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities, as movements in the fair value of these securities represent the Plan's main investing activity. Expenses directly incurred in undertaking investing activities such as investment management expenses are included in investing activities.

Operating activities: All activities which are not investing activities.

The Plan does not have any financing activities.

(e) Investment income

Interest income is recognised in the Statement of Changes in Net Assets for all debt instruments using the effective interest method.

Accrued interest income is included in interest income.

Dividend income is recognised on the ex dividend date.

(f) Expenses and membership activities

All expenses and membership activities are recognised in the Statement of Changes in Net Assets on an accruals basis.

(g) Income tax

The Plan elected to be taxed as a Portfolio Investment Entity ("PIE") from 1 October 2007. As a PIE, the Plan allocates income on a monthly basis to each member and deducts tax from that allocated income at the prescribed investor rate for each member. The tax that is deducted and paid to the Inland Revenue is not shown as income tax in the Statement of Changes in Net Assets, rather it is shown as part of the increase / decrease in the liability for promised retirement benefits.

(h) Receivables

Receivables may include amounts for dividends, interest, distributions and contributions. Dividends and distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment.

(i) Payables

Payables include liabilities and accrued expenses owing by the Plan which are unpaid as at balance date. Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables, and sales in receivables.

(j) Goods and Services Tax (GST)

The Plan is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(k) Critical accounting estimates and judgements

Management make estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no management estimates or assumptions that would have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. As the Plan is a defined contribution scheme, no actuarial services were used during the year.

(l) Changes in accounting policies and disclosures

(i) Standards, amendments and interpretations to existing standards which are considered relevant to the Plan are effective for the year ended 31 March 2023 and have been applied in preparing these financial statements.

There were no new standards and interpretations that were effective in the current year that were applicable to the Plan.

NZ POST SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		$	$
3	**INTEREST INCOME**		
	Cash and cash equivalents and term deposits	1,245,809	688,165
	Financial assets at fair value through profit or loss	752,046	685,611
		1,997,855	1,373,776
4	**NET (LOSSES) / GAINS ON FINANCIAL INSTRUMENTS**		
	(Losses) / gains on financial assets designated at fair value through profit or loss		
	Fixed interest - New Zealand government stock	(441,537)	(558,546)
	- Other New Zealand bonds	34,293	(353,360)
	Equities and Funds - New Zealand	(563,179)	(1,221,064)
	- Offshore	395,435	2,282,604
	Foreign exchange contracts	(1,982,884)	126,180
		(2,557,872)	275,814
	Other assets held at balance date		
	Foreign exchange (losses) / gains on offshore bank accounts	363,203	(25,969)
	Net (losses) / gains on financial instruments	(2,194,669)	249,845

5 NET ASSETS AVAILABLE TO PAY BENEFITS

(a) Changes in promised retirement benefits allocated to members' accounts:

	2023	2022
Members' accounts		
Opening balance	52,405,029	53,241,217
Contributions	2,750,155	2,828,564
Benefits paid to members	(5,476,400)	(4,569,584)
Interest allocated net of PIE tax expense	(140,739)	664,187
Insurance policy proceeds	160,000	240,645
Closing balance	49,698,045	52,405,029
Vested portion of employers' account		
Opening balance	66,492,480	67,748,488
Transfer from non vested benefits	2,906,477	4,022,019
Benefits paid to members	(6,296,183)	(5,278,027)
Closing balance	63,102,774	66,492,480

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5 NET ASSETS AVAILABLE TO PAY BENEFITS (cont'd)

Voluntary accounts

	2023 $	2022 $
Opening balance	13,609,271	14,777,078
Contributions	260,010	251,253
Benefits paid to members	(861,307)	(1,625,495)
Interest allocated net of PIE tax expense	(47,485)	206,435
Closing balance	12,960,489	13,609,271
Closing balance of Members' accounts:	125,761,308	132,506,780

The deferred accounts have been reclassified to form part of voluntary as they are essentially the same in substance and in accordance with the Trust Deed.

(b) Changes in promised retirement benefits allocated to employers' accounts:

Non vested portion of employers' account

	2023 $	2022 $
Opening balance	30,941	58,982
Contributions	3,196,980	3,260,161
Insurance policy premiums - Pre 92 members and voluntary	(112,102)	(113,844)
Interest allocated net of PIE tax expense	(179,976)	847,662
Transfer to vested benefits	(2,906,477)	(4,022,019)
Closing balance	29,366	30,941

(c) Changes in promised retirement benefits allocated to the reserve account

	2023 $	2022 $
Balance at beginning of year	136,864	443,607
Benefits paid	2,129	-
Insurance policy premiums - Group life	(69,567)	(77,405)
Adjustment to interest allocated	389,607	(229,338)
Closing balance	459,033	136,864

6 RESERVE ACCOUNT POLICY

The reserves held in the 'Reserve account' which have not been allocated to members' or employers' accounts may be distributed, at the discretion of the Trustee, in accordance with the Trust Deed principally for:

- Meeting all or part of members' or employers' contributions on an equitable basis;
- Increasing members' accounts on an equitable basis;
- Providing benefits, other than retirement benefits to all members on an equitable basis;
- Providing hardship benefits to members or their dependants; or
- Paying Plan expenses where considered reasonable.

Where there is a deficit in the reserve account, an adjustment to member interest allocations will be made subsequent to balance date.

7 FINANCIAL ASSETS AND LIABILITIES

Held at fair value through profit or loss	**2023**	**2022**
	$	**$**
Fixed interest securities - New Zealand government stock	16,192,166	13,610,339
- New Zealand bonds	3,325,223	5,823,433
Equities and Funds - New Zealand	15,317,247	15,974,508
- Offshore	42,813,608	44,158,319
FX contracts (Note 14)	51,857	-
Total financial assets held at fair value through profit or loss	77,700,101	79,566,599
Financial assets at amortised cost		
Cash and cash equivalents - New Zealand bank accounts	14,192,379	12,387,968
- Offshore bank accounts	97,331	48,970
- Short term deposits	881,467	1,191,239
Trade and other receivables - Accrued investment income	592,033	356,841
- Sundry receivables	134,819	10,112
Term deposits	33,059,168	44,525,226
	48,957,197	58,520,356
Financial liabilities held at fair value through profit or loss		
FX contracts (Note 14)	-	32,410
Total financial liabilities held at fair value through profit or loss	-	32,410
Financial liabilities at amortised cost		
Trade and other payables - Sundry payables	213,178	143,905
- Related party payable	183,375	339,929
- Investment payables	-	4,688,767
- Benefits payable	1,177,997	1,028,465
	1,574,550	6,201,066

There is no collateral held over these financial assets at 31 March 2023 (2022: Nil).

There are no past due but not impaired or impaired assets at 31 March 2023 (2022: Nil). Past due assets are assets that have matured but for which cash has not yet been received. Impaired assets are assets for which it is likely that less than the fair value will be received upon maturity.

Cash accounts with a balance exceeding 5% of any class or type of cash held are as follows:
Any balances that exceed 5% in one year but not the other have been left blank in the year that they do not exceed 5%.

	2023	**2022**
	$	**$**
Bank accounts - New Zealand:		
BNZ	1,649,055	1,642,870
ASB - Balanced	-	703,352
Kiwibank (Balanced - 06)	1,834,521	1,286,410
Kiwibank (Cash - Overnight Call Deposit)	806,375	-
Kiwibank (Cash - 06)	-	838,420
Kiwibank (Cash - 05)	1,000,000	1,000,000
Morgan Stanley (NZD)	5,724,439	5,770,780
ANZ - Balanced	800,332	-
Bank accounts - Offshore:		
Morgan Stanley (USD)	96,465	30,045
Morgan Stanley (AUD)	-	10,076
Morgan Stanley (EUR)	-	7,979
Short term deposits:		
ASB - Cash	-	491,239
BNZ - Balanced	250,000	350,000
BNZ - Growth	200,000	-
Kiwibank - Cash	-	350,000
Westpac - Cash	431,467	-
	12,792,654	12,481,172

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7 FINANCIAL ASSETS AND LIABILITIES (cont'd)

Investments with a balance exceeding either 5% of net assets or 5% of any class or type of security are as follows:
Any balances that exceed 5% in one year but not the other have been left blank in the year that they do not exceed 5%.

	2023 $	2022 $
Fixed Interest Securities:		
New Zealand Government Stock		
New Zealand Government Stock 15/05/2032	2,538,087	-
New Zealand Government Stock 20/04/2029	5,011,953	4,708,033
New Zealand Government Stock 15/04/2025	1,466,192	1,507,832
New Zealand Government Stock 15/04/2023	7,175,934	7,394,474
New Zealand Bonds		
Bank of New Zealand 03/02/2023	-	916,103
Kiwibank Limited 22/09/2022	-	504,296
Westpac Banking 07/06/2022	-	507,663
NZ Local Government 15/04/2023	922,616	946,929
NZ Local Government 15/04/2022	-	506,530
NZ Local Government 15/04/2024	978,492	988,497
Port of Tauranga 29/09/2025	446,879	450,685
Housing NZ 12/06/2025	973,848	999,342
Equities and Funds:		
Offshore		
iShares Barclays 7-10 year Treasury Bond Fund	9,586,938	2,232,257
iShares MSCI ACWI Index Fund	2,701,271	2,652,765
Vanguard Total World Stock Index	30,517,427	39,265,353
New Zealand		
Auckland International Airport Limited	1,338,643	1,204,779
Contact Energy Limited	969,280	1,020,625
Fisher & Paykel Healthcare Corporation Limited	2,225,408	2,033,347
EBOS Group Limited	844,068	894,923
Mainfreight Limited	-	818,154
Meridian Energy Limited	955,185	918,797
Spark New Zealand Limited	1,342,509	1,215,156

8 CONTRIBUTIONS

Members contribute at 1%, 2%, 3%, 4% or 5%, plus Complying Super Fund contributions, if any, of their annual salary. After commencement of their sixth year of membership the contributions are required to be 5%, unless New Zealand Post Limited agrees that voluntary contributions only are required. For Members who joined the Plan before 1 November 2002, the Employers contribute twice the Member contribution up to a maximum of 10%. For Members who joined the Plan on or after 1 November 2002, the Employers contribute at the same rate as the member, with the exception of members who contribute 5% where the Employer will contribute 7.5%.

	2023	2022
	$	$
9 CONTRIBUTIONS RECEIVABLE		
Receivable from Members	21,193	17,916
Receivable from Employers (Note 17)	24,955	21,890
Receivable from voluntary contributions	2,419	2,137
	48,567	41,943

10 BENEFITS PAID	2023	2022
	$	$
Benefits paid to members leaving the Plan are as follows:		
Death	241,188	367,520
Deferred exit	3,003,921	3,010,093
Retirements	3,554,242	3,121,351
Retrenchments	1,798,258	1,496,494
Resignations	3,445,755	2,741,332
First home benefits	154,699	253,133
Transfer to other fund	59,843	71,926
Subsequent home benefits	61,566	124,845
Voluntary withdrawals	221,087	160,816
Significant hardship benefits	91,203	125,596
	12,631,762	11,473,106

No guarantees have been made in respect of any part of the liability for promised retirement benefits (2022: Nil).

11 MEMBERSHIP RECONCILIATION

The below reconciliation represents the movement in the Plan's active members, (contributing and non-contributing):

	2023 Number	2022 Number
Opening Membership	973	1,083
Terminations / transferred to deferred:		
Leaving service	(43)	(33)
Retrenchment	(23)	(15)
Retirement	(22)	(21)
Change in benefit class	(30)	(39)
Transfer	(2)	(2)
Closing membership	853	973

In addition to the above active members, there are 224 deferred members (2022: 231).

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12 COMPLYING SUPERANNUATION FUND

The market value of assets subject to complying fund rules at 31 March 2023 is $3,303,249 and there are 70 members to which these assets relate (2022: $3,655,219 and 79 members).

The value of withdrawals subject to complying fund rules is $524,003 (2022: $169,766).

There has been no increase in fees during the year.

13 VESTED BENEFITS

There are no outstanding contingent assets and liabilities or commitments as at 31 March 2023 (2022: Nil).

	2023	2022
	$	$
Vested benefits	125,761,308	132,506,780

Vested benefits are calculated based on information provided by the Plan, Plan start date and any changes to the members' service (parental leave, leave without pay etc.).

14 DERIVATIVE FINANCIAL INSTRUMENTS

Forward currency contracts
Forward currency contracts are primarily used by the Plan to hedge against foreign currency exchange rate risks on its non New Zealand dollar denominated trading securities. The Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the spot rate at reporting date. The Plan recognises a gain or loss equal to the change in fair value at the reporting date.

	2023 Contract/ Notional	2023 Assets	2023 Liability
	$	$	$
Foreign currency forward contracts	18,961,000	51,857	-
	18,961,000	51,857	-

	2022 Contract/ Notional	2022 Assets	2022 Liability
	$	$	$
Foreign currency forward contracts	16,980,000	-	32,410
	16,980,000	-	32,410

15 FINANCIAL RISK MANAGEMENT

The Plan is exposed to credit risk, market price risk, foreign exchange risk, interest rate risk and liquidity risk arising from the financial instruments it holds. The Plan's objective is to provide its members with sound investment performance with controlled risk through investing in a diversified portfolio of fixed interest securities, debt and equity instruments in New Zealand and offshore. Investment decisions are made in accordance with the limits set by the Statement of Investment Policy and Objectives ("SIPO"). The risk management policies employed by the Plan to manage these risks are discussed below and include sensitivity analysis in the case of interest rate, foreign exchange and other price risks. The impact of such analysis on the pre tax profit or loss of the Plan is detailed in the notes below. The impact on the liability for promised retirement benefits is equal to the impact on profit or loss as the Plan takes all gains / (losses) of financial assets held at fair value through profit or loss through the Statement of Changes in Net Assets.

15 FINANCIAL RISK MANAGEMENT (cont'd)

a) Credit Risk
Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract. Concentrations of credit risk are minimised primarily by:

- ensuring all custodians are approved by the Trustee,
- ensuring that transactions are undertaken with a number of counterparties,
- ensuring that third parties handle the security of assets, and
- ensuring that the plan has policies in place to manage exchanges when buying or selling securities.

Financial instruments that potentially subject the Plan to credit risk consist principally of cash, short term deposits, receivables, term deposits, fixed interest securities and equities of which overseas are exchange traded funds. While the Plan may be subject to credit losses of up to the carrying values of such instruments in the event of non-performance by counterparties, the Trustee does not expect such losses to occur. The investments do not expose the Plan to significant concentrations of credit risk and the Trustee does not require any collateral or other security to support such investments.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity. The maximum exposure at 31 March 2023 is $69,898,874 (2022: $78,733,291). This includes fixed interest securities, short term deposits, accrued investment receivables and cash and cash equivalents.

Financial Instruments by Rating	**2023**	**2022**
AAA	28%	22%
AA+	0%	0%
AA	0%	0%
AA-	42%	51%
A+	19%	7%
A	10%	19%
A-	1%	1%
BBB+	0%	0%
BBB	0%	0%
	100%	100%

There are no amounts that would otherwise be past due or impaired where terms have been renegotiated. Past due consists of financial assets that matured but the cash has not yet been received. Impairment is where the full face value of the asset is not expected to be recovered. There is no impairment at 31 March 2023 (2022: Nil).

b) Market Risk
Market risk is the risk that the value of the Plan's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

The Plan's equity, currency and fixed interest securities including those held in exchange traded funds and trading derivatives are susceptible to market price risk arising from uncertainties about future prices of the instruments. The overall market risk exposure is $77,700,101 (2022: $79,534,189).

To manage risk arising from investing in equity and fixed interest securities, the Plan diversifies its portfolio. Diversification is performed in accordance with the limits set by the SIPO.

15 FINANCIAL RISK MANAGEMENT (cont'd)

As at 31 March 2023 the Plan's concentration of risk, categorised by Geographical regions and Industries, are:

	2023	2022
Investments by Geographical region		
Australia	0.5%	0.7%
New Zealand	66.2%	68.0%
United States	23.1%	19.9%
Other	10.2%	11.4%
	100.0%	100.0%

	2023	2022
Investments by Industry		
Financial Institutions	42.2%	48.1%
Government	21.9%	13.2%
Other	35.9%	38.7%
	100.0%	100.0%

The Plan's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements.

b) i) Change in actual market prices

All of the Plan's equity investments are publicly traded. The Investment Manager assesses their performance and that of the Plan by reference to benchmark indices. These indices and their weighting of the Plan's investments reflect the risk profile of the Plan. Foreign exchange movements on overseas equities are a component of price risk. The fixed interest investments are principally affected by changes in market expectations and interest rates.

The table below summarises the impact of a 10% increase/decrease on the year end market price on the Plan's pre tax surplus for the year. The analysis is based on the assumption that the equity and fixed interest prices have all increased/decreased by 10% with all other variables held constant.

The sensitivity disclosed is considered appropriate given the movement of markets during the year.

	Impact on pre tax surplus for the year ended 31 March 2023		Impact on pre tax surplus for the year ended 31 March 2022	
	+10% change in market price	-10% change in market price	+10% change in market price	-10% change in market price
	$	$	$	$
Sensitivity	7,764,824	(7,764,824)	7,956,660	(7,956,660)

15 FINANCIAL RISK MANAGEMENT (cont'd)

b) ii) Foreign exchange risk

The Plan is exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies. The Plan enters into foreign currency contracts as governed by the current SIPO. Offshore equities held through exchange traded funds denominated in US dollars have an exposure to Euro and Japanese Yen, therefore FX contracts are also held for these currencies.

31 March 2023	**Australian Dollars NZD$**	**US Dollars NZD$**	**Euro NZD$**	**Japanese Yen NZD$**	**Great British Pound NZD$**	**Total NZD$**
Assets						
Cash and cash equivalents	866	96,465	-	-	-	97,331
Assets held at fair value through profit or loss	-	42,813,608	-	-	-	42,813,608
Total assets	866	42,910,073	-	-	-	42,910,939
Nominal Value of FX contracts	-	15,381,000	3,580,000	-	-	18,961,000

31 March 2022	**Australian Dollars NZD$**	**US Dollars NZD$**	**Euro NZD$**	**Japanese Yen NZD$**	**Great British Pound NZD$**	**Total NZD$**
Assets						
Cash and cash equivalents	10,942	30,049	7,979	-	-	48,970
Assets held at fair value through profit or loss	-	44,158,319	-	-	-	44,158,319
Total assets	10,942	44,188,368	7,979	-	-	44,207,289
Nominal Value of FX contracts	-	13,400,000	3,580,000	-	-	16,980,000

The table below shows the change in the fair value of financials assets / (liabilities) and surplus before taxation for significant currencies from a movement in exchange rates. The sensitivity disclosed is considered appropriate given the movement of FX rates during the year.

	Year ended 31 March 2023		
	Carrying Amount	**+10% change in exchange rate**	**-10% change in exchange rate**
	$	**$**	**$**
Australian Dollars	866	(79)	96
US Dollars	42,952,295	(3,904,754)	4,772,477
Other	9,636	(876)	1,071
	42,962,797	(3,905,709)	4,773,644

	Year ended 31 March 2022		
	Carrying Amount	**+10% change in exchange rate**	**-10% change in exchange rate**
	$	**$**	**$**
Australian Dollars	10,942	(995)	1,216
US Dollars	44,168,464	(4,015,315)	4,907,607
Other	(4,526)	412	(503)
	44,174,879	(4,015,898)	4,908,320

15 FINANCIAL RISK MANAGEMENT (cont'd)

b) iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash, short term deposits, term deposits and fixed interest securities expose the Plan to interest rate risk. Future interest rate movements will affect cash flows and the net market values of fixed interest securities. Interest rate risk management activities are undertaken by the Investment Managers in accordance with the investment strategy.

The table below shows the effect on interest income and net assets on financial assets from a movement in interest rates. The sensitivity disclosed is considered appropriate given the movement of interest rates during the year.

	Year ended 31 March 2023		
	Carrying Amount	+2% change in interest rate	-2% change in interest rate
	$	$	$
Financial Assets			
Cash and cash equivalents	15,171,177	13,283	(13,283)
Trade and other receivables	726,852	-	-
Term deposits	33,059,168	32,385	(32,385)
Fixed interest securities	19,517,389	14,925	(14,925)
	68,474,586	60,593	(60,593)

	Year ended 31 March 2022		
	Carrying Amount	+2% change in interest rate	-2% change in interest rate
	$	$	$
Financial Assets			
Cash and cash equivalents	13,628,177	2,315	(2,315)
Trade and other receivables	366,953	-	-
Term deposits	44,525,226	15,709	(15,709)
Fixed interest securities	19,433,772	15,890	(15,890)
	77,954,128	33,914	(33,914)

The table below summarises the Plan's exposure to interest rate risk. It includes the Plan's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates. All liabilities are current.

31 March 2023	Within 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	$	$	$	$	$
Bank accounts	14,289,710	-	-	-	14,289,710
Short term deposits	881,467	-	-	-	881,467
New Zealand government stock	7,175,934	-	1,466,192	7,550,040	16,192,166
New Zealand bonds	926,004	-	2,399,219	-	3,325,223
Term deposits	7,674,902	25,070,777	313,488	-	33,059,168

31 March 2022	Within 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	$	$	$	$	$
Bank accounts	12,436,938	-	-	-	12,436,938
Short term deposits	1,191,239	-	-	-	1,191,239
New Zealand government stock	-	-	8,902,306	4,708,033	13,610,339
New Zealand bonds	1,014,194	1,423,785	3,385,454	-	5,823,433
Term deposits	13,628,370	30,586,387	310,469	-	44,525,226

15 FINANCIAL RISK MANAGEMENT (cont'd)

c) Liquidity and cash flow risk

Liquidity risk is the risk that the Plan will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- Applying limits to ensure there is no concentration of liquidity risk to a particular asset or entity; and
- Ensuring that there is no significant exposure to illiquid or thinly traded securities.

The Plan is exposed to daily cash redemptions by members partially or fully withdrawing their funds. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Plan manages day-to-day cash flow by maintaining a cash balance sufficient to cover weekly cash outflows. This is assessed daily in periods of unusually high redemptions by the Investment Manager, reconciled weekly and forecasted for the next week.

The Plan only has financial liabilities due within one month.

The extent of the Plan's concentration of liquidity and cash flow risk will in general terms be determined by reference to a number of factors including the extent to which, relative to its overall investment, the Plan has invested in a particular asset class or entity. The Plan's liquidity and cash flow risk will also be subject to general economic and market events impacting on the asset classes and entities invested in as well as applicable asset class and entity specific risks which may affect the liquidity of the Plan's investments and the maturity profile of these investments.

Concentration of liquidity and cash flow risk is determined by investment in common asset classes, entities or markets or underlying exposure to particular economic and/or market events. Other shared characteristics that may determine the Plan's concentration of liquidity and cash flow risk across asset classes and entities are common exposure to a particular form of financial instrument and the maturity profile of particular investments.

The Plan actively monitors and controls the extent of the concentration of liquidity and cash flow risk in order to ensure that the level of this risk is minimised and is maintained within any limits specified by the SIPO. The Plan holds a diversified portfolio in accordance with the SIPO and this further mitigates against exposure to an inappropriate level of liquidity and cash flow risk.

d) Fair value measurements recognised in the Statement of Net Assets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example foreign exchange contracts are valued using independent forward foreign exchange rates and New Zealand bonds are valued using market yields; and

- Level 3 fair value measurements are not held by the Plan.

		Fair value measurement at end of the reporting period using:	
	31 March 2023	Level 1	Level 2
	$	$	$
Financial assets / (liabilities) at fair value through profit or loss			
Fixed Interest			
- New Zealand government stock	16,192,166	13,654,079	2,538,087
- Other New Zealand bonds	3,325,223	-	3,325,223
Equities and Funds			
- New Zealand	15,317,247	15,317,247	-
- Offshore	42,813,608	42,813,608	-
Foreign exchange contracts	51,857	-	51,857
Total	77,700,101	71,784,934	5,915,167

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15 FINANCIAL RISK MANAGEMENT (cont'd)

	Fair value measurement at end of the reporting period using:		
	31 March 2022	Level 1	Level 2
	$	$	$
Financial assets / (liabilities) at fair value through profit or loss			
Fixed Interest			
- New Zealand government stock	13,610,339	8,902,306	4,708,033
- Other New Zealand bonds	5,823,433	-	5,823,433
Equities and Funds			
- New Zealand	15,974,508	15,974,508	-
- Offshore	44,158,319	44,158,319	-
Foreign exchange contracts	(32,410)	-	(32,410)
Total	79,534,189	69,035,133	10,499,056

Capital risk management

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

The Plan achieves this through obtaining contributions from Members and Employers and investing in financial assets.

16 TAXATION

		2023	2022
		$	$
i	**Taxation expense**		
	Net surplus before membership activities	284,972	1,990,258
		284,972	1,990,258
	Tax expense thereon at 28% default rate	(79,792)	(557,272)
	Adjusted for the tax effects of permanent differences:		
	Tax effect of non-taxable income	323,216	435,883
	Tax effect of lower PIRs elected by some members	27,330	57,510
	Tax effect of FDR income	(630,178)	(525,707)
	Tax effect of Imputation Credits	95,859	88,272
	PIE tax expense allocated to members	(263,565)	(501,314)

As the Plan is a PIE, tax payable is determined with reference to an individual member's prescribed investor rate (PIR) and payable by the Plan on behalf of investors. For this reason, the 2023 tax expense for the Plan is nil (2022: Nil). The PIE tax payable for the year to 31 March 2023 of $263,565 (2022: $501,314) has been recorded against the member funds rather than as tax expense.

		2023	2022
		$	$
ii	**Tax refundable**		
	Opening balance	779,163	524,854
	Net tax paid	602,794	755,623
	Less: PIE tax payable on behalf of members	(263,565)	(501,314)
		1,118,392	779,163

17 RELATED PARTY TRANSACTIONS

The Plan holds short term deposits, fixed interest securities and New Zealand dollar and foreign currency call accounts with Kiwibank Limited. Kiwibank Limited was a jointly controlled entity of New Zealand Post Limited until 22 August 2022, when it was sold. As at 22 August 2022 the value of these investments was $6,116,181 (31 March 2022: $6,185,560). The accrued interest on these investments as at 22 August 2022 was $8,856 (31 March 2022: $4,057).

During the period 1 April 2022 to 22 August 2022, the Plan received interest revenue from Kiwibank Ltd of $21,711 (31 March 2022: $65,081).

The Plan holds no investments in New Zealand Post Limited (2022: Nil).

The Plan receives employer's contributions from New Zealand Post Limited and participating employers. The value of the contributions received are presented on the face of the financial statements. The value of contributions outstanding at balance date is presented in note 9.

During the year ended 31 March 2023 the Plan paid $1,142,608 to New Zealand Post Limited in cost reimbursements (2022: $615,724). This includes payments for investment and administration fees for the cost of employees involved in administering the Plan along with other administrative and property related outgoings. At 31 March 2023 the Plan owed New Zealand Post Limited $394,278 relating to expenses incurred on its behalf (2022: $483,833).

18 EMPLOYEE REMUNERATION

The Plan does not have any employees. The Plan is administered by employees of New Zealand Post Limited. The investment and administration charge paid to New Zealand Post Limited reimburses the Company for these employee services. The cost of employee services paid to the Company is included as personnel expenses in the Statement of Changes in Net Assets.

19 RECONCILIATION OF DECREASE IN PROMISED RETIREMENT BENEFITS TO OPERATING CASH FLOWS

	2023 $	2022 $
Decrease in promised retirement benefits	(6,424,878)	(3,594,787)
Non cash items:		
Losses / (gains) on financial assets / liabilities held at fair value through profit or loss	2,194,669	(249,845)
	2,194,669	(249,845)
Movements in other working capital items:		
Accrued investment income	(235,192)	123,360
Contributions receivable	(6,624)	22,058
Sundry receivables	(124,707)	822
Accrued interest on bonds	12,886	81,861
Benefits payable	149,532	610,992
Sundry payables	69,273	43,669
Related party payables	(156,554)	251,163
Taxation refundable	(339,229)	(254,309)
	(630,615)	879,616
Items classified as investing activities:		
Investment expenses	354,992	246,951
	354,992	246,951
Net cash flows to operating activities	(4,505,832)	(2,718,065)

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20 EVENTS OCCURRING AFTER THE BALANCE DATE

No significant events have occurred since balance date which would impact on the net assets of the Plan as disclosed in the Statement of Net Assets as at 31 March 2023 or on the results and cash flows of the Plan for the year ended on that date.

21 CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

There are no outstanding contingent assets and liabilities or commitments as at 31 March 2023 (2022: Nil).

22 BREAKDOWN OF INVESTMENT MANAGEMENT FEES

A breakdown of the investment management fees is as follows:

	2023	2022
	$	$
Bank fees	333	1,140
Financial services	151,329	29,089
Investment advisory services	120,000	120,000
Custodian brokerage and other fees	83,330	78,189
Other financial consultancy services	-	18,533
	354,992	246,951

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Independent auditor's report

To the members of New Zealand Post Superannuation Plan (the Plan)

Our opinion

In our opinion, the accompanying financial statements of the Plan present fairly, in all material respects, the financial position of the Plan as at 31 March 2023, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Plan's financial statements comprise:

- the statement of net assets as at 31 March 2023;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Independence

We are independent of the Plan in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have provided the following services to Trustees of the Plan (the Trustees): custody controls assurance reporting. These services have not impaired our independence as auditor of the Plan. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Plan.

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 year. 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.

Description of the key audit matter	How our audit addressed the key audit matter
Valuation and existence of financial assets at fair value through profit or loss and term deposits at amortised cost Financial assets at fair value through profit or loss (FVTPL) for the Plan as at 31 March 2023 amounted to $77.7m. Term deposits at amortised costs amount to $33m. Morgan Stanley (Custodian) holds the overseas financial assets at FVTPL on behalf of the Plan. New Zealand Post Trustees Limited (Custodian for term deposits) holds the Term deposits which are placed with financial institutions and measured at amortised cost. Further disclosures on the financial assets are included in note 7 of the financial statements. This was a key audit matter as it represents the substantial majority of the net assets of the Plan. As at 31 March 2023, the financial assets at FVTPL held by the Plan comprise investments in equities, bonds and listed funds. These financial instruments are classified at levels 1 and 2 of the fair value hierarchy. Financial assets with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy. The fair value of the Plan's level 1 financial assets have been determined using the quoted market prices in active markets. Market prices quoted in foreign currencies are translated to New Zealand dollars using the exchange rate at 31 March 2023. The fair value of the Plan's level 2 financial assets have been determined using valuation techniques with inputs from observable market data.	Our audit procedures included updating our understanding of the Plan's business processes to account for and value financial assets at fair value through profit or loss and term deposits. We obtained Morgan Stanley's controls report and New Zealand Post Trustees Limited controls report for controls in operation at the Plan covering custodian services provided. We evaluated the evidence provided by the controls reports over the design and operating effectiveness of the key controls operated by the service organisations and the Plan. Our audit procedures over the valuation of financial assets at FVTPL included agreeing the price for equities and funds to quoted market prices, and the exchange rates at which they have been converted from foreign currencies to New Zealand dollars, to independent third party pricing sources. We used an independent valuation expert to test the fair value of New Zealand government stock, New Zealand bonds, iShares Treasury Bond Fund, Vanguard and iShares exchange traded funds. We obtained confirmation from the Custodian and financial institutions of all financial assets at FVTPL and term deposits held by the Plan as at 31 March 2023.

Our audit approach

Overview

Materiality	Our materiality for the Plan is calculated based on approximately 1% of net assets for the Plan. We chose net assets as the benchmark because, in our view, the objective of the Plan is to provide members with a total return on the Plan's net assets, taking into account both capital and income returns.
Key audit matters	As reported above, we have one key audit matter, being Valuation and existence of financial assets at fair value through profit or loss and term deposits at amortised cost

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of the Plan as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of the Plan as a whole.

How we tailored our audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of the Plan as a whole, taking into account the structure of the Plan, the Plan's investments and the accounting and registry processes and controls.

The Trustees are responsible for the governance and control activities of the Plan. The Plan's investments are held by a Custodian. The Trustees have outsourced registry services (Registrar) to a third party service provider.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodian, the Registrar and the Manager to support our audit conclusions.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we 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 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 other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate a Plan or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our auditor's report.

Who we report to

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

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
30 June 2023

Napier