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**Trustee's Annual Report
For The Year Ended
31 December 2015**

For members of the

**Asteron Retirement Plus Personal
Superannuation Plan**

(A Registered Scheme under the Superannuation Schemes Act 1989)



Asteron Retirement Plus Personal Superannuation Plan

TRUSTEE'S ANNUAL REPORT

For the year ended 31 December 2015

FINANCIAL STATEMENTS AND ANNUAL REPORT

This Annual Report covers the twelve months from 1 January 2015 to 31 December 2015.

Following this Annual Report are the Financial Statements consisting of a Statement of Changes in Net Assets and a Statement of Cash Flows for the year ended 31 December 2015, and a Statement of Net Assets as at that date, together with a report from the Auditors, KPMG.

AMENDMENTS TO THE TRUST DEED

The Trust Deed was amended on 19 February 2014 to allow the trustee to automatically reallocate a member's investment when an investment portfolio within the policies is wound-up and the member does not return an investment direction identifying an alternative investment portfolio or is unable to be located.

TRUSTEE

The Trustee of the Retirement Plus Personal Superannuation Plan (the Plan) is Asteron Retirement Investment Limited.

MANAGERS

The Administration Manager and Insurer is Asteron Life Limited. The Investment Manager is Nikko Asset Management New Zealand Limited.

TRUSTEE'S STATEMENT

The Trustee certifies that:

- All the contributions required to be made to the Plan in accordance with the terms of the Trust Deed have been made.
- All of the contributions made to the Plan during the financial period were passed promptly to, and all of the benefits paid during the financial period were paid by the Administration Manager.
- The Trustee holds no funds.
- All of the benefits to be paid from the Plan in accordance with the terms of the Trust Deed have been paid.
- The fair value of the assets of the Plan as at 31 December 2015 equalled the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date. Provision has been made for the payment of all benefits due to members and other beneficiaries as at 31 December 2015.
- There are no legal proceedings or arbitrations pending that may have a material adverse effect on the Plan.
- In the opinion of the Trustee, after due enquiry, there has been no material or adverse change in:
 - (a) The value of the Plan's assets relative to its liabilities (including contingent liabilities); and
 - (b) The ability of the Plan to pay its debts as they become due in the normal course of business.

For and on behalf of the Trustee
Asteron Retirement Investment Limited



Grant Richard Willis
Director

Date: 25 FEB 2016



Terry Dane Tidbury
Director

Date: 25 FEB 2016

ADMINISTRATION MANAGER'S STATEMENT

The Administration Manager certifies that the Financial Statements prepared in respect of the Plan correctly present its financial affairs as at the balance date.

For Asteron Life Limited



Nadine Anne Tereora
Director

Date: 25 FEB 2016

Asteron Retirement Plus Personal Superannuation Plan

MEMBERSHIP SUMMARY

The following is a summary of changes in membership of the Plan during the year ended 31 December 2015. The Plan is closed to new entrants.

Members as at 1 January 2015	1,557
Less: Deaths and Disablements	(3)
Retirements	(47)
Withdrawals	(41)
Terminations	(15)
Members as at 31 December 2015	<u>1,451</u>

DIRECTORS OF TRUSTEE

The directors of Asteron Retirement Investment Limited during the year ended 31 December 2015 were Grant Richard Willis, Terry Dane Tidbury and Nadine Anne Tereora.

ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

The Trustee
Asteron Retirement Investment Limited
P O Box 894
WELLINGTON

email: adminclientservices@asteron.co.nz

Asteron Retirement Plus Personal Superannuation Plan

STATEMENT OF CHANGES IN NET ASSETS For the year ended 31 December 2015


	Notes	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
Investment revenue			
Changes in net fair value of investments through profit and loss	3	3,842,060	3,137,362
Less: Expenses			
Administration fees	4	(113,738)	(120,386)
Insurance premiums paid		(10,956)	(12,935)
Total expenses		<u>(124,694)</u>	<u>(133,321)</u>
Surplus after tax and before membership activities		<u>3,717,366</u>	<u>3,004,041</u>
Membership activities			
Members' contributions		2,011,373	2,101,281
Less: Benefits paid	5	(4,397,454)	(3,823,035)
Net membership activities		<u>(2,386,081)</u>	<u>(1,721,754)</u>
Net increase in promised retirement benefits allocated to members' accounts		<u>1,331,285</u>	<u>1,282,287</u>

STATEMENT OF NET ASSETS as at 31 December 2015

		31 December 2015 \$	31 December 2014 \$
Investments - at fair value through profit and loss	7	39,561,548	38,230,263
Net assets available for benefits		<u>39,561,548</u>	<u>38,230,263</u>
Represented by:			
Liability for promised retirement benefits	8	39,561,548	38,230,263
Total liabilities		<u>39,561,548</u>	<u>38,230,263</u>

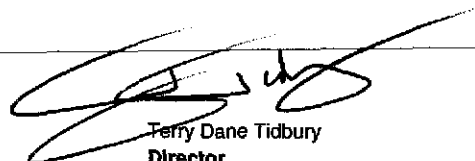
The above Financial Statements should be read in conjunction with the accompanying notes.

For and on behalf of the Trustee
Asteron Retirement Investment Limited



Grant Richard Willis
Director

Date: 25 FEB 2016



Terry Dane Tidbury
Director

Date: 25 FEB 2016

Asteron Retirement Plus Personal Superannuation Plan

STATEMENT OF CASH FLOWS For the year ended 31 December 2015

	<i>Notes</i>	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
Cash flows from operating activities			
Cash was provided from:			
Members' contributions		2,011,373	2,101,281
Cash was applied to:			
Payments to members		(4,397,454)	(3,823,035)
Administration fees		(113,738)	(120,386)
Insurance premiums		(10,956)	(12,935)
		<u>(4,522,148)</u>	<u>(3,956,356)</u>
Net cash outflow from operating activities	9	<u>(2,510,775)</u>	<u>(1,855,075)</u>
Cash flows from investing activities			
Cash was provided from:			
Redemption of investments		4,397,454	3,823,035
Cash was applied to:			
Purchase of investments		(1,886,679)	(1,967,960)
		<u>2,510,775</u>	<u>1,855,075</u>
Net cash inflow from investing activities		<u>2,510,775</u>	<u>1,855,075</u>
Net (decrease) / increase in cash balances		-	-
Cash at beginning of period		-	-
Cash at end of period		<u>-</u>	<u>-</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements

For the year ended 31 December 2015

1. STATUS OF PLAN

(a) Description of the Plan

The Retirement Plus Personal Superannuation Plan (the Plan) is a defined contribution superannuation scheme. Under the Plan, contributions are made by Plan members for the purpose of providing retirement benefits. In general, the benefits paid to members represent the return of contributions adjusted for investment performance less charges and net of any tax during the period of membership of the Plan. The accrued benefits of the Plan are represented by investment units. A unit price is calculated and published on a daily basis.

The Plan is registered and approved by the Financial Market Authority in accordance with the Superannuation Schemes Act 1989. The reference is AS/1096.

(b) Trust Deed

The Plan was established by a Trust Deed dated 14 February 1994 and amended by deeds dated 8 January 1998, 22 December 1999 and 28 January 2000. The consolidated deed dated 28 January 2000 was further amended on 1 July 2003 and 19 February 2014.

(c) Commencement of Plan

The Plan commenced operations in February 1994. It was closed to new members in 2002.

(d) Trustee

The Trustee is appointed in accordance with the relevant provisions of the Trust Deed. There shall only be one Trustee and only a corporate body shall act as Trustee of the Plan. The Trustee, Asteron Retirement Investment Limited, is a wholly owned subsidiary of Suncorp Group New Zealand Limited, whose ultimate parent is Suncorp Group Limited, which is an Australian company listed on the Australian Stock Exchange.

(e) Description of Funding Policy

Members make regular contributions to the Plan. The Plan remains open to voluntary increases to regular contributions and irregular voluntary contributions.

(f) Registered Prospectus

The plan is not required to register a prospectus under the Securities Act 1978.

(g) Description of Investment Policy

The Plan invests in the investment funds of Asteron Life Limited in accordance with the directions of the Trustee. The investment objectives and policies of the investment funds (including the asset guidelines and investment constraints) may be changed at any time by the Trustee giving instructions to the Investment Manager.

(h) Reserve Account Provisions

The Plan does not have a reserve account.

(i) Administration Manager and Insurer

The Administration Manager and Insurer is Asteron Life Limited. The ultimate parent of this company is Suncorp Group Limited.

(j) Investment Manager

The Investment Manager is Nikko Asset Management New Zealand Limited.

(k) Auditor of the Administration Manager

The auditor is KPMG, Chartered Accountants. KPMG provide an Independent Reasonable Assurance Report issued in accordance with Section 13(2)(c) of the Superannuation Schemes Act 1989 for the Plan.

(l) Guaranteed benefits

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

(m) Vested benefits

Vested benefits equate to the total accrued benefits in the Plan as at balance date. Under the conditions of the Plan, vested benefits are not conditional on continued membership. The accrued benefits are represented by units in the underlying investment funds available through the Plan. All accrued benefits have been allocated to Members' accounts.

(n) Segment Information

The Plan operates entirely within New Zealand.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

2. STATEMENT OF ACCOUNTING POLICIES

The Retirement Plus Personal Superannuation Plan is the reporting entity.

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for a profit-oriented entity. In complying with NZ IFRS, these financial statements also comply with International Financial Reporting Standards (IFRS).

(b) Basis of Preparation

The financial statements have been prepared in accordance with NZ IAS 26: Accounting and Reporting by Retirement Benefit Plans and with the provisions of the Trust Deed and relevant legislative requirements; the Financial Reporting Act 2013, the Superannuation Schemes Act 1989 and NZ GAAP.

Under NZ IAS 26, the Plan is classified as a "Defined Contribution Plan".

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Basis of Measurement

The financial statements are prepared on a historical cost basis, as modified by the revaluation of certain assets at fair value through profit or loss.

(d) Presentation Currency and Classification of Assets and Liabilities

All amounts are presented in New Zealand dollars, which is the Plan's functional and presentation currency, unless otherwise stated. The Statement of Net Assets has been prepared in the broad order of liquidity.

(e) Significant Accounting Policies

(i) Financial Instruments

The Plan invests in investment assets through Asteron Life Limited. The underlying assets comprise short term securities, debt securities, fixed interest securities and equities held both directly and through unit trusts and mutual funds. The investments are held on behalf of the Members in the name of Asteron Life Limited.

(a) Classification

The Plan's financial assets and financial liabilities are categorised as follows:

- *Financial instruments held for trading*
Financial instruments are classified as held for trading if they are acquired or incurred principally for the purpose of selling or repurchasing in the near term or are part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. These include derivative financial instruments. The Plan does not designate any derivatives as hedges in hedging relationships.
- *Financial instruments designated at fair value through profit or loss upon initial recognition*
Financial instruments designated at fair value through profit or loss upon initial recognition are those that are managed, and their performance evaluated, on a fair value basis in accordance with the Plan's documented investment strategy. The Plan's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. These are investments in exchange traded and non quoted instruments.
- *Loans and receivables / payables*
These are classified as receivables and payables.

(b) Recognition / De-recognition

All purchases and sales of financial assets that require delivery of the asset within the time frame established by regulation or market convention are recognised at trade date, being the date on which the Plan commits to buy or sell the asset. Sales of trading securities and investments that are unsettled at balance sheet date are included in receivables, unsettled purchase transactions are included in payables.

Financial assets are de-recognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and the Plan has transferred substantially all risks and rewards of ownership.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

(c) Measurement

Fair value for the various types of financial assets is determined as follows:

- **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 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.
- **Fair value in an active market**
The fair values of financial assets and liabilities traded in active markets are based on their quoted market prices at the 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.
- **Fair value in an inactive or unquoted market**
The fair values of financial assets and liabilities that are unquoted or not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of another substantially similar instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.
- **Loans and receivables / payables**
Loans and receivables are measured initially at cost plus transaction costs and subsequently amortised using the effective interest rate method, less impaired losses if any. Such assets are reviewed at each balance date to determine whether there is objective evidence of impairment for example when there has been a significant or prolonged decline in the fair value below cost.

If any such indication of impairment exists, an impairment loss is 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.

If in a subsequent period the amount of an impaired loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Changes in Net Assets.

Payables represent liabilities and accrued expenses owing by the Plan at balance date. These are initially recognised at fair value, being the amounts payable.

(d) Income and Expenses Arising from Financial Assets Classified as Fair Value Through Profit or Loss

All investment income and investment expenses recognised in the Statement of Changes in Net Assets relate to financial assets at fair value through profit or loss.

(ii) Changes in Fair Value

Changes in fair value consists of realised and unrealised gains and are recognised in the Statement of Changes in Net Assets. Realised gains and losses are derived from the sale of investments. Unrealised gains and losses are calculated from the change in the fair value of investments held at balance date and the reversal of the prior year's unrealised gains and losses.

(iii) Liability for Promised Retirement Benefits

The liability for accrued benefits is the Plan's present obligation to pay benefits to Members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities as at balance date. All accrued benefits have been allocated or were available for allocation to Members' accounts.

(iv) Contributions and Benefits

Contributions are recognised when received by the Plan. Benefits are recognised when they are due to be paid.

(v) Foreign Currency Transactions and Translation

Foreign currency transactions are recorded at the rate of exchange ruling on that date. As at balance date the monetary assets and liabilities arising from foreign currency trading transactions or foreign currency balances are translated at the appropriate closing exchange rates, and gains or losses due to currency fluctuations on these items are included in the Statement of Changes in Net Assets.

(vi) Income from Investments

- (a) Interest income is recognised on an accrual basis, being the effective interest income method.
- (b) Dividend income is accrued on shares when they become ex-dividend.
- (c) Distribution of interest and dividends from unit trusts are recognised when they are due from the trusts.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

(vii) Short Term Investments

Short term investments comprise bills of exchange and other short term discounted securities issued by corporates and local authorities. The usual term is for 90 days but these securities can be realised as cash within two working days, at carrying value.

(viii) Asset and Liability Recovery and Settlement Periods

The Plan's assets in the Statement of Net Assets are expected to be recovered or settled no more than twelve months after the balance date, except for the financial assets held to meet the liability for accrued benefits. The liabilities for accrued benefits are mostly expected to be settled more than twelve months after the balance date given the retirement and savings nature of the Plan.

(ix) Investment Revenue and Tax

The Plan invests in investment assets of Asteron Life Limited. The investment funds are unitised and the investment return flows through to members via the change in unit values which directly reflect the performance of the underlying assets on a net of tax basis. Income tax is calculated and paid on behalf of the Plan by Asteron Life Limited.

(f) Cash and Cash Equivalents and Statement of Cash Flows

The following are the definitions of the terms used in the statement of cash flows:

- (i) Operating activities include all transactions and other events that are not investing activities.
- (ii) Investing activities are those activities relating to the acquisition, holding and disposal of investments. Investments can include securities not falling within the definition of cash.
- (iii) Cash is considered to be cash on hand (including related party cash receivable), current accounts in banks which are net of bank overdrafts, call deposits and short term investments which are convertible to cash within two working days.
- (iv) Call deposits include amounts for day-to-day cash management as well as amounts for investment purposes. For the purpose of the Statement of Cash Flows these have all been treated as cash or cash equivalents.

(g) Critical Accounting Estimates and Judgements

The Plan makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the Plan's financial instruments, quoted market prices are readily available. However the Plan may hold certain financial instruments, for example, over the counter derivatives or unquoted securities, which are fair valued using valuation techniques. Valuation techniques including models use observable data to the extent possible. However, areas such as credit risk, volatilities and correlations require management to make estimates. Changes or assumptions about these factors could affect the reported fair value of financial instruments.

The plan measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There have been no significant transfers between Level 1 and Level 2 during the year ended 31 December 2015 or 31 December 2014.

3. CHANGES IN NET FAIR VALUE OF INVESTMENTS THROUGH PROFIT OR LOSS

The Plan invests in units of the Asteron Life Unit Linked Fund, and therefore the change in unit value directly reflects the performance of the underlying assets on a gross of tax basis.

The investment returns are shown net of tax as Asteron Life Limited has provided for tax on investment earnings and realised and unrealised gains.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

4. ADMINISTRATION FEES / RELATED PARTY TRANSACTIONS / TRUSTEE'S REMUNERATION

The administration costs of the Plan are met by the Administration Manager from fees deducted directly from members accounts. Investment management costs are met by the Administration Manager from the investment funds of the Plan indirectly through unit pricing. The Plan does not have its own operating bank account; all inwards and outwards cash flows through Asteron Life Limited.

Mortality and disability insurance premiums are deducted from members accounts and paid to the insurer, Asteron Life Limited.

The Plan conducts all related party transactions on normal commercial terms and conditions.

The Trustee received no remuneration from the Plan during this and the previous year.

5. BENEFITS PAID

	Year ended 31 December 2015	Year ended 31 December 2014
	\$	\$
Deaths	189,467	46,834
Retirements	2,528,766	1,948,823
Surrenders	811,310	576,170
Withdrawals	867,911	1,251,208
Total benefits paid	<u>4,397,454</u>	<u>3,823,035</u>

Withdrawals represent benefits paid to members who have not exited the Plan.

6. INVESTMENTS IN THE SCHEME MANAGER

The Plan holds no investments in Suncorp Group Limited or any of its related parties.

7. ON-BALANCE SHEET FINANCIAL INSTRUMENTS

The Plan's only financial instrument consists of investments held through Asteron Life Limited.

8. LIABILITY FOR PROMISED RETIREMENT BENEFITS

	31 December 2015	31 December 2014
	\$	\$
Balance at beginning of period	38,230,263	36,947,976
Benefits allocated during the period	1,331,285	1,282,287
Balance at end of period	<u>39,561,548</u>	<u>38,230,263</u>

9. RECONCILIATION OF NET MOVEMENTS IN PROMISED RETIREMENT BENEFITS ALLOCATED AS A RESULT OF OPERATIONS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2015	Year ended 31 December 2014
	\$	\$
Net increase in benefits accrued and allocated as a result of operations	1,331,285	1,282,287
Less: Non-cash items classified as investing activities		
Change in net fair value of investments	(3,842,060)	(3,137,362)
Net cash outflow from operating activities	<u>(2,510,775)</u>	<u>(1,855,075)</u>

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

10. RISK MANAGEMENT

As part of Suncorp Group, the Plan's Administration Manager, Asteron Life Limited, has adopted the Group's Enterprise Risk Management Framework, policy and processes to identify and manage the exposure to key risks created by the use of financial instruments (credit risk, market price risk, currency risk, interest rate risk, liquidity risk and capital management).

Risk Management Roles and Responsibilities

The Board of Asteron Life is responsible for overseeing the processes used to identify, evaluate and manage the exposure to risks.

Asteron Life's Senior Management team is accountable for implementing and assessing the effectiveness of the processes used to identify, evaluate and manage risks. The team is supported by the Risk and Compliance function which provides guidance and advice on risk and compliance matters.

Suncorp Group Limited's internal audit function is responsible for the independent review of risk management processes and internal control activities.

Financial Risk Management

The Plan's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business and the operational risks are an inevitable consequence of being in business. The Plan's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Plan's financial performance.

The Plan's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Plan regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

(a) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Plan by failing to discharge an obligation. Contracts have been entered into by Asteron Life Limited with various counterparties who have appropriate credit ratings in accordance with tactical and strategic limits laid down in its investment policies. The Plan is subject to credit losses in the event of non-performance by Asteron Life Limited, however, losses are not expected to occur.

The maximum exposure to credit risk of the Plan's financial instruments as at both 31 December 2015 and 31 December 2014 is equal to their carrying amount.

Concentrations of Credit Risk

While all investments are held by Asteron Life Limited, the underlying investments of this Fund are held in a wide range of corporate and financial institutions.

(b) Market Risk

Market risk is the risk that the fair 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 with mandates, overall investment strategy and within approved limits.

Market Price Risk Sensitivity

	31 December 2015	31 December 2014
	\$000's	\$000's
5% change in prices of investments	1,978	1,912

(c) Currency Risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Movements in the New Zealand dollar may affect both the cash flows and market values of investments denominated in foreign currencies. Financial instruments may be entered into by Asteron Life to hedge the currency risk associated with the holding of foreign assets and the underlying foreign currency exposure of the investments held.

Currency Rate Sensitivity

It is impracticable to include a currency rate sensitivity analysis. The trustees consider this risk to be immaterial.

Asteron Retirement Plus Personal Superannuation Plan

Notes to the Financial Statements (continued)

For the year ended 31 December 2015

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Plan is exposed to interest rate risk on all short and long term fixed interest investments as these are revalued at market value on a continuous basis. Asteron Life may purchase fixed interest option contracts to partially hedge its exposure to interest rate risk.

Interest Rate Sensitivity

It is impracticable to include an interest rate sensitivity analysis. The trustees consider this risk to be immaterial.

(e) Liquidity Risk

Liquidity risk is the risk that the funds in which the Plan is invested are unable to meet their payment obligations associated with their financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay members and creditors. Where there is a timing difference between the Plan's cash flow commitments and the receipts of funds, the Trustee has the right to realise investments in order to permit withdrawals from the Plan.

Liquidity Sensitivity

It is impracticable to include a liquidity sensitivity analysis. The trustees consider this risk to be immaterial.

In terms of managing the liquidity risk, the Trustee acts on the direction of the Plan Manager in respect of all payments made by the Plan.

(f) Capital Risk Management

The Plan's objectives when managing capital is to provide returns for members through capital growth and income. The Plan does this by investing in a diversified portfolio of financial assets.

The Plan undertakes to invest the contributions of the members in investments that meet the Plan's objectives while maintaining sufficient liquidity to meet member withdrawals.

11. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Plan had no contingent liabilities or capital commitments as at both 31 December 2015 and 31 December 2014.

12. EVENTS OCCURRING AFTER BALANCE DATE

There is no matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the Plan's operations, the results of those operations, or the Plan's state of affairs as at 31 December 2015.

13. UNIT PRICING INFORMATION FOR THE UNDERLYING INVESTMENTS OF THE PLAN

Unit prices at the beginning and end of the year were:

	December 31 2015	December 31 2014
	Redemption Price \$	Redemption Price \$
Aggressive Equity GMS	3.45267	3.04370
Conservative GMS	3.41905	3.23266
European Equity GMS	2.88566	2.48952
International GMS	3.10218	2.73053
Managed GMS	8.33111	7.62910
Money GMS	4.02190	3.93167
North American Equity GMS	3.38106	3.22759
NZ Equity GMS	10.85678	9.52350
NZ Fixed Interest GMS	5.56459	5.37008



Independent Reasonable Assurance Report Issued in Accordance with Section 13(2)(c) of the Superannuation Schemes Act 1989

To the Directors of Asteron Life Limited

This report is issued in connection with Asteron Retirement Plus Personal Superannuation Plan (the "Scheme") whose administration is fully managed by Asteron Life Limited (the "Administration Manager").

We are engaged to provide reasonable assurance about whether adequate accounting systems, records and methods of internal control are in place to ensure that the accounts prepared by the Administration Manager, in respect of the Scheme as fully managed by the Administration Manager, correctly present the Scheme's financial affairs for the year ended 31 December 2015.

Administration Manager's responsibilities

The Administration Manager is responsible for the preparation and presentation of annual financial statements, for the Scheme that it fully manages, that are free from material misstatement, whether due to fraud or error.

The Administration Manager is also responsible for:

- Providing to the Financial Markets Authority annual audited accounts in respect of its total business;
- Designing, implementing and maintaining adequate accounting systems, records and methods of internal control relevant to the preparation of the Scheme's annual financial statements that are free from material misstatement, whether due to fraud or error; and specific assurance that:
 - Assets for which they are responsible are safeguarded against loss from unauthorised use or disposition;
 - Transactions are carried out in accordance with authorised instructions; and
 - Transactions are recorded properly to permit the preparation of the annual financial statements, in respect of the fully managed Scheme.
- Prevention and detection of fraud and for identifying and ensuring that the Administration Manager complies with laws and regulations applicable to its activities.



Auditor's Responsibilities

Our responsibility is to perform a reasonable assurance engagement as described below and to express a conclusion based on the results of our work. We have conducted our work in accordance with ISAE (NZ) 3000 (Revised) *Assurance Engagement Other than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance as to whether the accounting systems, records and methods of internal control maintained by the Administration Manager, for the year ended 31 December 2015, are adequate to ensure that the annual financial statements prepared by the Administration Manager correctly present, in all material respects the Scheme's financial affairs.

For the purposes of this engagement "adequate systems, records and methods of internal control" is defined as operating effectiveness of controls of the Administration Manager to meet the objectives set out in Appendix A and identified by the auditor of the Administration Manager from the auditor's performance of:

- Audit procedures over systems, records and other methods of internal control, identified as significant to the preparation of the financial statements of the Administration Manager; and
- Other additional tests and procedures performed in respect of the accounting systems, records and methods of internal control operated by the Administration Manager in connection with the administration, management and preparation of the Scheme's annual financial statements.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures selected, and our determination of the nature, timing and extent of these procedures, depend on our judgement, including the assessment of the risks of misstatements in the Scheme's annual financial statements, whether due to fraud or error.

Inherent limitations

Due to the inherent limitations of any evidence gathering procedures and limitations in the Administration Manager's systems and processes that support the preparation of the Scheme's annual financial statements, it is possible that fraud, error or non-compliance may occur and not be detected.

Reasonable assurance is less than absolute assurance. Therefore, there is an unavoidable risk that some fraud, error or non-compliance may not be detected by an assurance engagement performed in accordance with ISAE (NZ) 3000 (Revised), even though the engagement is properly planned and performed in accordance with this standard.



Any projection of the evaluation of the operation of the accounting systems, records and methods of internal control operated by the Administration Manager in connection with the preparation of the Scheme's accounts to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate.

The reasonable assurance conclusion expressed in this report has been formed on the above basis.

Auditor's other relationship with the Administration Manager

Our firm has also provided other services to the Administration Manager in relation to audit engagements and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the Administration Manager on normal terms within the ordinary course of trading activities of the business of the Administration Manager. These matters have not impaired our independence. The firm has no other relationship with, or interest in, the Administration Manager.

Basis of Opinion

Our audit of the Administration Manager for the year ended 30 June 2015 was conducted in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). We are currently working on and have not yet completed our audit work relating to the year ending 30 June 2016 and we have not yet expressed any opinion on those financial statements. Our audit of the financial statements of the Administration Manager include such additional tests and procedures as we consider necessary in the circumstances to enable us to report under section 13(2)(c) of the Superannuation Schemes Act 1989. We have planned and performed the audit of the Administration Manager and undertaken additional procedures as to obtain all the information and explanations we consider necessary in order to provide us with sufficient evidence to obtain reasonable assurance, that in all material respects, adequate accounting systems, records and methods of internal control are in place to enable the Administration Manager to prepare annual financial statements, in respect of the fully managed Scheme, which correctly present, in all material respects, the Scheme's financial affairs.

Conclusion

We have obtained all the information and explanations we have required to enable us to report in accordance with section 13(2)(c) of the Superannuation Schemes Act 1989.

Based on the evidence obtained from the procedures we have performed, we certify that, in our opinion, adequate accounting systems, records and methods of internal control, that the Administration Manager has maintained, are in place to ensure that the annual financial statements prepared by the Administration Manager, in respect of the fully managed Scheme, correctly present, in all material respects, the Scheme's financial affairs for the year ended 31 December 2015.

Our conclusion has been formed on the basis of and is subject to limitations outlined elsewhere in this report.



Use of this Report

This report was requested by the Directors of the Administration Manager in accordance with our engagement letter dated 29 October 2015.

Our report is solely for the information of the Directors of the Administration Manager ("the Directors") in order to meet the requirements of the Section 13(2)(c) of the Superannuation Schemes Act 1989. We acknowledge that our report will be included with the Scheme's annual report under section 14 and sent to the Financial Markets Authority ("FMA"). However, this report is not to be used for any other purpose or distributed to any other party. We disclaim any assumption of responsibility for any reliance on this report to any party other than the Administration Manager, or for any other purpose than that for which it was prepared.

We have not audited, and therefore do not express an audit opinion on, the Scheme's annual financial statements.

Our engagement was completed on 25 February 2016 and our reasonable assurance opinion is expressed as at that date. We have not undertaken any procedures from the date of completion of our audit to date of this report.

KPMG

25 February 2016
Auckland

Appendix A – Control Objectives against which operating effectiveness of the Administration Manager was assessed:

- *Contributions:* processes and procedures are designed and operating effectively to ensure the validity, accuracy and completeness of recording and receipting of contributions due to and received by the Scheme.
- *Benefits:* processes and procedures are designed and operating effectively to ensure the validity, accuracy and completeness of recording and payment of benefits due to Scheme members and paid to Scheme members.
- *Investments and related income and expenses:* processes and procedures designed and operating effectively to ensure the validity, accuracy, completeness and valuation of investments of the Scheme and the validity, accuracy and completeness of related investment income and expenses.
- *Other income and expenses:* processes and procedures are designed and operating effectively to ensure the validity, accuracy and completeness of recording or expenses incurred and paid and income earned and received.
- *Financial statement preparation:* processes and procedures are designed and operating effectively to ensure the validity, accuracy and completeness of financial statement preparation of the Scheme.