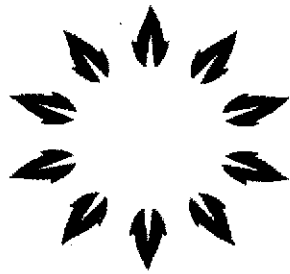




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Asteron Life

Trustee's Annual Report & Financial Statements For The Year Ended 31 March 2016

For Members of the

ASTERON SUPERANNUATION FUND

(A Registered Scheme under the Superannuation Schemes Act 1989)

Incorporating:

Asteron Retirement Savings Plan

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ASTERON SUPERANNUATION FUND

TRUSTEE'S ANNUAL REPORT

For The Year Ended 31 March 2016

FINANCIAL STATEMENTS AND ANNUAL REPORT

This Annual Report covers the twelve months from 1 April 2015 to 31 March 2016. 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 March 2016, and a Statement of Net Assets as at that date, together with a report from the Auditor, KPMG.

INVESTMENTS

Members contribute to Asteron Superannuation Fund (the Plan) schemes. These schemes may invest in any of the nine investment funds offered by the Plan. Full details of the investment strategy and performance of each fund is given in the Fund Manager's Report produced every six months.

AMENDMENT TO THE TRUST DEED

No amendments were made to the Trust Deed during the year ended 31 March 2016.

MEMBERSHIP SUMMARY

The following is a summary of changes in Membership during the year ended 31 March 2016. All of the Plan's schemes with the exception of Asteron Retirement Savings Plan were closed to new entrants in June 1998. Asteron Retirement Savings Plan was closed to new entrants in March 2002.

Superannuation Schemes

Schemes as at 1 April 2015	3
Withdrawals	(1)
Schemes as at 31 March 2016	<u>2</u>

Independent Members of the Asteron Retirement Savings Plan

Membership as at 1 April 2015	1,533
Deaths	(6)
Retirements	(53)
Surrenders	(40)
Lapses	(11)
Membership as at 31 March 2016	<u>1,423</u>

MANAGERS

The Investment Manager is Nikko Asset Management New Zealand Limited.

TRUSTEE

The Trustee is Asteron Retirement Investment Limited.

DIRECTORS OF TRUSTEE

The directors of Asteron Retirement Investment Limited during the year ended 31 March 2016 were Grant Richard Willis, Terry Dane Tidbury and Nadine Anne Tereora.

ASTERON SUPERANNUATION FUND

TRUSTEE'S ANNUAL REPORT
For The Year Ended 31 March 2016

CERTIFICATE BY TRUSTEE

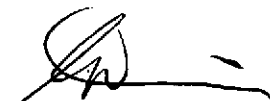
- (a) All contributions required to be made to the Plan in accordance with the terms of the Trust Deed have been made.
- (b) The Trustee certifies that:
- All of the contributions made to the Plan during the financial period were passed promptly to, and all of the benefits paid during the financial period were paid by the Administration Manager.
 - All benefits required to be paid from the Plan in accordance with the terms of the Trust Deed have been paid by the Administration Manager.
 - The Trustee holds no funds.
 - The fair value of the assets of the Plan as at 31 March 2016 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 was made for the payment of all benefits due to Members and other beneficiaries as at 31 March 2016.
 - In the opinion of the Trustee, after due enquiry, there has been no material or adverse change in:
 - (i) The value of the Plan's assets relative to its liabilities (including contingent liabilities); and
 - (ii) The ability of the Plan to pay its debts as they become due in the normal course of business.

ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

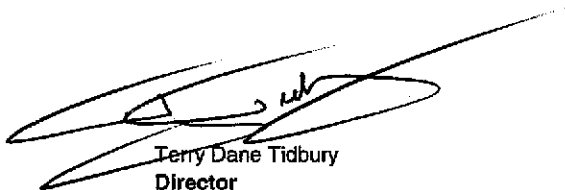
The Trustee
Asteron Superannuation Fund
c/o Asteron Retirement Investment Limited
P O Box 894
WELLINGTON 6140

For and on behalf of the Trustee
Asteron Retirement Investment Limited



Grant Richard Willis
Director

Date: 27 JUN 2016



Terry Dane Tidbury
Director

Date: 27 JUN 2016

ASTERON SUPERANNUATION FUND

**STATEMENT OF CHANGES IN NET ASSETS
For The Year Ended 31 March 2016**

	<i>Notes</i>	31 March 2016 \$000's	31 March 2015 \$000's
Investment revenue			
Gain or loss of investments at fair value through profit or loss	3	4,743	8,724
Dividend income		2,065	1,586
Interest income		197	385
Other income		110	1
Management and administration fee rebate	8	129	96
		<u>7,244</u>	<u>10,792</u>
Less: Investment expenses			
Management fees	8	448	437
Transaction costs		-	7
		448	444
Less: Other expenses			
Life cover charges	8	34	35
Other expenses		-	123
		34	158
Surplus before Membership activities		<u>6,762</u>	<u>10,190</u>
Membership activities			
Members' contributions	4	2,395	2,620
Benefits paid	5	(14,471)	(6,355)
Net benefits paid		<u>(12,076)</u>	<u>(3,735)</u>
Cancellation of Members' benefits to settle PIE tax liability	6	(453)	(695)
Net Membership activities		<u>(12,529)</u>	<u>(4,430)</u>
Net increase / (decrease) in retirement benefits promised and allocated to Members' accounts		<u>(5,767)</u>	<u>5,760</u>

The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

ASTERON SUPERANNUATION FUND

STATEMENT OF NET ASSETS
As At 31 March 2016

	<i>Notes</i>	31 March 2016 \$000's	31 March 2015 \$000's
Assets			
Cash or cash equivalents	10	18,021	1,179
Related party cash receivable	8,10	142	655
Financial assets designated as fair value through profit or loss <i>Nikko Asset Management NZ Funds</i>	10	61,401	83,785
		61,401	83,785
Interest receivable		13	4
Investment receivable		31	-
Related party receivable	8	18	115
PIE tax rebate receivable	7	7	6
Sundry debtors		-	40
Total assets		79,633	85,784
Less: Liabilities			
Investment and sundry payables		348	732
Total liabilities (excluding net assets available for benefits)		348	732
Net assets available for benefits		79,285	85,052
Represented by:			
Liability for promised retirement benefits	6	79,285	85,052

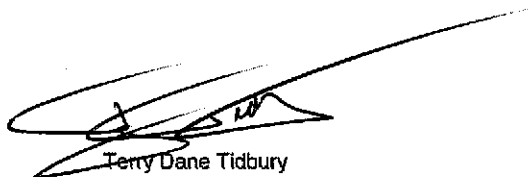
The above Statement of Net Assets should be read in conjunction with the accompanying notes.

For and on behalf of the Trustee
Asteron Retirement Investment Limited



Grant Richard Willis
Director

Date: 27 JUN 2016



Terry Dane Tidbury
Director

Date: 27 JUN 2016

ASTERON SUPERANNUATION FUND

STATEMENT OF CASH FLOWS For The Year Ended 31 March 2016

	<i>Notes</i>	31 March 2016 \$000's	31 March 2015 \$000's
Cash flows from operating activities			
Cash was provided from:			
Members' contributions		2,011	3,140
Dividends received		2,065	1,756
Interest received		189	607
Other income		110	(39)
		<u>4,375</u>	<u>5,464</u>
Cash was applied to:			
Benefits paid		(14,471)	(6,355)
Cancellation of Members' benefits to settle PIE tax liability		(455)	(698)
Payments to Trustee and Administration and Investment Managers		(257)	(917)
Other expenses		-	(124)
		<u>(15,183)</u>	<u>(8,094)</u>
Net cash outflow from operating activities	<i>9</i>	<u>(10,808)</u>	<u>(2,630)</u>
Cash flows from investing activities			
Cash was provided from:			
Sale of investments		44,814	106,248
Cash was applied to:			
Purchases of investments		(17,677)	(105,884)
Transaction costs - purchase and sales of investments		-	(7)
		<u>27,137</u>	<u>357</u>
Net cash inflow from investing activities		<u>27,137</u>	<u>357</u>
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		<u>16,329</u>	<u>(2,273)</u>
Opening cash and cash equivalents		1,834	4,107
Closing cash and cash equivalents		<u>18,163</u>	<u>1,834</u>
Cash and cash equivalents consist of:			
Call deposits		18,021	1,179
Related party cash receivable	<i>8</i>	142	655
Cash and cash equivalents at end of the year		<u>18,163</u>	<u>1,834</u>

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

ASTERON SUPERANNUATION FUND

Notes To The Financial Statements For The Year Ended 31 March 2016

Note	Contents
1.	Reporting Entity
2.	Statement of Accounting Policies
3.	Gain or loss on investments at fair value through profit or loss
4.	Members' Contributions
5.	Benefits Paid
6.	Liability for Promised Retirement Benefits
7.	PIE Tax Receivable
8.	Related Parties
9.	Reconciliation of Net Movement in Retirement Benefits Promised and Allocated to Members' Accounts to Net Cash Flow from Operating Activities
10.	Risk Management
11.	Contingent Liabilities and Capital Commitments
12.	Guaranteed Benefits
13.	Vested Benefits
14.	Funding Arrangement
15.	Unit Pricing Comparison
16.	Events Occurring after Balance Date

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

1. REPORTING ENTITY

The Asteron Superannuation Fund (the Plan) is a superannuation scheme under which contributions are made by Plan Members only and the benefits paid to Members represent the return of Member contributions adjusted for the income performance less charges during the period of Membership to the Plan. All contributions received and all benefits paid are undertaken on behalf of the underlying superannuation schemes investing in the Plan. All of the Plan's schemes with the exception of Asteron Retirement Savings Plan were closed to new entrants in June 1998. Asteron Retirement Savings Plan was closed to new entrants in March 2002.

The Plan is registered by the Financial Markets Authority in accordance with the Superannuation Schemes Act 1989.

The Plan was established by Trust Deed dated 17 February 1982, and amended by deeds dated 19 August 1983, 9 July 1984, 25 October 1994, 19 October 1998 and 1 July 2003.

The Plan commenced operations in February 1982.

The Trustee, Asteron Retirement Investment Limited, was incorporated in New Zealand under the Companies Act 1955 on 19 May 1981 and re-registered as a company under the Companies Act 1993, on 17 June 1997. The registered number of the company is 37753. The registered office of the company is:

Asteron Centre, Level 13, 55 Featherston Street, Wellington 6011
Mailing Address: PO Box 894, Wellington 6140, New Zealand

The parent of Asteron Retirement Investment Limited is Suncorp Group New Zealand Limited, whose ultimate parent company is Suncorp Group Limited which is an Australian company listed on the Australian Stock Exchange.

The Administration Manager is Asteron Life Limited.

The Investment Manager is Nikko Asset Management New Zealand Limited.

AMENDMENT TO THE TRUST DEED

No amendments were made to the Trust Deed during the year ended 31 March 2016.

2. STATEMENT OF ACCOUNTING POLICIES

(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 1993, subject to transitional provisions under section 55 of the Financial Reporting Act 2013 and schedule 4, clause (1B)(1)(b) of the Financial Markets Conduct Act 2013, the Superannuation Schemes Act 1989 and NZ GAAP.

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

The Financial Reporting Act 2013 (FRA 2013) has come into force replacing the Financial Reporting Act 1993, effective for all for-profit entities with reporting periods beginning on or after 1 April 2014. In accordance with the transitional provisions under Section 55 of the Financial Reporting Act 2013 and Schedule 4, Clause (1B)(1)(b) of the Financial Markets Conduct Act 2013 (FMC Act 2013), the financial statements of the Plan continue to comply with the Financial Reporting Act 1993 for the year ended 31 March 2016.

The Plan is currently reporting under NZIFRS, as per requirement for Tier 1 for profit entities under the current XRB framework.

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 financial assets and liabilities at fair value through profit or loss.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

(d) Presentation Currency and Classification of Assets and Liabilities

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

(e) Significant Accounting Policies

(i) Financial Instruments

The Plan invests in short term investments, equities, debt securities and fixed interest securities both directly and through unit trusts and mutual funds. Investments held with unit trusts and mutual funds are classified based on the type of underlying investments. The investments, except for call deposits and foreign exchange contracts, are held on behalf of the Members by, and in the name of, the Trustee of the Plan, Asteron Retirement Investment Limited. Call deposits and foreign exchange contracts are held on behalf of the Members by and in the name of the Administration Manager of the Plan, Asteron Life Limited.

(a) Classification

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

- **Financial assets and financial liabilities held at fair value through profit or loss, which comprise:**

- *Financial instruments held for trading*

Financial instruments are classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is 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. Derivatives are also categorised as held for trading.

- *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 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.

Other financial assets and financial liabilities are recognised on the date on which they originated.

The Plan derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(c) Measurement

Fair value for the various types of financial assets and financial liabilities 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 assets or financial liabilities. 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. Refer to Note 2(h) for securities determined using valuation techniques.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

• **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.

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 Held at 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 losses 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 period's unrealised gains and losses.

(iii) Liability for Promised Retirement Benefits

The liability for promised retirement 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 promised retirement benefits have been allocated or were available for allocation to Members' accounts.

(iv) Contributions and Benefits

Contributions are recognised when due to 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.

(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 and liabilities 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 promised retirement benefits. The liabilities for promised retirement benefits are mostly expected to be settled more than twelve months after the balance date given the retirement and savings nature of the Plan.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

(ix) Tax

The Plan became a Portfolio Investment Entity (PIE) from 1 June 2008. PIEs are not subject to tax at fund level and therefore the Plan has no income tax expense or deferred tax assets or liabilities.

The PIE tax rules require that all taxable income, deductible expenses and tax credits relating to a Member's investment are allocated to individual Members based on their investment in the Plan. Tax will be charged to each Member on their share of allocated net income at their Prescribed Investor Rate (PIR) (as advised to the Administration Manager) adjusted for allocated tax credits.

The maximum PIR applicable to a Member of the Plan is capped at 28%, notwithstanding that a Member's marginal tax rate may be either 10.5%, 17.5%, 30% or 33%.

The Plan allocates PIE taxable income and tax credits to Members on a daily basis. The PIE tax liability is calculated, collected and paid to the Inland Revenue on a quarterly basis. Income tax liabilities for each Member will be met by cancelling the required number of units in the Members' accounts.

The Trustee, Asteron Retirement Investment Limited, is responsible for payment of all PIE tax liabilities on behalf of the Members of the Plan to the Commissioner of Inland Revenue.

(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. Included within operating activities is non-cash dividend income received in the form of units as opposed to cash.
- (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. Included within investing activities are non-cash purchases of investments relating to distributions received in the form of units as opposed to cash.
- (iii) Cash is considered to be cash on hand (including related party cash receivable/payable), 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.
- (v) There are no restrictions on cash or cash equivalents which would impact realisation of cash balances.

(g) New reporting standards or interpretations

Standards not yet effective

The following reporting standards and interpretations applicable to the Scheme have been issued by the External Reporting Board but are not yet effective.

NZ IFRS 9 Financial Instruments

On 24 July 2014, the XRB issued the complete NZ IFRS 9 (NZ IFRS 9 (2014)). The mandatory effective date of NZ IFRS 9 is for annual periods beginning on or after 1 January 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

NZ IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under NZ IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

NZ IFRS 9 (2014) introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new expected credit loss model for calculating impairment.

NZ IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognise ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgement to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The Scheme intends to adopt NZ IFRS 9 (2014) in the financial statements for the annual period beginning on 1 April 2018. The Scheme does not expect the standard to have a material impact on the financial statements.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

Standards effective in the current financial year

NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans

The XRB issued amendments to NZ IAS 26 Accounting and Reporting by Retirement Benefit Plans in September 2014. The amendments are effective for annual periods beginning on or after 1 January 2015.

The amendments incorporate additional disclosure requirements for fair value with regard to retirement benefit plan investments, in line with NZ IFRS 13.

The Plan adopted the amendments in its financial statements for the annual period beginning 1 April 2015. The amendments did not have a material impact on the financial statements as the current disclosures were already compliant with the new requirements.

(h) 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 market 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 all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. 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.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 March 2016	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's	Total \$000's
Nikko Asset Management NZ Funds				
Nikko AM Wholesale NZ Cash Fund	-	9,571	-	9,571
Nikko AM Global Equity Unhedged Fund	-	14,112	-	14,112
Nikko AM Wholesale Core Equity Fund	-	15,122	-	15,122
Nikko AM Global Equity Hedged Fund	-	5,174	-	5,174
Nikko AM Wholesale NZ Bond Fund	-	9,212	-	9,212
Nikko AM Wholesale Global Bond Fund	-	2,240	-	2,240
Nikko AM Wholesale Property Fund	-	3,599	-	3,599
Nikko AM Wholesale Option Fund	-	2,371	-	2,371
Total financial assets designated as fair value through profit or loss	-	61,401	-	61,401

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

31 March 2015	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's	Total \$000's
Nikko Asset Management NZ Funds				
Nikko AM Wholesale NZ Cash Fund	-	9,635	-	9,635
Nikko AM Global Equity Unhedged Fund	-	20,838	-	20,838
Nikko AM Wholesale Core Equity Fund	-	19,882	-	19,882
Nikko AM Global Equity Hedged Fund	-	6,824	-	6,824
Nikko AM Wholesale NZ Bond Fund	-	15,599	-	15,599
Nikko AM Wholesale Global Bond Fund	-	9,937	-	9,937
Nikko AM Wholesale Property Fund	-	1,070	-	1,070
Total financial assets designated as fair value through profit or loss	-	83,785	-	83,785

There have been no significant transfers between Level 1 and level 2 during the year ended 31 March 2016 or 31 March 2015.

3. GAIN OR LOSS ON INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2016 \$000's	31 March 2015 \$000's
Designated at fair value through profit or loss		
Forward foreign exchange contracts	-	37
Nikko Asset Management NZ Funds Realised Gain	4,774	12,072
Nikko Asset Management NZ Funds Unrealised Gain	(31)	(3,385)
Total	4,743	8,724

4. MEMBERS' CONTRIBUTIONS

	31 March 2016 \$000's	31 March 2015 \$000's
Annual contributions	2,365	2,513
Single / casual contributions	30	107
Total Members' contributions	2,395	2,620

5. BENEFITS PAID

	31 March 2016 \$000's	31 March 2015 \$000's
Deaths	403	489
Retirements	9,746	2,468
Surrenders	2,829	1,872
Withdrawals	1,493	1,526
Total benefits paid	14,471	6,355

6. LIABILITY FOR PROMISED RETIREMENT BENEFITS

	31 March 2016 \$000's	31 March 2015 \$000's
Balance at beginning of the year	85,052	79,292
Surplus before Membership activities	6,762	10,190
Members' contributions	2,395	2,620
Benefits paid	(14,471)	(6,355)
Cancellation of Members' benefits to settle PIE tax liability	(453)	(695)
Balance at end of the year	79,285	85,052

For information on guaranteed benefits and vested benefits refer to notes 12 and 13 respectively.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

7. PIE TAX RECEIVABLE

As a Portfolio Investment Entity (PIE) the Plan is obliged to calculate, collect and pay to the Inland Revenue Department the PIE tax liability for each of its Members at their individual Prescribed Investor Rate (PIR) on a quarterly basis.

During the year sufficient funds to settle the PIE tax liability for each Member were realised by way of cancellation of units from the Members' investments in the Plan.

As at 31 March 2016, PIE tax of \$7,022 is receivable by the Plan on behalf of Members (31 March 2015: \$5,751).

8. RELATED PARTIES

The Trustee is Asteron Retirement Investment Limited whose parent company is Suncorp Group New Zealand Limited. The ultimate parent company is Suncorp Group Limited which is an Australian company listed on the Australian Stock Exchange. Key management personnel services have been outsourced to Asteron Retirement Investment Limited and the company has received a payment of \$319,000 this year (31 March 2015: \$341,000) in relation to provision of key management personnel services.

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

All related party transactions are conducted on normal commercial terms and conditions.

Related Party	Transaction \$000's
Asteron Life Limited (Related Company of Trustee and Administration Manager and Insurer of the Plan)	Payment of life cover charges \$34 (31 March 2015: \$35) Related party cash receivable \$142 (31 March 2015: \$655) The Plan does not have its own operating bank account, therefore the related party cash balance represents cash owed by Asteron Life Limited to the Plan.
Asteron Retirement Investment Limited (Trustee)	Management and administration fees \$448 (31 March 2015: \$437) Management and administration fees rebate \$129 (31 March 2015: \$96) Related party receivable \$18 (31 March 2015: \$115)

Audit fees are paid by Asteron Life Limited on behalf of Asteron Superannuation Fund. The audit fee for the year ended 31 March 2016 is \$28,000 (31 March 2015: \$27,200).

9. RECONCILIATION OF NET MOVEMENT IN RETIREMENT BENEFITS PROMISED AND ALLOCATED TO MEMBERS' ACCOUNTS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 March 2016 \$000's	31 March 2015 \$000's
Net (decrease) / increase in retirement benefits promised and allocated to Members' accounts	(5,767)	5,760
Add / (Less) items classified as investing activities:		
Gain or loss of investments at fair value	(4,743)	(8,724)
Transaction costs	-	7
Add / (Less) movement on other working capital items :		
(Increase) / decrease in accrued income	(9)	392
Decrease in related party payable	-	(426)
(Increase) / Decrease in related party receivable	97	(115)
Increase / (Decrease) in sundry payables	(386)	519
Increase in sundry receivables	-	(43)
Net cash outflow from operating activities	(10,808)	(2,630)

Notes to the Financial Statements
For The Year Ended 31 March 2016

10. RISK MANAGEMENT

As part of Suncorp Group Limited, Asteron Life Limited (**Asteron Life**), the Administration Manager of the Plan, has adopted the Suncorp 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).

Underpinning all risk management activities are the following principles:

- A common language and approach to effectively embed risk management across the activities of the Plan
- Risk management activities are as sophisticated as the risks they are designed to manage
- Regular updating of the risk profiles for all material risks inherent in activities of the Plan
- Use of consistent methodology and clear ownership of risks
- Use of objective measurement of risk where appropriate
- The use of indicators and other reporting mechanisms to analyse risk

Risk Management Roles and Responsibilities

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

Asteron Life Limited's Senior Management team is accountable for implementing and assessing the effectiveness of the processes used to identify, evaluate and manage risks.

Asteron Life Limited's Senior Management 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 performances.

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. The Plan does not apply a look through approach when assessing risk.

(a) Credit Risk

The Plan takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Plan by failing to discharge an obligation.

Financial instruments which potentially subject the Plan to credit risk consist of cash, receivables, short term and long term investments, forward foreign exchange contracts and interest rate options.

Contracts have been entered into with various counterparties, who have appropriate credit ratings, in accordance with the tactical and strategic limits laid down in policies reviewed by the Trustee. The Plan does not require collateral or other security. The Plan is subject to credit losses in the event of non-performance by the counterparties to all financial instruments, however losses are not expected to occur.

The maximum exposure to credit risk is the carrying amount of these financial instruments in the Statement of Net Assets.

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

Concentrations of Credit Risk

The Plan places its investments with a large range of corporate and financial institutions. Investment strategies are carefully balanced so that there is no significant concentration of credit risk in any one financial institution.

The following table gives credit exposures by financial asset category:

	31 March 2016	31 March 2015
	\$000's	\$000's
Cash or cash equivalents	18,021	1,179
Related party cash receivable	142	655
Interest receivable	13	4
Investment receivable	31	-
Related party receivable	18	115
	18,225	1,953

The Plan is indirectly exposed to credit risk by investing in funds which invest in fixed income securities. The following table gives the breakdown of investments in Nikko Asset Management NZ Funds by financial asset category:

	31 March 2016	31 March 2015
	\$000's	\$000's
Nikko AM Wholesale Core Equity Fund	15,122	19,882
Nikko AM Global Equity Unhedged Fund	14,112	20,838
Nikko AM Wholesale NZ Cash Fund	9,571	9,635
Nikko AM Wholesale NZ Bond Fund	9,212	15,599
Nikko AM Global Equity Hedged Fund	5,174	6,824
Nikko AM Wholesale Property Fund	3,599	1,070
Nikko AM Wholesale Option Fund	2,371	-
Nikko AM Wholesale Global Bond Fund	2,240	9,937
	61,401	83,785

The Plan's investments which exceed 5% of the net assets are:

	31 March 2016		31 March 2015	
	%	\$000's	%	\$000's
Nikko AM Wholesale Core Equity Fund	19%	15,122	23%	19,882
Nikko AM Global Equity Unhedged Fund	18%	14,112	24%	20,838
Nikko AM Wholesale NZ Cash Fund	12%	9,571	11%	9,635
Nikko AM Wholesale NZ Bond Fund	12%	9,212	18%	15,599
Nikko AM Global Equity Hedged Fund	7%	5,174	8%	6,824
Nikko AM Wholesale Global Bond Fund	-	-	12%	9,937

(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.

At balance date, the Plan's market risk is affected by three main components: Changes in actual prices, foreign currency exchange rates and interest rates movements. Foreign currency exchange rates and interest rates movements are covered in notes 10(c) and 10(d) respectively.

Market Price Risk Sensitivity

If the prices of the investments held by the Plan at balance date had moved by 5% with all other variables held constant, the impact in the Statement of Changes in Net Assets would have been as follows:

	31 March 2016	31 March 2015
	\$000's	\$000's
5% increase in prices of investments (excluding short term investments)	3,070	4,189
5% decrease in prices of investments (excluding short term investments)	(3,070)	(4,189)

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

(c) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate due to changes in foreign exchange rates.

Foreign exchange contracts are used to manage foreign currency risk and as at the prior year balance date, the Plan had unhedged exposures amounting to 0% of offshore equity investments, including offshore equity unit trusts.

As at 31 March 2016 all the Funds investments were held in New Zealand denominated funds.

As at balance date, the Plan had \$Nil foreign exchange contracts (31 March 2015 : \$Nil).

The Plan does not hold any investments denominated in foreign currencies and therefore is not directly exposed to currency risk.

(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.

Interest Rate Sensitivity

• Fair Value Sensitivity

A change in interest rate impacts the fair value of the Plan's fixed rate assets. Fair value changes impact on the Statement of Changes in Net Assets only where the instruments are carried at fair value. The sensitivity is based on fixed rate interest assets which includes short term investments and securities totalling \$Nil (31 March 2015: \$Nil). Given these \$nil balances, the fair value sensitivity to movement in interest rates is \$nil.

• Cash Flow Sensitivity

A change in interest rate would also impact on interest receipts on the Plan's floating rate assets. Based on floating rate interest assets totalling \$Nil (31 March 2015: \$Nil). Given these \$nil balances, the cashflow sensitivity to movement in interest rates is \$nil.

(e) Liquidity Risk

Liquidity risk is the risk that the Plan is unable to meet its payment obligations associated with its 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.

If by reason of exceptional circumstances the Trustee in good faith forms the opinion that it is impractical or would be materially prejudicial to the interest of the Members for the Trustee to realise investments in order to permit withdrawals from the Plan, then the Trustee may give a written notice of withdrawal suspension to any Member who gives or has given Notice of Withdrawal. Such a notice has the effect of suspending the operation of all withdrawal notices until such time as the Trustee withdraws this notice. 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.

Maturity Schedule

The following table shows maturity periods by financial liability type.

	Total \$000's	0 - 30 Days \$000's	30 - 60 Days \$000's	60 - 90 Days \$000's	90+ Days \$000's
31 March 2016					
Investment and sundry payables	348	348	-	-	-
Total financial liabilities	348	348	-	-	-
	Total \$000's	0 - 30 Days \$000's	30 - 60 Days \$000's	60 - 90 Days \$000's	90+ Days \$000's
31 March 2015					
Investment and sundry payables	732	732	-	-	-
Total financial liabilities	732	732	-	-	-

ASTERON SUPERANNUATION FUND

Notes to the Financial Statements For The Year Ended 31 March 2016

(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 as listed in the Statement of Net 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

There were no contingent liabilities or capital commitments as at 31 March 2016 (31 March 2015: \$Nil).

12. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the liability for promised retirement benefits (31 March 2015: \$Nil).

13. VESTED BENEFITS

Vested benefits equate to the total promised retirement benefits in the Plan as at balance date. Under the conditions of the Plan, vested benefits are not conditional on continued Membership.

14. FUNDING ARRANGEMENT

Each Member contributes on the basis specified in their application form or as agreed thereafter with the Trustee. There are no mandatory contributions or restrictions.

15. UNIT PRICING COMPARISON

Unit prices of the nine investment funds at the beginning and end of the period were:

	31 March 2016 Redemption Price \$	31 March 2015 Redemption Price \$
Short Term Deposit	10.661	10.305
NZ Fixed Interest	2.569	2.965
International Fixed Interest	3.319	3.150
NZ / AUS Equity	2.945	3.254
International Equity	3.131	2.443
Property	3.096	4.210
Managed Conservative	3.821	2.766
Managed Neutral	3.151	2.859
Managed Growth	4.786	2.838

16. EVENTS OCCURRING AFTER BALANCE DATE

In February 2016 the Trustees resolved to wind up Asteron Super Yield and Asteron Pension Yield Personal Superannuation Schemes which are unit holders of the Plan. It is expected that the Personal Superannuation Schemes will be wound up and all invested funds returned to members during June 2016. There are no other matters or circumstances that has arisen since the end of the financial year 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 March 2016.



Independent auditor's report

To the members of Asteron Superannuation Fund

Report on the financial statements

We have audited the accompanying financial statements of Asteron Superannuation Fund ("the Plan") on pages 3 to 17. The financial statements comprise the statement of net assets as at 31 March 2016, the statement of changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Trustees' responsibility for the financial statements

The trustees are responsible on behalf of the Plan for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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



Opinion

In our opinion the financial statements on pages 3 to 17:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the Plan as at 31 March 2016 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Asteron Superannuation Fund as far as appears from our examination of those records.

KPMG

27 June 2016
Auckland