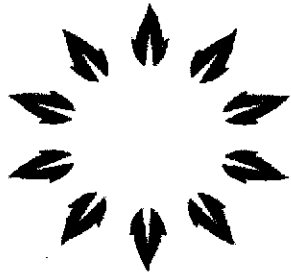




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# Asteron Life

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

For Members of the  
**ASTERON SUPERPLAN**

(A Registered Scheme under the Superannuation Schemes Act 1989)

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# ASTERON SUPERPLAN

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## 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 contributing to the Plan may invest in any of the eleven investment funds offered by each of Superplan and Superplan 2000. 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. The Plan was closed to new entrants on 31 March 2009.

Membership as at 1 April 2015	7,189
Deaths and disablements	(18)
Retirements	(295)
Surrenders	(100)
Lapses	(48)
Membership as at 31 March 2016	<u>6,728</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.

### CERTIFICATE BY TRUSTEE

The Trustee certifies that:

- All contributions required to be made to the Plan in accordance with the terms of the Trust Deed have been made.
- 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.

## ASTERON SUPERPLAN

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

#### ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

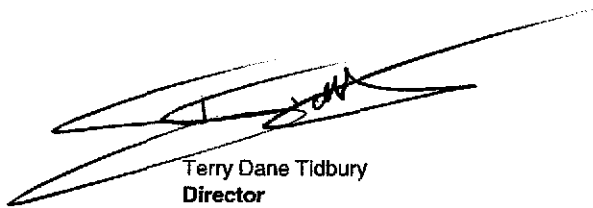
The Trustee  
Asteron Superplan  
c/o Asteron Retirement Investment Limited  
P O Box 894  
WELLINGTON 6140

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 SUPERPLAN

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

	Notes	Year Ended 31 March 2016 \$000's	Year Ended 31 March 2015 \$000's
<b>Investment revenue</b>			
Gain or loss of investments at fair value through profit or loss	3	13,430	28,055
Dividend income		5,808	4,062
Interest income		421	909
Administration fee rebate	8	108	70
		19,767	33,096
<b>Less: Investment expenses</b>			
Management fees	8	4,104	4,115
		4,104	4,115
<b>Net investment revenue</b>			
		15,663	28,981
<b>Less: Other expenses</b>			
Life cover charges	8	201	215
Other expenses		28	-
		229	215
<b>Surplus before Membership activities</b>			
		15,434	28,766
<b>Membership activities</b>			
Members' contributions	4	12,748	12,461
Benefits paid	5	(23,839)	(24,563)
Net benefits paid		(11,091)	(12,102)
Cancellation of Members' benefits to settle PIE tax liability	6	(572)	(1,220)
Net Membership activities		(11,663)	(13,322)
<b>Net increase in promised retirement benefits allocated to Members' accounts</b>			
		3,771	15,444

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

# ASTERON SUPERPLAN

## STATEMENT OF NET ASSETS As At 31 March 2016

	Notes	31 March 2016 \$000's	31 March 2015 \$000's
<b>Assets</b>			
Cash or cash equivalents	10	3,733	3,110
Related party cash receivable	8, 10	28	210
Financial assets designated as fair value through profit or loss	10		
<i>Equities - New Zealand and International</i>		31,341	32,660
<i>Forward foreign exchange contracts</i>		154	62
<i>Nikko Asset Management NZ Funds</i>		221,534	216,673
		253,029	249,415
Interest receivable		9	13
Investment and sundry receivables		110	536
PIE tax rebate receivable	7	52	48
<b>Total assets</b>		<b>256,961</b>	<b>253,332</b>
<b>Less: Liabilities</b>			
Related party payable	8	248	346
Investment and sundry payables		219	263
<b>Total liabilities (excluding net assets available for benefits)</b>		<b>467</b>	<b>609</b>
<b>Net assets available for benefits</b>		<b>256,494</b>	<b>252,723</b>
<b>Represented by:</b>			
Liability for promised retirement benefits	6	256,494	252,723

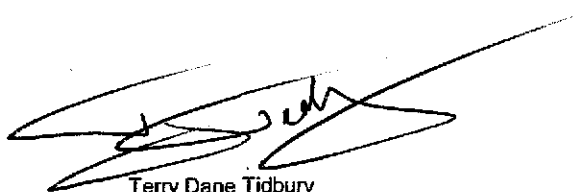
The above Statement of Net Assets should be read in conjunction with the accompanying notes.

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 SUPERPLAN

### STATEMENT OF CASH FLOWS For The Year Ended 31 March 2016

	<i>Notes</i>	Year Ended 31 March 2016 \$000's	Year Ended 31 March 2015 \$000's
<b>Cash flows from operating activities</b>			
Cash was provided from:			
Members' contributions		12,707	12,606
Dividends received		5,808	4,526
Interest received		425	1,432
		<u>18,940</u>	<u>18,564</u>
Cash was applied to:			
Benefits paid		(23,839)	(24,563)
Cancellation of Members' benefits to settle PIE tax liability		(576)	(1,230)
Payments to Trustee, Administration and Investment Managers		(4,092)	(4,868)
		<u>(28,507)</u>	<u>(30,661)</u>
<b>Net cash outflow from operating activities</b>	9	<u>(9,567)</u>	<u>(12,097)</u>
<b>Cash flows from investing activities</b>			
Cash was provided from:			
Sale of investments		46,424	260,090
Cash was applied to:			
Purchase of investments		(36,416)	(259,706)
<b>Net cash inflow from investing activities</b>		<u>10,008</u>	<u>384</u>
<b>Net cash inflow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		441	(11,713)
Opening cash and cash equivalents		3,320	15,033
<b>Closing cash and cash equivalents</b>		<u>3,761</u>	<u>3,320</u>
<b>Cash and cash equivalents consist of:</b>			
Call deposits		3,733	3,110
Related party cash receivable	8	28	210
<b>Cash and cash equivalents at end of the year</b>		<u>3,761</u>	<u>3,320</u>

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

## **ASTERON SUPERPLAN**

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

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8.	<b>Related Parties</b>
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## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2016

#### 1. REPORTING ENTITY

The Asteron Superplan (the Plan) is a superannuation scheme under which Members contribute to the Plan on a periodic basis. In general, benefits paid to Members represent the return of Member contributions adjusted for the income performance less charges during the period of Membership of the Plan.

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

The Plan operates under a Trust Deed dated 20 July 1990 as amended. That deed appointed Asteron Retirement Investment Limited as Trustee and Asteron Life Limited as Administration Manager of the Plan. The Plan commenced operations on 1 August 1990 and was closed to new entrants on 31 March 2009.

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-orientated 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 (18)(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 (18)(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 (including derivatives) at fair value through profit or loss.



## ASTERON SUPERPLAN

### 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 they are acquired or incurred principally for the purpose of selling or repurchasing in the near term or as 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 and 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. Refer to Note 2(h) for securities determined using valuation techniques.

## ASTERON SUPERPLAN

### 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 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 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 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 SUPERPLAN

### 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 SUPERPLAN

### 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:

ASTERON SUPERPLAN

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2016

31 March 2016	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's	Total \$000's
<b>Forward foreign exchange contracts</b>	-	154	-	154
<b>Equities - New Zealand and International unit trusts</b>				
F&C European Growth & Income Fund	15,444	-	-	15,444
F&C North American-3-Acc	13,903	-	-	13,903
F&C Us Smaller Comps-1-Inc	1,994	-	-	1,994
	<u>31,341</u>	-	-	<u>31,341</u>
<b>Nikko Asset Management NZ Funds</b>				
Nikko AM Wholesale NZ Cash Fund	-	44,433	-	44,433
Nikko AM Wholesale Core Equity Fund	-	59,315	-	59,315
Nikko AM Global Equity Unhedged Fund	-	51,422	-	51,422
Nikko AM Global Equity Hedged Fund	-	17,602	-	17,602
Nikko AM Wholesale Concentrated Equity Fund	-	1,374	-	1,374
Nikko AM Wholesale Multi Strategy Fund	-	944	-	944
Nikko AM Wholesale NZ Bond Fund	-	27,336	-	27,336
Nikko AM Wholesale Global Bond Fund	-	7,672	-	7,672
Nikko AM Property Fund	-	5,345	-	5,345
Nikko AM Wholesale Option Fund	-	6,091	-	6,091
	-	<u>221,534</u>	-	<u>221,534</u>
<b>Total financial assets designated as fair value through profit or loss</b>	<u>31,341</u>	<u>221,688</u>	-	<u>253,029</u>

31 March 2015	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's	Total \$000's
<b>Forward foreign exchange contracts</b>	-	82	-	82
<b>Equities - New Zealand and International unit trusts</b>				
F&C European Growth & Income Fund	16,063	-	-	16,063
F&C North American-3-Acc	13,215	-	-	13,215
F&C Us Smaller Comps-1-Inc	3,382	-	-	3,382
	<u>32,660</u>	-	-	<u>32,660</u>
<b>Nikko Asset Management NZ Funds</b>				
Nikko AM Wholesale NZ Cash Fund	-	31,739	-	31,739
Nikko AM Wholesale Core Equity Fund	-	59,182	-	59,182
Nikko AM Global Equity Unhedged Fund	-	54,755	-	54,755
Nikko AM Global Equity Hedged Fund	-	16,550	-	16,550
Nikko AM Wholesale Concentrated Equity Fund	-	1,206	-	1,206
Nikko AM Wholesale Multi Strategy Fund	-	1,170	-	1,170
Nikko AM Wholesale NZ Bond Fund	-	33,639	-	33,639
Nikko AM Wholesale Global Bond Fund	-	17,857	-	17,857
Nikko AM Wholesale Option Fund	-	575	-	575
	-	<u>216,673</u>	-	<u>216,673</u>
<b>Total financial assets designated as fair value through profit or loss</b>	<u>32,660</u>	<u>216,755</u>	-	<u>249,415</u>

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

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

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

	Year Ended 31 March 2016 \$000's	Year Ended 31 March 2015 \$000's
Designated at fair value through profit or loss		
<i>Forward foreign exchange contracts</i>	(775)	159
<i>Nikko Asset Management NZ Realised Gain</i>	5,132	1,075
<i>Nikko Asset Management NZ Unrealised Gain</i>	9,073	26,821
<b>Total</b>	<b>13,430</b>	<b>28,055</b>

#### 4. MEMBERS CONTRIBUTIONS

	Year Ended \$000's	Year Ended \$000's
Annual contributions	11,701	12,176
Single / casual contributions	1,047	285
<b>Total members contributions</b>	<b>12,748</b>	<b>12,461</b>

#### 5. BENEFITS PAID

	Year Ended 31 March 2016 \$000's	Year Ended 31 March 2015 \$000's
Deaths	610	999
Retirements	13,117	12,324
Surrenders	3,027	2,929
Withdrawals	7,085	8,311
<b>Total benefits paid</b>	<b>23,839</b>	<b>24,563</b>

#### 6. LIABILITY FOR PROMISED RETIREMENT BENEFITS

	31 March 2016 \$000's	31 March 2015 \$000's
Balance at beginning of the year	252,723	237,279
Surplus after taxation	15,434	28,766
Members' contributions	12,748	12,461
Benefits paid	(23,839)	(24,563)
Cancellation of Members' benefits to settle PIE tax liability	(572)	(1,220)
<b>Balance at end of the year</b>	<b>256,494</b>	<b>252,723</b>

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

#### 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 rebate of \$52,233 (31 March 2015: \$47,933) is receivable by the Plan on behalf of Members.

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

#### 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 \$3,997,000 (31 March 2015: \$4,049,000) this year 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.

The Suncorp New Zealand Superannuation Scheme is offered to employees of Suncorp Group New Zealand Limited and other employers who have entered into a participation agreement with the trustees of the Scheme. Suncorp Group New Zealand Limited is the parent company of Asteron Life, the ultimate parent company of which is Suncorp Group Limited.

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

Related Party (Nature of Relationship)	Transaction \$000's
Asteron Life Limited (Related Company of Trustee and Administration Manager and Insurer of the Plan)	<p><b>Payment of life cover charges</b>  <b>\$201</b> (31 March 2015: \$215)  <b>Related party cash receivable</b>  <b>\$28</b> (31 March 2015: \$210)</p> <p>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.</p>
Asteron Retirement Investment Limited (Trustee)	<p><b>Management and administration fees</b>  <b>\$4,104</b> (31 March 2015: \$4,115)  <b>Management and administration fees rebate</b>  <b>\$108</b> (31 March 2015: \$70)  <b>Related party payable</b>  <b>\$248</b> (31 March 2015: \$346)</p>

Audit fees are paid by Asteron Life Limited on behalf of Asteron Superplan. The audit fee for the year ended 31 March 2016 is \$30,700 (31 March 2015: \$29,900).

The Suncorp New Zealand Superannuation Scheme (superannuation scheme managed by Aon Hewitt) has invested in Asteron Superplan. The market value of this investment as at 31 March 2016 is \$18,218,659 (31 March 2015: \$17,043,093).

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

	Year Ended 31 March 2016 \$000's	Year Ended 31 March 2015 \$000's
<b>Net increase in promised retirement benefits allocated to Members' accounts</b>	<b>3,771</b>	<b>15,444</b>
Add / (Less) items classified as investing activities:		
Gain or loss of investments at fair value	(13,430)	(28,055)
Add / (Less) movement on other working capital items :		
Decrease in accrued income	4	985
(Increase) / decrease in sundry receivables	233	(342)
Increase in PIE tax rebate receivable	(5)	(13)
Decrease in related party payable	(98)	(23)
(Decrease) / Increase in sundry payables	(42)	(93)
<b>Net cash outflow from operating activities</b>	<b>(9,567)</b>	<b>(12,097)</b>

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2016

#### 10. RISK MANAGEMENT

As part of Suncorp Group, 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 SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2016

#### (b) Concentration 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	3,733	3,110
Related party cash receivable	28	210
Financial assets designated as fair value through profit or loss	31,495	32,742
Interest receivable	9	13
Investment and sundry receivables	110	536
	<u>35,375</u>	<u>36,611</u>

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

	31 March 2016	31 March 2015
	\$000's	\$000's
Nikko AM Wholesale Core Equity Fund	59,315	59,182
Nikko AM Global Equity Unhedged Fund	51,422	54,755
Nikko AM Wholesale NZ Bond Fund	27,336	33,639
Nikko AM Wholesale NZ Cash Fund	44,433	31,739
Nikko AM Wholesale Global Bond Fund	7,872	17,857
Nikko AM Global Equity Hedged Fund	17,602	16,550
Nikko AM Property Fund	5,345	-
Nikko AM Wholesale Concentrated Equity Fund	1,374	1,206
Nikko AM Wholesale Multi Strategy Fund	944	1,170
Nikko AM Wholesale Option Fund	6,091	575
	<u>221,534</u>	<u>216,673</u>

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	23%	59,315	23%	59,181
Nikko AM Global Equity Unhedged Fund	20%	51,422	22%	54,755
Nikko AM Wholesale NZ Cash Fund	17%	44,433	13%	31,739
Nikko AM Wholesale NZ Bond Fund	11%	27,336	13%	33,638
Nikko AM Global Equity Hedged Fund	7%	17,602	7%	16,550
F&C European Growth & Income Fund	6%	15,444	6%	16,063
F&C North American	5%	13,903	5%	13,215
Nikko AM Wholesale Global Bond Fund	-	-	7%	17,857

#### (c) 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. The 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 rate movements. Foreign currency exchange rates and interest rate movements are covered in notes 10(d) and 10(e) respectively.

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

#### 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 \$000's	31 March 2015 \$000's
5% increase in prices of investments (excluding short term investments)	12,651	12,471
5% decrease in prices of investments (excluding short term investments)	(12,651)	(12,471)

#### (d) Currency Risk

The Plan is exposed to currency risk in that future movements in the New Zealand dollar against currencies of foreign investments will affect the cash flows and the fair values of those investments. Foreign currency hedging activities are undertaken by the Investment Manager in respect of the Plan's foreign currency exposure.

	31 March 2016 \$000's	31 March 2015 \$000's
The contracted foreign currency amounts payable at balance date are :		
<b>Foreign Currency</b>		
United States Dollar	(4,035)	(4,158)
Euro	3,824	3,956

The nominal value of direct investments denominated in foreign currencies are as follows:

<b>Foreign Currency</b>	31 March 2016	31 March 2015
British Pound	31,341	32,660
Euro	36	7

#### Currency Rate Sensitivity

At balance date, had the exchange rate between the New Zealand dollar and the foreign currencies moved by 5% with all other variables held constant, the impact in Statement of Changes in Net Assets would have been as follows:

	31 March 2016 \$000's	31 March 2015 \$000's
<b>5% Increase in Currency Rates</b>		
British Pound	1,650	1,719
United States Dollar	212	219
Euro	(199)	(208)
<b>5% Decrease in Currency Rates</b>		
British Pound	(1,492)	(1,555)
United States Dollar	(192)	(198)
Euro	180	188

The Plan's investment strategy is to offer a range of risk and growth options to Plan Members who ultimately choose their own exposure when they select their investment portfolio.

The unit trust and mutual fund investments held by the Plan invest world-wide. The hedging strategy of the Plan takes into account the underlying currency exposures of these unit trusts and mutual funds, bearing in mind the hedging strategies of the trusts.

#### (e) Interest Rate Risk

The Plan is exposed to interest rate risk in that future interest rate movements will affect cash flows and the fair value of fixed interest bearing assets.

The Plan is indirectly exposed to interest rate risk on all short and long term fixed interest investments held by funds in which the Plan invests as these are revalued at market value on a continuous basis.

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

#### 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.

#### (f) Liquidity Risk

Liquidity risk is the risk that the Plan is unable to meet its payment obligations associated with its financial liabilities or benefit payments 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 contractual 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
<b>31 March 2016</b>					
Related party payable	248	248	-	-	-
Investment and sundry payables	219	219	-	-	-
<b>Total financial liabilities</b>	<b>467</b>	<b>467</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Total \$000's	0 - 30 Days \$000's	30 - 60 Days \$000's	60 - 90 Days \$000's	90+ Days \$000's
<b>31 March 2015</b>					
Related party payable	346	346	-	-	-
Investment and sundry payables	263	263	-	-	-
<b>Total financial liabilities</b>	<b>609</b>	<b>609</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### (g) 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).

## ASTERON SUPERPLAN

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2016

#### 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 investment funds at the beginning and end of the year were:

Fund	31 March 2016 Redemption Price \$	31 March 2015 Redemption Price \$
<b>Superplan</b>		
Balanced	3.084	2.891
Capital	2.646	2.580
Global Equity	2.424	2.338
Trans-Tasman	5.067	4.368
North American	3.270	3.226
European	2.618	2.645
Conservative	2.608	2.494
Dynamic	2.738	2.522
NZ Bonds	3.453	3.272
Global Bond	2.776	2.658
Aggressive	1.831	1.687
<b>Superplan 2000</b>		
Balanced	2.435	2.267
Capital	2.237	2.169
Global Equity	2.065	1.981
Trans-Tasman	4.021	3.439
North American	2.310	2.269
European	2.243	2.249
Conservative	2.378	2.253
Dynamic	2.415	2.213
NZ Bonds	2.703	2.562
Global Bond	2.932	2.810
Aggressive	1.952	1.789

#### 16. Events Occurring after Balance Date

There is no matter or circumstance 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 Superplan

#### Report on the financial statements

We have audited the accompanying financial statements of Asteron Superplan ("the Plan") on pages 3 to 19. 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 19:

- 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 Superplan as far as appears from our examination of those records.

*KPMG*

27 June 2016  
Auckland