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**EVERGREEN RETIREMENT TRUST  
AUDITED FINANCIAL STATEMENTS  
FOR THE 12 MONTHS AND SIX DAYS ENDED 6 APRIL 2018**

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Including the following Funds:

**Absolute Growth Fund (GBP) - Pounds sterling denominated**  
**Income Plus Fund (GBP) - Pounds sterling denominated**

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**EVERGREEN RETIREMENT TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE 12 MONTHS AND SIX DAYS ENDED 6 APRIL 2018**

		<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>Note</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>							
Interest income		430	759	-	-	430	759
Dividend income		17,451	5,344	46,044	44,427	63,495	49,771
Benefit payment fee		99	1,268	451	3,994	550	5,262
Net gains/(losses) on financial instruments at fair value though profit or loss	5	315,682	(6,368)	69,489	180,446	385,171	174,078
Foreign exchange (losses)/gains on cash at bank and outstanding settlements		(34,099)	9,350	(884)	(1,572)	(34,983)	7,778
<b>Total Revenue</b>		<b>299,563</b>	<b>10,353</b>	<b>115,100</b>	<b>227,295</b>	<b>414,663</b>	<b>237,648</b>
<b>Expenses</b>							
Investment management fees		44,322	52,742	109,214	118,411	153,536	171,153
Administration expenses	4	24,252	49,729	50,875	100,515	75,127	150,244
Transaction costs		2,630	744	2,454	1,473	5,084	2,217
Brokerage fees		-	-	-	23,445	-	23,445
Audit fees		9,937	8,383	24,947	19,561	34,884	27,944
Wind-up costs		18,820	-	57,182	-	76,002	-
<b>Total Expenses</b>		<b>99,961</b>	<b>111,598</b>	<b>244,672</b>	<b>263,405</b>	<b>344,633</b>	<b>375,003</b>
<b>Net Gain/(Loss) before Membership Activities and after Transfer to Reserves</b>		<b>199,602</b>	<b>(101,245)</b>	<b>(129,572)</b>	<b>(36,110)</b>	<b>70,030</b>	<b>(137,355)</b>
<b>Withdrawals</b>							
Member attributed taxation		(4)	(636)	146	(1,250)	142	(1,886)
Member withdrawals		55,714	68,428	151,089	250,603	206,803	319,031
Scheme management fees	11	53,877	48,436	132,269	120,788	186,146	169,224
		109,587	116,228	283,504	370,141	393,091	486,369
<b>Net Membership Activities</b>		<b>(109,587)</b>	<b>(116,228)</b>	<b>(283,504)</b>	<b>(370,141)</b>	<b>(393,091)</b>	<b>(486,369)</b>
Movements in members' accounts		90,015	(217,473)	(413,076)	(406,251)	(323,061)	(623,724)
<b>Members' accounts at the start of the period</b>		<b>2,303,177</b>	<b>2,520,650</b>	<b>7,260,332</b>	<b>7,666,583</b>	<b>9,563,509</b>	<b>10,187,233</b>
<b>Members' accounts at the end of the period</b>		<b>2,393,192</b>	<b>2,303,177</b>	<b>6,847,256</b>	<b>7,260,332</b>	<b>9,240,448</b>	<b>9,563,509</b>

The notes to the financial statements set out on pages 5 to 16 should be read in conjunction with this statement of changes in net assets available for benefits.


**EVERGREEN RETIREMENT TRUST  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS  
AS AT 6 APRIL 2018**

	Note	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		6 April 2018	31 March 2017	6 April 2018	31 March 2017	6 April 2018	31 March 2017
		£	£	£	£	£	£
<b>Members' Funds</b>		<b>2,393,192</b>	2,303,177	<b>6,847,256</b>	7,260,332	<b>9,240,448</b>	9,563,509
		<b>2,393,192</b>	2,303,177	<b>6,847,256</b>	7,260,332	<b>9,240,448</b>	9,563,509
<b>Assets</b>							
Cash and cash equivalents	6	1,394	333,315	12,094	12,438	13,488	345,753
Trade and other receivables	8	155,915	141,588	2,488,221	2,960,735	2,644,136	3,102,323
Financial assets at fair value through profit or loss	7	2,323,786	2,282,510	4,495,990	4,685,345	6,819,776	6,967,855
Unit holder attributed taxation receivable	15	275	1,063	-	1,615	275	2,678
<b>Total Assets</b>		<b>2,481,370</b>	2,758,476	<b>6,996,305</b>	7,660,133	<b>9,477,675</b>	10,418,609
<b>Liabilities</b>							
Trade and other payables	9	52,286	23,230	129,973	39,130	182,259	62,360
Trade and other payables to related parties	9, 11	6,158	5,640	12,389	10,898	18,547	16,538
Financial liabilities at fair value through profit or loss	7	29,734	426,429	6,687	349,773	36,421	776,202
<b>Total Liabilities</b>		<b>88,178</b>	455,299	<b>149,049</b>	399,801	<b>237,227</b>	855,100
<b>Net Assets Attributable to Members</b>		<b>2,393,192</b>	2,303,177	<b>6,847,256</b>	7,260,332	<b>9,240,448</b>	9,563,509

These financial statements were authorised for issue by the Trustee, The New Zealand Guardian Trust Company Limited.

Director 

Date 31/03/2018

Director 

Date 31/03/2018

The notes to the financial statements set out on pages 5 to 16 should be read in conjunction with this statement of net assets available for benefits.

**EVERGREEN RETIREMENT TRUST  
STATEMENT OF CASH FLOWS  
FOR THE 12 MONTHS AND SIX DAYS ENDED 6 APRIL 2018**

	Note	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (NZD)	
		One year and six days to 6 April 2018 £	One year to 31 March 2017 £	One year and six days to 6 April 2018 £	One year to 31 March 2017 £	One year and six days to 6 April 2018 £	One year to 31 March 2017 £
<b>Cash Flows from Operating Activities</b>							
Cash was provided from:							
Interest income		357	834	-	-	357	834
Dividend income		17,451	5,344	45,219	44,427	62,670	49,771
Sale of investments		1,440,666	1,019,647	(91,997)	2,134,327	1,348,669	3,153,974
Other (expenses)/income		(20,037)	10,736	(129)	2,724	(20,166)	13,460
Cash was applied to:							
Payment of expenses		(82,472)	(105,062)	(186,294)	(254,414)	(268,766)	(359,476)
Purchase of investments		(1,591,324)	(481,180)	480,204	(1,537,686)	(1,111,120)	(2,018,866)
<b>Net cash from operating activities</b>	<b>10</b>	<b>(235,359)</b>	<b>450,319</b>	<b>247,003</b>	<b>389,378</b>	<b>11,644</b>	<b>839,697</b>
<b>Cash Flows used in Financing Activities</b>							
Cash was provided from:							
Member attributed taxation		792	-	1,469	(10,719)	2,261	(10,719)
Cash was applied to:							
Withdrawals by members		(97,333)	(119,009)	(248,785)	(379,555)	(346,118)	(498,564)
<b>Net cash used in financing activities</b>		<b>(96,541)</b>	<b>(119,009)</b>	<b>(247,316)</b>	<b>(390,274)</b>	<b>(343,857)</b>	<b>(509,283)</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>		<b>(331,900)</b>	<b>331,310</b>	<b>(313)</b>	<b>(896)</b>	<b>(332,213)</b>	<b>330,414</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>333,315</b>	<b>2,024</b>	<b>12,438</b>	<b>13,368</b>	<b>345,753</b>	<b>15,392</b>
Effect of exchange rate fluctuations		(21)	(19)	(31)	(34)	(52)	(53)
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>1,394</b>	<b>333,315</b>	<b>12,094</b>	<b>12,438</b>	<b>13,488</b>	<b>345,753</b>

The notes to the financial statements set out on pages 5 to 16 should be read in conjunction with this statement of cash flows.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE 12 MONTHS AND SIX DAYS ENDED 6 APRIL 2018**

**1. General Information**

The reporting entity is the Evergreen Retirement Trust ("the Scheme"). The Scheme is made up of the following funds ("the Funds") as detailed below. Notwithstanding the division of the Scheme into Funds, the Scheme comprises a single trust with the value of the members' interest in the Scheme determined by reference to the value of the units they hold in the Funds.

The Funds as at 6 April 2018 were as follows:

- Absolute Growth Fund - Pounds sterling denominated
- Income Plus Fund - Pounds sterling denominated

Regulatory changes in the New Zealand financial services sector required that the Scheme be transitioned from regulation under the Superannuation Scheme Act 1989 to regulation under the Financial Markets Conduct Act 2013 (FMC Act). The effective date of the changes to the new regulations was 1 December 2016 ("the Effective Date") and from that date the requirements of the FMC Act apply to the Scheme.

On the 30 November 2016 the Scheme changed Trustee from Covenant Trustee Services Limited ("Covenant") to The New Zealand Guardian Trust Company Limited ("NZGT" or "Trustee"). Covenant and NZGT share the same parent company. The change of trustee was required to meet trustee and manager licensing requirements under the FMC Act.

The Scheme was established by Trust Deed dated 1 December 2011 (as amended). An amended Trust Deed was issued on 30 November 2016 incorporating the requirements of the FMC Act. The Scheme was registered with the Financial Markets Authority as a registered superannuation scheme and accepted by United Kingdom's Her Majesty Revenue and Customs ("UK HMRC") as a Qualifying Recognised Overseas Pension Scheme ("QROPs") on 24 January 2012. The Scheme is a Reporting entity in accordance with the FMC Act.

The Scheme became a Restricted Legacy Scheme on 1 December 2016, under the Financial Markets Conduct Act. As a Restricted Legacy Scheme, the Scheme can no longer be open to new members. On 8 March 2017, the HMRC sent a letter to all QROPs, including the Scheme, which advised in order to remain a QROPs it would need to agree to new conditions. It is a primary condition of remaining a Recognised Overseas Pension Scheme ("ROPs") that a scheme is open to new members in the jurisdiction that it is administered in. As a Restricted Legacy Scheme, the Scheme could no longer meet these conditions. The Scheme ceased to be QROPs on 14 April 2017, and has made all the necessary declarations to the HMRC. The Scheme continues to operate under the terms of the Trust Deed and must continue to report and meet the ongoing obligations of the QROPs rules. This update on QROPs status supersedes the previous commentary from when the Scheme was removed from the HMRC Recognised Overseas Pension Scheme List in November 2012 as a result of concerns raised by HMRC with the administration of the Scheme. The 8 March 2017 letter from the HMRC confirmed Evergreen Capital Partners Limited's determination that the Scheme remained a QROPs since November 2012 as the scheme was compliant and there was no notification from the UK HMRC that the Scheme has been excluded from being a QROPs.

NZGT has delegated management, administration and investment manager of the Scheme, in so far as it is possible under the FMC Act, to Evergreen Capital Partners Limited ("the Delegated Manager"). The Scheme's registered office is DLA Piper New Zealand, 50 Customhouse Quay, Wellington.

The Scheme is a defined contribution scheme which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received.

The Trustee operates each Fund on a unitised basis, with the beneficial interest in each Fund being divided into units with each conferring an interest in that Fund.

The Funds are managed on an absolute return basis using multi-manager fund of funds approach. The assets of the Absolute Growth Fund are invested into underlying funds that invest into higher risk growth assets and the assets of the Income Plus Fund are invested into underlying funds that invest into lower risk income assets.

**2. Summary of Accounting Policies**

**i Statutory Base**

The financial statements have been prepared in accordance with the requirements of the Trust Deed and the FMC Act.

**ii Basis of Preparation**

**Going Concern**

As the Scheme became a Restricted Legacy Scheme on transition to the Financial Markets Conduct Act 2013 and closed to new members the realisation basis of accounting has been used in the preparation of the financial statements in 31 March 2017.

The Trustee has announced the commencement of the wind up of the plan on 6 April 2018 and continues to apply realisation basis in the preparation of financial statements. The Trustee have applied the requirements of paragraph 25 of NZ IAS 1 Presentation of Financial Statements which states that "When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern."

The Trustee intends to liquidate the Scheme over the next 20 months. Wind up cost of £76,002 have been recorded under trade and other payables in the statement of net assets available for benefits.

*Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities and disclosures in the financial statements.*

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. As a result, the assets are stated at their estimated net realisable value and liabilities are stated at their estimated settlement amount, and the relevant estimates will be periodically reviewed and adjusted as appropriate. Assets and liabilities included in the financial statements of the company are stated on the following basis:-

- Receivables are stated at their recoverable amounts, which are the estimated net cash proceeds to be received from the debtors.
- Financial instruments that were previously recognised at fair value through profit or loss, are stated at net realisable value at balance date. No adjustments have been made to reflect any discount on illiquid investments.
- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

In adopting the cessation basis, the Trustee have continued to apply the disclosure requirements of New Zealand IFRS and New Zealand GAAP, to the extent they are relevant to the liquidation basis, and have modified them where this is considered appropriate.

The accounting policies adopted are consistent with those of the previous financial year except for changes specified related to the adoption of the liquidation basis of preparation.

**2. Summary of Accounting Policies (continued)**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Scheme's financial statements are disclosed below. The Scheme has only listed and addressed the standards and interpretations that are expected to have a material impact on the Scheme's financial position, performance, and/or disclosures. Customers (effective 1 January 2018) NZ IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under NZ IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in NZ IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under NZ IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. In September 2014, the New Zealand Accounting Standards Board issued the final version of NZ IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces NZ IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of NZ IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. NZ IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

**iii Functional and Presentation Currency**

Items included in the Scheme's financial statements are measured using the currency in which applications and redemptions to and from Members are denominated. That is pounds sterling for the two Funds in the Scheme. The Trustee considers that pounds sterling is the currency that most faithfully represent the effects of the underlying events and conditions. This is the Funds' functional and presentation currency. All financial information presented has been rounded to the nearest pound sterling.

**iv Financial Instruments at Fair Value Through Profit or Loss**

*Designated financial assets at fair value through profit or loss*

Subsequent to the adoption of the cessation basis of accounting, financial instruments were valued at net realisable value. Net realisable value approximates fair value as of the date of adoption of the cessation basis of accounting. See note 2 (ii).

The Scheme classifies its investments in unitholdings as designated financial assets at fair value through profit or loss upon initial recognition. The financial assets can be classified as such, as the Scheme manages its investments and make purchase and sale decisions based on their fair value and in accordance with the investment strategy. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment. Transaction costs on financial assets at initial recognition are charged to the Statement of Changes in Net Assets Available for Benefits.

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the Statement of Changes in Net Assets Available for Benefits.

Financial assets are derecognised upon maturity or disposal of the asset. Any gain or loss arising on derecognition of the asset is included in the Statement of Changes in Net Assets Available for Benefits in the period the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.

The fair value of financial assets does not include dividends after the record date.

*Held for trading financial instruments at fair value through profit or loss*

Held for trading financial instruments at fair value through profit or loss comprise foreign exchange contracts. The use of these contracts by the Scheme is limited to the risk management of their investments.

Foreign exchange contracts are used as economic hedges for equity investments. Therefore, they are accounted for on the same basis as those investments and are recognised at their fair value. Foreign exchange contracts are measured at fair value both upon initial recognition and subsequently. Gains and losses arising from changes in the fair value are recognised in the Statement of Changes in Net Assets Available for Benefits when they arise.

**v Fair Value Estimation**

Fair value measurements for financial instruments at fair value through profit or loss can be categorised into a three level hierarchy based on their source:

*Level one - fair value in an active market*

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

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

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

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

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

**vi Revenue Recognition**

(a) Interest income is recognised as the interest accrues using the effective interest rate method. Interest income is earned on short term deposits.

(b) Dividend income is recognised in the Statement of Changes in Net Assets Available for Benefits when the Funds' right to receive payment is established.

(c) Gains or losses of financial instruments at fair value through profit or loss are recognised in the Statement of Changes in Net Assets Available for Benefits as disclosed in note 2(iv) above.

(d) Foreign exchange gains and losses on cash and outstanding settlements are recognised in the Statement of Changes in Net Assets Available for Benefits as they arise. Foreign exchange gains and losses on financial instruments at fair value through profit or loss are recognised in the Statement of Changes in Net Assets Available for Benefits as disclosed in note 2(iv) above.

(e) Dividend and interest income is disclosed net of any resident withholding taxes deducted at source, as these tax credits are allocated to members under the PIE regime.

**2. Summary of Accounting Policies (continued)**

**vii Expenses**

Expenses comprise performance fees, management fees, investment management fees, ad hoc trustee fees, professional fees, establishment fees, brokerage fees, audit fees, investment accounting fees, trail commissions, transaction costs, bank fees, and other sundry expenses. Management fees, investment management fees and performance fees (if applicable), are calculated and paid monthly. All other fees are recognised when incurred. A wind-up provision of £76,002 has been made at 6 April 2018 being the estimated cost attributable to the wind up of the Scheme.

**viii Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short term deposits and are measured initially at fair value. Subsequent to initial recognition, all cash and cash equivalents are measured at amortised cost.

**ix Loans and Receivables**

Subsequent to the adoption of the cessation basis of accounting, loans and receivables were measured at net realisable value. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date. These are classified as non-current assets. The Scheme's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Statement of Net Assets Available for Benefits. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. These assets are all held with high quality counterparties and are regularly reviewed for indication of impairment. Sales of securities and investments which are unsettled at balance date are included in receivables.

**x Taxation**

The Scheme is a Foreign Investment Zero-Rate Portfolio Investment Entity ("PIE"). Under the PIE regime income from a PIE is effectively taxed in the hands of the members and therefore the Scheme has no tax expenses. Accordingly, no tax expense is shown on the Statement of Changes in Net Assets Available for Benefits.

Under the PIE regime, the Trustee attributes the taxable income of the Scheme to members in accordance with the proportion of their interest in the overall Scheme. The income attributed to each member is taxed at the member's notified investor rate which is currently capped at 28%. The Trustee accounts for tax on behalf of natural persons and certain trust members and undertakes any necessary adjustments to the members' interests in the Scheme to reflect that the Scheme pay tax at varying rates on behalf of members.

Members' funds have been adjusted to reflect the impact of tax on the value of unit holdings.

The tax attributable to members is calculated on the basis of the tax laws enacted or substantively enacted at balance date. The Trustee periodically evaluates positions taken in attributing taxable income to members with respect to situations in which applicable tax regulations are subject to interpretation.

**xi Goods and Services Tax (GST)**

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

**xii Foreign Currencies**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Realised and unrealised exchange gains and losses during the financial period are recognised in the Statement of Changes in Net Assets Available for Benefits.

**xiii Trade and Other Payables**

Trade and other payables include liabilities and accrued expenses owed by the Scheme that are unpaid at balance date. Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in trade and other payables. Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method. Subsequent to the adoption of the cessation basis of accounting, trade and other payables were measured at net realisable value. See note 2.

**xiv Statement of Cash Flows**

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

- (a) Operating activities include all transactions and other events that are not financing activities.
- (b) Financing activities are those activities that result in changes in the size and composition of members' funds. This includes elements of members' funds not falling within the definition of cash. Distributions paid in relation to members' funds are included in financing activities.

**xv Distributions**

In accordance with the Scheme's Trust Deed, the Trustee has full discretion as to whether to distribute any net income of the Funds. Income that is not distributed is invested as part of the assets of the Funds or may also be used to make later distributions to members.

**xvi Contributions and Withdrawals**

The contribution and withdrawal prices are determined as the net asset value of the Funds divided by the number of units on issue on the date of application or redemption. The Trustee may, in certain circumstances, suspend the redemption of units if the Trustee believes it is not practical or would be materially prejudicial to the interests of the members for units to be redeemed.

**2. Summary of Accounting Policies (continued)**

**xvii Net Assets available for Benefits**

The liability for promised retirement benefits is the Scheme's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the estimated net realisable value of the assets and the net realisable value of the liabilities which includes wind-up costs as at balance date.

Net assets attributable to members meets the definition of an equity instrument as: (i) it entitles the member to a pro rata share of the Scheme's net assets in the event of the Scheme's liquidation, (ii) apart from the contractual obligation of the issuer to redeem units for cash or another financial asset, the units do not include contractual obligations to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under potentially unfavourable conditions to the Scheme and (iii) the total expected cash flows attributable to the instrument over its life is based substantially on the income and expenditure and changes in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

When announced by the Trustee, Members will receive distributions during the wind-up of the Scheme equal to a proportionate share of the Scheme's net asset value, once the specific conditions of the Trust Deed have been met.

**xviii Vested benefits**

Vested benefits are the benefits to which members are entitled to. There are no amounts which belong to the Scheme and are not allocated to members. As at balance date the value of vested benefits matched the value of the total members' accounts as all benefits surrendered are allocated to continuing member accounts and there are no other benefits which are not so allocated.

**xix Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the Statement of Net Assets Available for Benefits when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**xx Impairment of Assets**

The carrying amounts of the Scheme's assets, other than financial assets at fair value through profit or loss, are reviewed at each balance date to determine whether there is any objective evidence of impairment for example, when the payments or debts are more than 60 days overdue. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Changes in Net Assets Available for Benefits.

Assets that are considered for impairment are cash and cash equivalents and trade and other receivables. The risk of impairment is considered minimal due to the quality of counterparties dealt with. A previously recognised impairment loss is reversed when in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was initially recognised.

**xxi Changes in Accounting Policies**

The financial statements for the Scheme were presented in pounds sterling. As the Funds' functional and presentational currency is pounds sterling, the Scheme totals are now presented in pounds sterling. There have been no other changes in accounting policies during the period.

**3. Accounting Estimates and Judgements**

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the Scheme's accounting policies. The Trustee has applied its judgement in selecting the accounting policy to designate financial assets at net realisable value. The Trustee consider that fair value is a reasonable determinate of net realisable value. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the net realisable value of financial assets where quoted market prices are readily available and in the case of derivatives observable market inputs are readily available. Where quoted market prices are not readily available the Scheme must exercise significant judgement to determine the net realisable value of the financial asset which may impact on the amounts disclosed in the financial statements. Therefore there are material assumptions or major sources of estimation uncertainty that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in these financial statements. As with all Investments, their value is subject to variation due to market fluctuations.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value in its entirety. The significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. (Refer to note 7 for further details).

The determination of what constitutes 'observable' data requires significant judgement by the Scheme. The Scheme considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources that are actively involved in the relevant market.

The Scheme's Statement of Investment Policy and Objectives ("SIPO") is dated 1 December 2016. Since the wind-up of the Scheme was announced the objective of the Scheme has been to liquidate the investments of the Scheme at the best achievable price, taking into account the terms of the investment.

The Scheme reports to its investors via annual investor information, and to its management via internal management reports, on a net realisable asset basis. All investments are reported at net realisable value as required by NZ IFRS in the Scheme's annual reports. The Trustee has also concluded that the Scheme meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Trustee has concluded that the Scheme meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.



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	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	One year and six days to 6 April 2018	One year to 31 March 2017	One year and six days to 6 April 2018	One year to 31 March 2017	One year and six days to 6 April 2018	One year to 31 March 2017
	£	£	£	£	£	£
<b>4. Administration Expenses</b>						
Professional fees	8,624	27,709	35,852	80,324	44,476	108,033
Interest paid	-	-	583	1,046	583	1,046
Investment accounting fees	14,957	21,769	13,941	18,657	28,898	40,426
Other expenses	671	251	499	488	1,170	739
<b>Total administration expenses</b>	<b>24,252</b>	<b>49,729</b>	<b>50,875</b>	<b>100,515</b>	<b>75,127</b>	<b>150,244</b>
<b>5. Net gains/(losses) on Financial Instruments at Fair Value through Profit or Loss</b>						
<i>Fair value through profit or loss - Designated</i>						
International equity unitised funds	171,370	272,013	48,333	202,398	219,703	474,411
International fixed interest unitised funds	-	-	(244,230)	186,963	(244,230)	186,963
International property trusts	-	-	(59,641)	72,344	(59,641)	72,344
<i>Fair value through profit or loss - Held for trading</i>						
Foreign exchange contracts	144,312	(278,381)	325,027	(281,259)	469,339	(559,640)
<b>Net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>315,682</b>	<b>(6,368)</b>	<b>69,489</b>	<b>180,446</b>	<b>385,171</b>	<b>174,078</b>
<b>6. Cash and Cash Equivalents</b>						
Cash - Pounds sterling	976	333,207	1,423	104	2,399	333,311
Cash - New Zealand dollar	418	108	558	72	976	180
Cash - Australian dollar	-	-	10,113	12,262	10,113	12,262
<b>Total cash and cash equivalents</b>	<b>1,394</b>	<b>333,315</b>	<b>12,094</b>	<b>12,438</b>	<b>13,488</b>	<b>345,753</b>
Cash and cash equivalents include cash balances and are classified as loans and receivables under NZ IAS 39.						
<b>7. Financial Instruments at Fair Value Through Profit or Loss</b>						
<i>Financial assets at fair value through profit or loss - Designated</i>						
International equity unitised funds	2,220,025	2,236,497	1,499,183	1,613,787	3,719,208	3,850,284
International fixed interest unitised funds	-	-	2,263,793	2,508,023	2,263,793	2,508,023
International property trusts	-	-	503,702	563,343	503,702	563,343
<i>Financial assets at fair value through profit or loss - Held for trading</i>						
Forward foreign exchange contracts	103,761	46,013	229,312	192	333,073	46,205
<b>Financial assets at fair value through profit or loss</b>	<b>2,323,786</b>	<b>2,282,510</b>	<b>4,495,990</b>	<b>4,685,345</b>	<b>6,819,776</b>	<b>6,967,855</b>
<i>Financial liabilities at fair value through profit or loss - Held for trading</i>						
Forward foreign exchange contracts	(29,734)	(426,429)	(6,687)	(349,773)	(36,421)	(776,202)
<b>Financial liabilities at fair value through profit or loss</b>	<b>(29,734)</b>	<b>(426,429)</b>	<b>(6,687)</b>	<b>(349,773)</b>	<b>(36,421)</b>	<b>(776,202)</b>
As at 6 April 2018 (2017: 31 March) the notional value of the forward foreign exchange contracts were:	<b>(2,033,562)</b>	<b>(2,219,818)</b>	<b>(3,112,854)</b>	<b>(3,350,686)</b>	<b>(5,146,416)</b>	<b>(5,570,504)</b>

The Scheme maintains an active hedging policy designed to hedge returns of the underlying funds back to the currency in which the Fund is denominated. Hedge accounting has not been used in the preparation of these financial statements. The Scheme uses OMF Financial Limited ("OMF") to execute margin foreign exchange contracts and deliverable foreign exchange contracts. For margin foreign exchange contracts OMF can unilaterally reduce the size of the margin foreign exchange contract if the Scheme's balance falls below an agreed minimum amount. To date, OMF has not established a minimum amount for the Scheme and OMF have not exercised that right. No assets of the Scheme were pledged as collateral or security against the margin account.

Cash receipts from OMF and payments to OMF were reported on a net basis in the Statement of Cash Flows because the turnover is quick, the amounts are large and the maturities are short.

**(i) Valuation**

Assets designated as fair value through profit or loss comprising of international equity, international fixed interest and international property unitised funds have been valued using redemption prices supplied by the managers of the underlying funds. Redemption price for liquid investments is the amount that the units could have been redeemed for had the redemption request been placed with the underlying fund manager on the balance sheet date.

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**7. Financial Instruments at Fair Value Through Profit or Loss (continued)**  
**(i) Valuation (continued)**

Redemption price on the balance sheet date is considered to approximate fair value on the balance sheet date. Illiquid investments referred to below are carried at the unit price provided by the underlying fund manager.

The Trustee considers that fair value is the best estimate of net realisable value. No liquidity adjustment has been made to illiquid assets as the Trustee plans to wind-up the Scheme liquidating investments as their redemption terms allow. The valuation of the underlying investments, as supplied by the managers of the underlying funds and are included in level two of the fair value hierarchy, except GDI No 36 Perth CBD Office Trust which is included in level three. GDI No 36 is an illiquid fund that invests in commercial property. The Trustee based the value of GDI No 36 Perth CBD Office Trust on the unit price provided by the manager of GDI No 36 Perth CBD Office Trust. The Trustee has been unable to independently verify the value of the investment in the Penrich Capital G10 Currency Income Fund as the audited financial statements of the fund are not yet available.

Fair values for assets and liabilities that are held for trading comprising of forward foreign exchange contracts have been determined using valuation techniques using market observable inputs which are included in level two of the fair value hierarchy. The fair values have been calculated from spot exchange rates and forward points supplied by WM/Reuters.

The following table shows a reconciliation from the opening balance to the closing balance for the fair value measurements in level 3 of the fair value hierarchy:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (NZD)	
	6 April 2018	31 March 2017	6 April 2018	31 March 2017	6 April 2018	31 March 2017
	£	£	£	£	£	£
Opening balance	-	-	563,343	490,999	563,343	490,999
Losses recognised in profit or loss	-	-	(59,641)	72,344	(59,641)	72,344
Closing balance	-	-	503,702	563,343	503,702	563,343
Change in unrealised gains for the period included in profit or loss for financial assets and liabilities held at balance date	-	-	(59,641)	72,344	(59,641)	72,344

Financial assets at fair value through profit or loss exceeding 5% of the net assets available for benefits of each Fund at 6 April 2018 is detailed below.

Bennelong Long Short Equity Fund	17.55%	19.91%	-	-	4.55%	4.80%
Baillie Gifford Managed Fund	6.57%	-	-	-	1.70%	-
Baillie Gifford Long Term Global Growth Fund	20.64%	15.62%	-	-	5.35%	3.76%
CF Odey UK Absolute Return Fund	16.17%	10.06%	-	-	4.19%	2.42%
GMO Systematic Global Macro Trust	-	19.12%	-	-	-	4.60%
Permal Select Opportunities II	5.62%	17.28%	1.40%	3.91%	2.49%	7.13%
Whitehaven Correlation Fund	-	15.11%	-	-	-	3.64%
Alleron Australian Eagle Trust	12.06%	-	-	-	3.12%	-
Kit Trading Fund	14.16%	-	-	-	3.67%	-
CQS Diversified Fund	-	-	20.49%	18.32%	15.19%	13.90%
GDI No 36 Perth CBD Office Trust	-	-	7.36%	7.76%	5.45%	5.89%
Penrich Capital G10 Currency Income Fund	-	-	33.06%	34.54%	24.50%	26.22%

**8. Trade and Other Receivables**

Accrued interest	-	-	-	617	-	617
Forwards margin accounts	145,092	141,588	2,480,497	2,960,118	2,625,589	3,101,706
Unsettled investment sales	10,823	-	7,724	-	18,547	-
<b>Total Trade and Other Receivables</b>	<b>155,915</b>	<b>141,588</b>	<b>2,488,221</b>	<b>2,960,735</b>	<b>2,644,136</b>	<b>3,102,323</b>

All trade and other receivable balances are current assets. Trade and other receivables are classified as loans and receivables under NZ IAS 39.

**9. Trade and Other Payables**

Audit fees payable	13,465	8,728	22,446	18,732	35,911	27,460
Interest payable	-	73	-	-	-	73
Other administration fees payable	-	5,080	-	3,559	-	8,639
Wind up costs payable	18,820	-	57,182	-	76,002	-
Withdrawals payable	17,910	5,653	48,253	13,680	66,163	19,333
Investment accounting fees payable	2,091	3,696	2,092	3,159	4,183	6,855
<b>Total Trade and Other Payables</b>	<b>52,286</b>	<b>23,230</b>	<b>129,973</b>	<b>39,130</b>	<b>182,259</b>	<b>62,360</b>
<b>Trade and Other Payables to Related Parties</b>						
Investment management fees payable (refer note 11)	6,158	5,640	12,389	10,898	18,547	16,538
<b>Total Trade and Other Payables to Related Parties</b>	<b>6,158</b>	<b>5,640</b>	<b>12,389</b>	<b>10,898</b>	<b>18,547</b>	<b>16,538</b>

All trade and other payables are current liabilities. Trade and other payables are classified as financial liabilities at amortised cost under NZ IAS 39.

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	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (NZD)</b>	
	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>
	£	£	£	£	£	£
<b>10. Reconciliation of net profit/(loss) before membership activities to net cash flows from operating activities</b>						
Net profit/(loss) before membership activities and transfers to reserves:	<b>199,602</b>	(101,245)	<b>(129,572)</b>	(36,110)	<b>70,030</b>	(137,355)
<b>Add Non Cash Items</b>						
Unrealised changes in fair value of financial assets	<b>(486,034)</b>	87,787	<b>(292,294)</b>	(385,636)	<b>(778,328)</b>	(297,849)
Unrealised foreign exchange gains on cash at bank	<b>21</b>	19	<b>31</b>	34	<b>52</b>	53
<b>Movements in Working Capital Items</b>						
(Increase)/decrease in trade and other receivables	<b>(14,327)</b>	423,202	<b>472,514</b>	1,573,279	<b>458,187</b>	1,996,481
Increase/(decrease) in trade and other payables	<b>29,056</b>	3,883	<b>90,843</b>	(19,050)	<b>119,899</b>	(15,167)
Increase/(decrease) in payables to related parties	<b>518</b>	(687)	<b>1,491</b>	7,315	<b>2,009</b>	6,628
Decrease/(increase) in cost of investments	<b>48,062</b>	35,215	<b>138,563</b>	(758,618)	<b>186,625</b>	(723,403)
<b>Less Items Classified as Financing Activities</b>						
Movements in payables attributable to financing activities	<b>(12,257)</b>	2,145	<b>(34,573)</b>	8,164	<b>(46,830)</b>	10,309
<b>Net cash flows from operating activities</b>	<b>(235,359)</b>	450,319	<b>247,003</b>	389,378	<b>11,644</b>	839,697

**11. Related Parties**

**Delegated Manager and Investment Manager**

The Delegated Manager of the Scheme is Evergreen Capital Partners Limited. The Delegated Manager is entitled to scheme management fees of 1.5% per annum (plus GST) of the value of the Member's Account. This fee is charged to each member by way of a unit redemption. This is accounted for as a withdrawal and is not included in the net gain/(loss) before membership activities.

Clearwater Capital LP, which is a related party of Evergreen Capital Partners, is the Investment Manager of the Scheme. The Investment Manager is entitled to management fees of 1.5% per annum (plus GST if any) of the net asset value of the Absolute Growth Fund and 1.0% (plus GST if any) of the Income Plus Fund.

The Investment Manager is also entitled to be paid a performance fee of 15% (plus GST if any) of the increase in net asset value per unit paid monthly for the Absolute Growth Fund and 10% for the Income Plus Fund. This is subject to a High Water Mark. The High Water Mark is the highest fund unit price on which any previous performance was paid. Performance fees are calculated and paid monthly in arrears.

Penrich Capital G10 Currency Income Fund is also a related party through a member of the Investment Committee of Clearwater Capital LP. Penrich G10 Currency Income Fund is a segregated portfolio of Antaeus SPC. The fund is managed by Penrich Active Capital Management Limited. A Director of Antaeus SPC and of Penrich Active Capital Management Limited is also a member of the investment committee of the investment manager of the Evergreen Retirement Trust, Clearwater Capital LP.

		<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
		<b>6 April 2018</b>	<b>31 March 2017</b>	<b>6 April 2018</b>	<b>31 March 2017</b>	<b>6 April 2018</b>	<b>31 March 2017</b>
<b>Penrich Capital G10 Currency Income Fund</b>	Holding	Units	-	3,128	3,128	3,128	3,128
		\$	-	2,263,792	2,508,023	2,263,792	2,508,023
	% of the Fund's Net Assets	-	-	33.1%	34.5%	24.5%	26.2%
Purchases	Units	-	-	-	3,128	-	3,128
	\$	-	-	-	2,344,505	-	2,344,505

Trustee fees for the day-to-day functions of acting as Trustee of the Scheme are currently paid by the Delegated Manager. Other ad hoc Trustee fees are charged to the Scheme.

The Delegated Manager's, Investment Manager's and Trustee's fees are provided for in accordance with the Trust Deed.

Fees paid or payable to related parties for the period were as follows:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>
	£	£	£	£	£	£
<b>Evergreen Capital Partners Limited:</b>						
Scheme management fee expense	<b>53,877</b>	48,436	<b>132,269</b>	120,788	<b>186,146</b>	169,224
Scheme management fee payable	<b>5,662</b>	2,931	<b>16,947</b>	9,231	<b>22,609</b>	12,162
<b>Clearwater Capital LP:</b>						
Investment management fee expense	<b>35,350</b>	37,347	<b>71,722</b>	77,078	<b>107,072</b>	114,425
Investment management fee payable	<b>6,158</b>	5,640	<b>12,389</b>	10,898	<b>18,547</b>	16,538

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**12. Financial Risk Management**

The Scheme is subject to a number of financial risks which are as a result of its activities, including: market risk, credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance.

**Market Risk**

The Scheme is exposed directly to unit price risk and currency risk through its holding of cash and cash equivalents, unitised fund investments and foreign exchange contracts. The maximum market risk resulting from financial instruments is determined by their fair value. The Scheme is indirectly exposed to interest rate risk through fair value changes in its investments into managed funds that in turn invest in fixed interest assets.

**(i) Unit Price Risk**

Unit price risk is the risk that the fair value or future cash flows of non-monetary financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market.

All investments in unitised funds present a risk of loss of capital often due to factors beyond the unitised funds manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The managers of the underlying unitised funds moderate this risk through careful stock selection and diversification of unitised fund investments, daily monitoring of the unitised funds' market position and adherence to the unitised funds' investment policies.

Where non-monetary financial instruments, for example, unitised funds are denominated in currencies other than the Fund's functional currency, the price initially expressed in foreign currency and then converted into the Fund's functional currency will also fluctuate because of changes in foreign exchange rates (see note 12(ii) Currency Risk below). The foreign exposure relating to these assets and liabilities is considered to be a price risk component of market and not currency risk.

Prior to the 6 April 2018 the Funds' investment policies were:

**Absolute Growth Fund**

- No more than 20% of the Fund can be allocated to any one underlying fund at the time of investment dealing.
- No more than 30% of the Fund may be invested with any one underlying manager.
- The Fund may not employ leverage to enhance returns.

**Income Plus Fund**

- There must be a minimum of two underlying funds selected across the two major strategies - fixed income and property related securities.
- No more than 50% of the Fund may be invested with any one underlying manager.
- The Fund may not take on leverage to enhance returns.

From the 6 April 2018 Scheme's investment objective has been to liquidate the investments of the Scheme at the best achievable price, taking into account the liquidation terms of the investment.

From the 6 April 2018 the Trustee has agreed to cease unit pricing and to determine distributions based on Fund liquidity.

*Sensitivity Analysis*

A variable of 10% was selected for unit price risk as this is a reasonably expected movement based on historic trends.

The following table shows the sensitivity of profit for the period and sensitivity of members' funds to reasonably possible changes in unit prices at 6 April 2018 with all other variables held constant:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>6 April 2018</b>	31 March 2017	<b>6 April 2018</b>	31 March 2017	<b>6 April 2018</b>	31 March 2017
	£	£	£	£	£	£
Financial assets at fair value through profit or loss	<b>2,220,025</b>	2,236,497	<b>4,266,678</b>	4,685,153	<b>6,486,703</b>	6,921,650
Impact of a -10% change in unit prices	<b>(222,003)</b>	(223,650)	<b>(426,668)</b>	(468,515)	<b>(648,670)</b>	(692,165)
Impact of a +10% change in unit prices	<b>222,003</b>	223,650	<b>426,668</b>	468,515	<b>648,670</b>	692,165

Members' funds would be impacted by the same amount less the impact of PIE tax adjustments that would be attributed to members.

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**12. Financial Risk Management (continued)**

**Market Risk (continued)**

**(i) Unit Price Risk (continued)**

The Absolute Growth Fund's exposure to risk, through its investment in underlying funds, is detailed in the table below:

<b>Fund Name</b>	<b>Base Currency</b>	<b>Liquidity</b>	<b>Risk</b>
Alleron Australian Eagle Trust	AUD	Monthly	Systemic Market Risk
Baillie Gifford Managed Fund	GBP	Daily	Systemic Market Risk
Baillie Gifford Long Term Global Growth Fund	GBP	Daily	Systemic Market Risk
Bennelong Long Short Equity Fund	AUD	Quarterly	Systemic Market Risk
CF Odey UK Absolute Return Fund	GBP	Daily	Systemic Market Risk
Kit Trading Fund	USD	Monthly	Systemic Market Risk
Permal Select Opportunities II	USD	Quarterly	Systemic Market Risk

The Income Plus Fund's exposure to risk, through its investment in underlying funds, is detailed in the table below:

<b>Fund Name</b>	<b>Base Currency</b>	<b>Liquidity</b>	<b>Risk</b>
CQS Diversified Fund	GBP	4 Months	Credit Risk and Systemic Market Risk
GDI No. 36 Perth CBD Office Trust	AUD	3 Years	Real Estate Risk
Penrich Capital G10 Currency Income Fund	USD	Daily	Systemic Market Risk
Permal Select Opportunities II	USD	9 Months	Systemic Market Risk

**(ii) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a monetary financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme is exposed to currency risk through holding foreign currency dollar cash and cash equivalents, foreign currency trade and other receivables and payables, and foreign exchange contracts. Currency risk is managed in line with the investment guidelines of the Scheme. The Scheme is also exposed to currency risk through its investments in the underlying funds denominated in foreign currencies as detailed in Note 12(i).

*Sensitivity Analysis*

The following table shows the sensitivity of profit for the period and sensitivity of members' funds to reasonably possible changes in foreign exchange (FX) rates as at 6 April 2018 (2017: 31 March) with all other variables held constant:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>6 April</b>	<b>31 March</b>	<b>6 April</b>	<b>31 March</b>	<b>6 April</b>	<b>31 March</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trade and other receivables</b>						
Carrying amount	<b>44,137</b>	39,939	<b>21,014</b>	18,345	<b>65,151</b>	58,284
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	<b>3,702</b>	4,438	<b>1,477</b>	2,038	<b>5,179</b>	6,476
NZD + 10% Profit and members' funds	<b>(3,029)</b>	(3,630)	<b>(1,208)</b>	(1,668)	<b>(4,237)</b>	(5,298)
USD - 10% Profit and members' funds	<b>1,203</b>	-	<b>858</b>	-	<b>2,061</b>	-
USD + 10% Profit and members' funds	<b>(984)</b>	-	<b>(702)</b>	-	<b>(1,686)</b>	-

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**12. Financial Instruments (continued)**

**Market Risk (continued)**

**(ii) Currency Risk (continued)**

**Financial assets at fair value through profit or loss**

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	6 April 2018	31 March 2017	6 April 2018	31 March 2017	6 April 2018	31 March 2017
	£	£	£	£	£	£
Investments in foreign currency denominated funds						
Carrying amount of funds denominated in AUD	<b>708,600</b>	898,937	<b>503,703</b>	563,343	<b>1,212,303</b>	1,462,280
Carrying amount of funds denominated in USD	<b>473,280</b>	746,112	<b>2,359,769</b>	2,792,029	<b>2,833,049</b>	3,538,141
Impact of a +/- 10% change in FX rates:						
AUD - 10% Profit and members' funds	<b>78,733</b>	99,882	<b>55,967</b>	62,594	<b>134,700</b>	162,476
AUD + 10% Profit and members' funds	<b>(64,418)</b>	(81,722)	<b>(45,791)</b>	(51,213)	<b>(110,209)</b>	(132,935)
USD - 10% Profit and members' funds	<b>52,587</b>	82,901	<b>262,197</b>	310,225	<b>314,783</b>	393,126
USD + 10% Profit and members' funds	<b>(43,025)</b>	(67,828)	<b>(214,524)</b>	(253,821)	<b>(257,550)</b>	(321,649)
Forward foreign exchange contracts						
Carrying amount	<b>74,027</b>	(380,416)	<b>222,625</b>	(349,581)	<b>296,652</b>	(729,997)
Contract value	<b>(2,033,562)</b>	(2,219,818)	<b>(3,112,854)</b>	(3,350,686)	<b>(5,146,416)</b>	(5,570,504)
Impact of a +/- 10% change in FX rates:						
AUD - 10% Profit and members' funds	<b>(72,015)</b>	(99,106)	<b>(56,305)</b>	(62,914)	<b>(128,321)</b>	(162,020)
AUD + 10% Profit and members' funds	<b>58,922</b>	81,087	<b>46,068</b>	51,475	<b>104,990</b>	132,562
USD - 10% Profit and members' funds	<b>(153,936)</b>	(147,540)	<b>(289,567)</b>	(309,385)	<b>(443,503)</b>	(456,925)
USD + 10% Profit and members' funds	<b>125,948</b>	120,715	<b>236,919</b>	253,133	<b>362,866</b>	373,848
<b>Trade and other payables</b>						
Carrying amount	<b>(34,376)</b>	(15,651)	<b>(81,720)</b>	(25,450)	<b>(116,095)</b>	(41,101)
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	<b>(3,820)</b>	(1,739)	<b>(9,080)</b>	(2,828)	<b>(12,899)</b>	(4,567)
NZD + 10% Profit and members' funds	<b>3,125</b>	1,423	<b>7,429</b>	2,314	<b>10,554</b>	3,737
<b>Trade and other payables related parties</b>						
Carrying amount	<b>(6,158)</b>	(5,640)	<b>(12,389)</b>	(11,798)	<b>(18,547)</b>	(17,438)
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	<b>(684)</b>	(627)	<b>(1,377)</b>	(1,311)	<b>(2,061)</b>	(1,938)
NZD + 10% Profit and members' funds	<b>560</b>	513	<b>1,126</b>	1,073	<b>1,686</b>	1,586

Members' funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to Members.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE 12 MONTHS AND SIX DAYS ENDED 6 APRIL 2018**

**12. Financial Instruments (continued)**

**(iii) Credit Risk**

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

The maximum credit risk of financial instruments is considered to be the carrying amount of cash and cash equivalents and trade and other receivables on the Statement of Net Assets Available for Benefits. The risk is managed by investing in diversified fund that in themselves invest in a diversified portfolio of investments. The Scheme does not require collateral or other security to support financial instruments with credit risk. The Scheme invests cash with banks registered in New Zealand which carry a minimum Standard and Poor's short term credit rating of A-1+.

Future margin accounts with OMF are held by OMF on trust in one of OMF's client bank accounts where OMF acts as a bare trustee. OMF is subject to regulatory oversight from FMA. OMF has no external credit rating.

As at 6 April 2018 there were no financial assets past due or impaired (31 March 2017: Nil).

**(iv) Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Statement of Net Assets Available for Benefits where the Funds currently have a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statement of Net Assets Available for Benefits but still allow for the related amounts to be offset in certain circumstances such as the termination of the contracts.

The following table presents the recognised financial assets and liabilities that are subject to offsetting, or subject to enforceable master netting arrangements or other similar agreements but not offset, as at 6 April 2018. The 'Net amount' total shows what the net position for each derivative type would be if all offset rights were exercised.

In normal circumstances, under the terms of the master netting arrangements, the Funds and their counterparties may elect that a net amount, being the termination value, will be determined and this single net amount is due or payable in settlement of all the outstanding transactions. In certain circumstances, for example when a credit event such as a default occurs, each party's obligation to make payment will be automatically satisfied and discharged and all outstanding transactions under the agreement will be terminated.

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	6 April 2018	31 March 2017	6 April 2018	31 March 2017	6 April 2018	31 March 2017
	£	£	£	£	£	£
<b>Forward foreign exchange contracts</b>						
<b>Financial Assets</b>						
Amounts subject to offsetting: Gross assets	103,761	46,013	229,312	192	333,073	46,205
Gross liabilities offset	(29,734)	(46,013)	(6,687)	(192)	(36,421)	(46,205)
<b>Net amounts presented</b>	<b>74,027</b>	<b>-</b>	<b>222,625</b>	<b>-</b>	<b>296,652</b>	<b>-</b>
<b>Financial Liabilities</b>						
Amounts subject to offsetting: Gross liabilities	(29,734)	(426,429)	(6,687)	(349,773)	(36,421)	(776,202)
Gross assets offset	29,734	46,013	6,687	192	36,421	46,205
<b>Net amounts presented</b>	<b>-</b>	<b>(380,416)</b>	<b>-</b>	<b>(349,581)</b>	<b>-</b>	<b>(729,997)</b>

**(v) Liquidity Risk**

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding some liquid investments to enable the Scheme to meet normal redemptions and commitments. The Trustee has invested the Scheme into mid and long term liquidity investments to reflect the longer term pension liabilities of the Scheme.

The liquidity terms of the Scheme's investments are summarised in the risk table included in Note 12(i) Unit Price Risk.

Monies received from members' applications may be used to offset redemptions and the Trustee may in certain circumstances suspend redemptions.

The Scheme's financial liabilities consist of trade and other payables and foreign exchange contracts which are short term in nature and classified as a current liability at balance date. Maturities are not expected to exceed 90 days.



**EVERGREEN RETIREMENT TRUST  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
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**13. Capital Management**

The Scheme manages its members' funds as capital. All units in the Scheme carry the same rights and preferences and restrictions. There are restrictions on benefit payments as set out in the Trust Deed of the Scheme. The Trustee may defer giving effect to a permitted benefit payment or any transfer out of the Scheme if the Trustee determines that having regard to the realisation of assets required in order to make the benefit payment or transfer or the occurrence or existence of any other circumstance or event relating to the Scheme or generally, earlier payment or transfer would be imprudent or is impracticable.

The Trustee has discretion as to whether to distribute any net income of the Scheme. Income that is not distributed is invested as part of the assets of the Scheme or may also be used to make later distributions to members.

As at balance date the Scheme classified the following as members' funds:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>
	£	£	£	£	£	£
<b>Members' Funds</b>	<b>2,393,192</b>	2,303,177	<b>6,847,256</b>	7,260,332	<b>9,240,448</b>	9,563,509
<b>Units</b>	<b>Number</b>	Number	<b>Number</b>	Number	<b>Number</b>	Number
	<b>2,413,585</b>	2,522,062	<b>7,145,390</b>	7,415,395	<b>9,558,975</b>	9,937,457

**14. Units on Issue**

Units on issue at the start of the period  
Total withdrawals for the period

Units on issue at the end of the period

	<b>2,522,062</b>	2,653,233	<b>7,415,395</b>	7,805,104	<b>9,937,457</b>	10,458,337
	<b>(108,477)</b>	(131,171)	<b>(270,005)</b>	(389,709)	<b>(378,482)</b>	(520,880)
	<b>2,413,585</b>	2,522,062	<b>7,145,390</b>	7,415,395	<b>9,558,975</b>	9,937,457

**15. Tax Attributable to Members**

Members' tax payments and refunds are settled with the Inland Revenue ("IR") via the cancellation and issue of units in the Scheme. Tax deducted at source on behalf of members is used to reduce members' tax liabilities.

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>	<b>One year and six days to 6 April 2018</b>	<b>One year to 31 March 2017</b>
	£	£	£	£	£	£
Accrued members' attributed tax at balance date	<b>275</b>	1,063	-	1,615	<b>275</b>	2,678
Members' attributed tax refunded during the period	<b>(271)</b>	(427)	<b>(146)</b>	(365)	<b>(417)</b>	(792)
Members' attributed tax for the period	<b>4</b>	636	<b>(146)</b>	1,250	<b>(142)</b>	1,886

**16. Contingent Liabilities**

There were no contingent liabilities as at 6 April 2018 (31 March 2017: Nil).

**17. Capital Commitments**

There were no capital commitments as at 6 April 2018 (31 March 2017: Nil).

**18. Events After Balance Date**

The Scheme commenced winding up on the 6 April 2018. Liquid investments were realised after balance sheet date, at their carrying amounts as at balance sheet date. The Trustee intends to make distributions to the members when the underlying investments of the Scheme are realised and liquidity allows.

There were no other material subsequent events which require adjustment to or disclosure in these financial statements.



## Independent Auditor's Report to the Members of Evergreen Retirement Trust

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Evergreen Retirement Trust (the "Scheme") on pages 2 to 16, which comprise the statement of net assets available for benefits of the Scheme as at 6 April 2018, and the statement of changes in net assets available for benefits, and statement of cash flows for the year then ended of the Scheme, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements on pages 2 to 16 present fairly, in all material respects, the financial position of the Scheme as at 6 April 2018 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

#### Basis for Qualified Opinion

The Scheme's investments in Penrich G10 Currency Income Fund and GDI No. 36 Perth CBD Office Trust are carried at £2,263,782 million and £503,703 million in the statement of net assets available for benefits at net realisable value which represents 24% and 5% of net assets, respectively. The Penrich G10 Currency Income Fund, is a related party of the Scheme as disclosed in Note 11. The Scheme's investment in the Fund and Trust are valued using prices supplied by the Manager of the Fund.

The audited financial statements of Penrich G10 Currency Income Fund and GDI No. 36 Perth CBD Office Trust are not yet available, and the Scheme manager has not estimated the net realisable value of these investments. We were unable to satisfy ourselves by alternative means the valuation of the Scheme's investments in Penrich G10 Currency Income Fund and GDI No. 36 Perth CBD Office Trust, therefore we have been unable to quantify any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning valuation of the Scheme's investment in Penrich G10 Currency Income Fund and GDI No. 36 Perth CBD Office Trust.

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Scheme. We provide assurance services to the Scheme in relation to maintenance of the register of units and we report to the Trustee as required by the Scheme's Trust Deed.

#### Emphasis of Matter - Basis of Preparation of the Financial Statements

The financial statements have been prepared on a realisation basis as described in Note 2 (ii). This basis differs from the normal convention in that financial statements are usually prepared on the basis that the Scheme will carry on business as a going concern. Under the realisation basis, the financial statements include adjustments to the net book value of assets, reducing them to the amounts expected to be realised, together with additional provisions and liabilities which will arise as a result of the Scheme ceasing to trade.

The Trustee has decided to wind up the Scheme on 6 April 2018. As explained in Note 2(ii), no adjustments were made to the value of the Scheme illiquid assets and plans to wind up the Scheme liquidating investments as their redemption terms allow.

Our opinion is not further qualified in respect of this matter.

### **Information Other than the Financial Statements and Auditor's Report**

The Scheme Manager is responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Scheme Manager's Responsibilities for the Financial Statements**

The Scheme Manager is responsible for the preparation and fair presentation of the financial statements that comply with generally accepted accounting practice in New Zealand, as defined in the Financial Reporting Act 2013, are in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Scheme Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

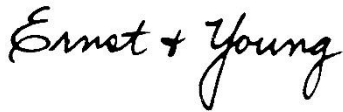
As part of an audit in accordance with International Standards on Auditing (New Zealand), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit 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 Scheme's internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme Manager.
- ▶ Concludes on the appropriateness of Scheme Manager's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternative basis of accounting, we conclude on

the appropriateness of Scheme Manager's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- ▶ Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.



Chartered Accountants  
Christchurch  
31 August 2018