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**EVERGREEN RETIREMENT TRUST  
AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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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 PERIOD ENDED 31 MARCH 2019**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		Period ended	One year and	Period ended	One year and	Period ended	One year and
		31 March	six days to	31 March	six days to	31 March	six days to
		2019	6 April 2018	2019	6 April 2018	2019	6 April 2018
		£	£	£	£	£	£
<b>Revenue</b>							
Interest income		546	430	326	-	872	430
Dividend income		-	17,451	43,314	46,044	43,314	63,495
Benefit payment fee		-	99	-	451	-	550
Net (losses)/gains on financial instruments at net realisable value	5	(17,595)	315,682	(428,404)	69,489	(445,999)	385,171
Foreign exchange losses on cash at bank and outstanding settlements		(547)	(34,099)	(598)	(884)	(1,145)	(34,983)
<b>Total Revenue</b>		<b>(17,596)</b>	<b>299,563</b>	<b>(385,362)</b>	<b>115,100</b>	<b>(402,958)</b>	<b>414,663</b>
<b>Expenses</b>							
Investment management fees		24,946	44,322	93,861	109,214	118,807	153,536
Administration expenses	4	18,865	24,252	56,473	50,875	75,338	75,127
Transaction costs		262	2,630	1,445	2,454	1,707	5,084
Audit fees		(2,062)	9,937	16,658	24,947	14,596	34,884
Wind-up costs		2,076	18,820	10,897	57,182	12,973	76,002
<b>Total Expenses</b>		<b>44,087</b>	<b>99,961</b>	<b>179,334</b>	<b>244,672</b>	<b>223,421</b>	<b>344,633</b>
<b>Net (Loss)/Gain before Membership Activities and after Transfer to Reserves</b>							
		<b>(61,683)</b>	<b>199,602</b>	<b>(564,696)</b>	<b>(129,572)</b>	<b>(626,379)</b>	<b>70,030</b>
<b>Withdrawals</b>							
Member attributed taxation		-	(4)	-	146	-	142
Member withdrawals		1,984,993	55,714	2,875,978	151,089	4,860,971	206,803
Scheme management fees	11	-	53,877	-	132,269	-	186,146
<b>Total Withdrawals</b>		<b>1,984,993</b>	<b>109,587</b>	<b>2,875,978</b>	<b>283,504</b>	<b>4,860,971</b>	<b>393,091</b>
<b>Net Membership Activities</b>							
Movements in members' accounts		(1,984,993)	(109,587)	(2,875,978)	(283,504)	(4,860,971)	(393,091)
<b>Members' accounts at the beginning of the period</b>		<b>(2,046,676)</b>	<b>90,015</b>	<b>(3,440,674)</b>	<b>(413,076)</b>	<b>(5,487,350)</b>	<b>(323,061)</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>
<b>Members' accounts at the end of the period</b>		<b>346,516</b>	<b>2,393,192</b>	<b>3,406,582</b>	<b>6,847,256</b>	<b>3,753,098</b>	<b>9,240,448</b>

The notes to the financial statements set out on pages 5 to 18 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 31 MARCH 2019**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		31 March	6 April	31 March	6 April	31 March	6 April
		2019	2018	2019	2018	2019	2018
		£	£	£	£	£	£
<b>Members' Funds</b>		<b>346,516</b>	2,393,192	<b>3,406,582</b>	6,847,256	<b>3,753,098</b>	9,240,448
		<b>346,516</b>	2,393,192	<b>3,406,582</b>	6,847,256	<b>3,753,098</b>	9,240,448
<b>Assets</b>							
Cash and cash equivalents	6	9,550	1,394	18,231	12,094	27,781	13,488
Trade and other receivables	8	843,865	155,915	1,622,201	2,488,221	2,466,066	2,644,136
Financial assets at net realisable value	7	75,833	2,323,786	2,688,832	4,495,990	2,764,665	6,819,776
Unit holder attributed taxation receivable	15	275	275	-	-	275	275
<b>Total Assets</b>		<b>929,523</b>	2,481,370	<b>4,329,264</b>	6,996,305	<b>5,258,787</b>	9,477,675
<b>Liabilities</b>							
Trade and other payables	9	580,305	52,286	865,877	129,973	1,446,182	182,259
Trade and other payables to related parties	9, 11	1,034	6,158	10,132	12,389	11,166	18,547
Financial liabilities at net realisable value	7	1,668	29,734	46,673	6,687	48,341	36,421
<b>Total Liabilities</b>		<b>583,007</b>	88,178	<b>922,682</b>	149,049	<b>1,505,689</b>	237,227
<b>Net Assets Attributable to Members</b>		<b>346,516</b>	2,393,192	<b>3,406,582</b>	6,847,256	<b>3,753,098</b>	9,240,448

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

Director  \_\_\_\_\_

Date 6/9/19

Director  \_\_\_\_\_

Date 6/9/19

The notes to the financial statements set out on pages 5 to 18 should be read in conjunction with this statement of net assets available for benefits.

**EVERGREEN RETIREMENT TRUST  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £
<b>Cash Flows from Operating Activities</b>							
Cash was provided from:							
Interest income		546	357	326	34	872	391
Dividend income		-	17,451	43,314	46,044	43,314	63,495
Sale of investments		2,245,737	1,437,343	2,289,296	386,769	4,535,033	1,824,112
Other income		-	99	-	451	-	550
Cash was applied to:							
Payment of expenses		(59,292)	(82,571)	(190,064)	(186,328)	(249,356)	(268,899)
Purchase of investments		(732,013)	(1,608,041)	(5,143)	-	(737,156)	(1,608,041)
<b>Net cash provided from/(used in) operating activities</b>	<b>10</b>	<b>1,454,978</b>	<b>(235,362)</b>	<b>2,137,729</b>	<b>246,970</b>	<b>3,592,707</b>	<b>11,608</b>
<b>Cash Flows used in Financing Activities</b>							
Cash was provided from:							
Member attributed taxation		-	791	-	1,469	-	2,260
Cash was applied to:							
Withdrawals by members		(1,446,893)	(97,333)	(2,131,601)	(248,785)	(3,578,494)	(346,118)
<b>Net cash used in financing activities</b>		<b>(1,446,893)</b>	<b>(96,542)</b>	<b>(2,131,601)</b>	<b>(247,316)</b>	<b>(3,578,494)</b>	<b>(343,858)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>8,085</b>	<b>(331,904)</b>	<b>6,128</b>	<b>(346)</b>	<b>14,213</b>	<b>(332,250)</b>
<b>Cash and cash equivalents at the beginning of the period</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>
Effect of exchange rate fluctuations		71	(17)	9	2	80	(15)
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>9,550</b>	<b>1,394</b>	<b>18,231</b>	<b>12,094</b>	<b>27,781</b>	<b>13,488</b>

The notes to the financial statements set out on pages 5 to 18 should be read in conjunction with this statement of cash flows.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**1. General Information**

The reporting entity is the Evergreen Retirement Trust ("the Scheme"). The Scheme is made up of 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 31 March 2019 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.

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. A deed of amendment was issued on 4 April 2018 enabling the Trustee to allow members to transfer to another scheme that is a QROPS Scheme instead of being paid out in cash and to make partial distributions as part of the wind up process. 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 FMC Act. As a Restricted Legacy Scheme, the Scheme can no longer be open to new members. On 8 March 2017, the UK 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 UK 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. The Trustee announced the commencement of the wind up of the Scheme on 6 April 2018. The assets of the Funds are being distributed to members as soon as the underlying investments can be liquidated. The Trustee announced and paid the first wind up distribution on 31 October 2018, being 84.39% of the Absolute Growth Fund and 44.46% of the Income Plus Fund.

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.

**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 since 31 March 2017.

The Trustee announced the commencement of the wind up of the Scheme 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 is liquidating the Scheme as soon as the underlying investments can be realised. Wind up costs expensed in the year amounted to £12,973 and accruals at year end to £62,213 (6 April 2018: £76,002) which 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 Scheme 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 has 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 period.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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

The Scheme adopted NZ IFRS 9 Financial Instruments from 7 April 2018 and applied the standard retrospectively, but has elected not to restate comparative information. The implementation of NZ IFRS 9 has not resulted in any changes in accounting policies.

From 7 April 2018, the Scheme classifies the financial assets and liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The classification of financial instruments has not resulted in any reclassification between measurement categories for the Scheme's financial assets and liabilities. Other financial instruments (including cash and cash equivalents, trade and other receivables as well as trade and other payables) are measured at amortised cost.

In addition, there are a number of other new standards, amendments to standards and interpretations which are effective for the annual periods beginning after 31 March 2018 and have not been early adopted. None of these are expected to have a material impact on the Scheme.

**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**

CLASSIFICATION

**Assets**

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at net realisable value or amortised cost.

*(i) Financial assets at net realisable value*

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Scheme is primarily focussed on fair value information and uses that information to assess the assets' performance and to make decisions. The Scheme has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income.

All financial assets which were previously classified as financial assets at fair value through profit or loss under the categories, designated at fair value upon initial recognition and held for trading, are now classified as financial assets mandatorily measured at fair value through profit or loss. Financial assets previously categorised as designated at fair value through profit or loss upon initial recognition comprised of the total investment portfolio held by the Scheme, except for derivative financial assets. Financial assets categorised as held for trading comprised of all derivative financial assets held by the Scheme. Financial assets measured mandatorily at fair value through profit or loss comprise of equities, funds/unit trusts and forward exchange contracts.

*(ii) Financial assets at amortised cost*

**Cash and cash equivalents** include cash in hand, deposits held at call with banks, deposits and overdrawn balances with brokers in New Zealand dollars and foreign currencies. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Scheme's main income generating activity.

**Unsettled investment sales** included in trade and other receivables, are receivable for securities sold but not yet settled on the statement of financial position at balance sheet date. The unsettled trade receivable balance is held for collection.

**Receivables, other than unsettled investment sales**, include margin accounts interest and contributions receivable. Cash collateral provided by the Scheme is identified as margin accounts and not included as a component of cash and cash equivalents.

**Liabilities**

*(i) Financial liabilities at net realisable value*

Financial liabilities at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. Consequently, all financial liabilities are measured at fair value through profit or loss. All financial liabilities previously classified as financial liabilities at fair value through profit or loss under the category held for trading, are now classified as mandatorily measured at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

*(ii) Financial liabilities at amortised cost*

**Payables** other than unsettled investment purchases are amounts representing liabilities and accrued expenses owing by the Scheme at year end. These amounts include related party fees payable, distributions payable and withdrawals payable.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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

**iv Financial Instruments (continued)**

RECOGNITION, DERECOGNITION AND MEASUREMENT

**Financial assets and liabilities at net realisable value**

The Scheme recognises financial assets and liabilities at fair value through the profit and loss on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Changes in Net Assets Available for Benefits. Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or the Scheme has transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at fair value through profit or loss are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through the profit or loss are measured at fair value. 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. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss 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. Interest and dividend income are separately recognised in the Statement of Changes in Net Assets Available for Benefits. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment.

**Financial assets and liabilities at amortised cost**

The Scheme recognises financial assets and liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have been expired or the Scheme has transferred all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost. At each reporting date, the Scheme shall measure the loss allowance of the financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme shall measure the loss allowance at an amount equal to 12 months' of expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired. There is a risk of non-recovery.

**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.

**vii Expenses**

Expenses comprise management fees, investment management fees, ad hoc trustee fees, professional fees, audit fees, investment accounting fees, transaction costs, bank fees, and other sundry expenses. Management fees and investment management fees have moved to a fixed fee in agreement with the Trustee and paid monthly. All other fees are recognised when incurred. A wind-up provision of £62,213 (6 April 2018: £76,002) has been made for the estimated cost attributable to the wind up of the Scheme.

**viii 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.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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

**ix 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.

**x 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.

**xi 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.

**xii 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. Other payables include member withdrawals payable that are initially recognised at net realisable value. Subsequent to the adoption of the cessation basis of accounting, trade and other payables were measured at net realisable value. See note 2iv.

**xiii 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.

**xiv 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.

**xv 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.

**xvi 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.

**xvii 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.



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

**xviii 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.

**xix 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.

**xx Changes in Accounting Policies**

There have been no changes in accounting policies during the period.

**xxi Reclassification of prior year comparative figures**

Certain prior year comparatives have been reclassified to conform to the current year's presentation.

**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, not proprietary, 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.

**4. Administration Expenses**

Professional fees  
Interest paid  
Investment accounting fees  
Other expenses  
Total administration expenses

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Professional fees	12,646	8,624	48,819	35,852	61,465	44,476
Interest paid	-	-	-	583	-	583
Investment accounting fees	5,868	14,957	7,320	13,941	13,188	28,898
Other expenses	351	671	334	499	685	1,170
<b>Total administration expenses</b>	<b>18,865</b>	<b>24,252</b>	<b>56,473</b>	<b>50,875</b>	<b>75,338</b>	<b>75,127</b>

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	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £
<b>5. Net (losses)/gains on Financial Instruments at Net Realisable Value</b>						
International equity unitised funds	39,632	171,370	(17,319)	48,333	22,313	219,703
International fixed interest unitised funds	-	-	(148,336)	(244,230)	(148,336)	(244,230)
International property trusts	-	-	(245)	(59,641)	(245)	(59,641)
Foreign exchange contracts	(57,227)	144,312	(262,504)	325,027	(319,731)	469,339
<b>Net (losses)/gains on financial instruments at net realisable value</b>	<b>(17,595)</b>	<b>315,682</b>	<b>(428,404)</b>	<b>69,489</b>	<b>(445,999)</b>	<b>385,171</b>
<b>6. Cash and Cash Equivalents</b>						
Cash - Pounds sterling	7,115	976	6,955	1,423	14,070	2,399
Cash - New Zealand dollar	2,431	418	1,159	558	3,590	976
Cash - Australian dollar	-	-	10,114	10,113	10,114	10,113
Cash - United States dollar	4	-	3	-	7	-
<b>Total cash and cash equivalents</b>	<b>9,550</b>	<b>1,394</b>	<b>18,231</b>	<b>12,094</b>	<b>27,781</b>	<b>13,488</b>
Cash and cash equivalents include cash balances and are classified as financial assets at amortised cost under NZ IFRS 9.						
<b>7. Financial Instruments at Net Realisable Value</b>						
<i>Financial assets at net realisable value</i>						
International equity unitised funds	75,833	2,220,025	54,121	1,499,183	129,954	3,719,208
International fixed interest unitised funds	-	-	2,115,457	2,263,793	2,115,457	2,263,793
International property trusts	-	-	503,458	503,702	503,458	503,702
Forward foreign exchange contracts	-	103,761	15,796	229,312	15,796	333,073
<b>Financial assets at net realisable value</b>	<b>75,833</b>	<b>2,323,786</b>	<b>2,688,832</b>	<b>4,495,990</b>	<b>2,764,665</b>	<b>6,819,776</b>
<i>Financial liabilities at net realisable value</i>						
Forward foreign exchange contracts	(1,668)	(29,734)	(46,673)	(6,687)	(48,341)	(36,421)
<b>Financial liabilities at net realisable value</b>	<b>(1,668)</b>	<b>(29,734)</b>	<b>(46,673)</b>	<b>(6,687)</b>	<b>(48,341)</b>	<b>(36,421)</b>
	<b>(91,226)</b>	<b>(2,033,562)</b>	<b>(3,059,670)</b>	<b>(3,112,854)</b>	<b>(3,150,896)</b>	<b>(5,146,416)</b>

As at 31 March 2019 (2018: 6 April) the notional value of the forward foreign exchange contracts were:

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 OM 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.

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 and the Delegated Manager are assessing the options in relation to the illiquid asset realisation with a view to accelerating the wind up of the Scheme and delivering the best possible outcome for members. This means there is uncertainty around the realisable value of assets (and related uncertainty in relation to the future costs of running the Scheme) stated in the financial statements. The valuation of the underlying investments, is 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 3. The Trustees have been unable to independently verify the value of the investments in the Penrich Capital G10 Currency Income Fund, and the GDI No 36 Perth CBD Office Trust, as the audited financial statements of these funds 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 the WM Company and Thomson Reuters (WM/Reuters).

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**7. Financial Instruments at Net Realisable Value (continued)**

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:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>
Opening balance	-	-	<b>503,702</b>	563,343	<b>503,702</b>	563,343
Losses recognised in profit or loss	-	-	<b>(244)</b>	(59,641)	<b>(244)</b>	(59,641)
Closing balance	-	-	<b>503,458</b>	503,702	<b>503,458</b>	503,702
Change in unrealised gains for the period included in profit or loss for financial assets and liabilities held at balance date	-	-	<b>(244)</b>	(59,641)	<b>(244)</b>	(59,641)

Financial assets at fair value through profit or loss exceeding 5% of the net assets available for benefits of each Fund at 31 March 2019 is detailed below.

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>	<b>Period ended 31 March 2019</b>	<b>One year and six days to 6 April 2018</b>
Bennelong Long Short Equity Fund	-	17.55%	-	-	-	4.55%
Baillie Gifford Managed Fund	-	6.57%	-	-	-	1.70%
Baillie Gifford Long Term Global Growth Fund	-	20.64%	-	-	-	5.35%
CF Odey UK Absolute Return Fund	-	16.17%	-	-	-	4.19%
Permal Select Opportunities II	<b>21.88%</b>	5.62%	<b>1.59%</b>	1.40%	<b>3.46%</b>	2.49%
Alleron Australian Eagle Trust	-	12.06%	-	-	-	3.12%
Kit Trading Fund	-	14.16%	-	-	-	3.67%
CQS Diversified Fund	-	-	-	20.49%	-	15.19%
GDI No 36 Perth CBD Office Trust	-	-	<b>14.78%</b>	7.36%	<b>13.41%</b>	5.45%
Penrich Capital G10 Currency Income Fund	-	-	<b>62.10%</b>	33.06%	<b>56.37%</b>	24.50%

**8. Trade and Other Receivables**

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>	<b>Period ended 31 March 2019 £</b>	<b>One year and six days to 6 April 2018 £</b>
Forwards margin accounts	<b>843,865</b>	145,092	<b>1,622,201</b>	2,480,497	<b>2,466,066</b>	2,625,589
Unsettled investment sales	-	10,823	-	7,724	-	18,547
<b>Total Trade and Other Receivables</b>	<b>843,865</b>	<b>155,915</b>	<b>1,622,201</b>	<b>2,488,221</b>	<b>2,466,066</b>	<b>2,644,136</b>

All trade and other receivable balances are classified as financial assets at amortised cost under NZ IFRS 9.

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	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £
<b>9. Trade and Other Payables</b>						
Audit fees payable	4,427	13,465	19,388	22,446	23,815	35,911
Wind up costs payable	14,111	18,820	48,102	57,182	62,213	76,002
Member withdrawals payable	556,010	17,910	792,630	48,253	1,348,640	66,163
Investment accounting fees payable	5,757	2,091	5,757	2,092	11,514	4,183
<b>Total Trade and Other Payables</b>	<b>580,305</b>	<b>52,286</b>	<b>865,877</b>	<b>129,973</b>	<b>1,446,182</b>	<b>182,259</b>
<b>Trade and Other Payables to Related Parties</b>						
Investment management fees payable (refer note 11)	1,034	6,158	10,132	12,389	11,166	18,547
<b>Total Trade and Other Payables to Related Parties</b>	<b>1,034</b>	<b>6,158</b>	<b>10,132</b>	<b>12,389</b>	<b>11,166</b>	<b>18,547</b>
All trade and other payables are current liabilities and are classified as financial liabilities at amortised cost under NZ IFRS 9.						
<b>10. Reconciliation of net (loss)/profit before membership activities to net cash flows from operating activities</b>						
Net (loss)/profit before membership activities and transfers to reserves:	(61,683)	199,602	(564,696)	(129,572)	(626,379)	70,030
<b>Add Non Cash Items</b>						
Unrealised changes in fair value of financial assets	422,572	(486,033)	653,322	(292,294)	1,075,894	(778,327)
Unrealised foreign exchange (losses)/gains on cash at bank	(71)	17	(9)	(2)	(80)	15
<b>Movements in Working Capital Items</b>						
(Increase)/decrease in trade and other receivables	(687,950)	(14,327)	866,020	472,514	178,070	458,187
Increase in trade and other payables	528,019	29,056	735,904	90,843	1,263,923	119,899
(Decrease)/increase in payables to related parties	(5,124)	518	(2,257)	1,491	(7,381)	2,009
Decrease in cost of investments	1,797,315	48,062	1,193,822	138,563	2,991,137	186,625
<b>Less Items Classified as Financing Activities</b>						
Movements in payables attributable to financing activities	(538,100)	(12,257)	(744,377)	(34,573)	(1,282,477)	(46,830)
<b>Net cash flows provided from/(used in) operating activities</b>	<b>1,454,978</b>	<b>(235,362)</b>	<b>2,137,729</b>	<b>246,970</b>	<b>3,592,707</b>	<b>11,608</b>

**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. With the agreement of the Trustee, this fee has changed to a fixed schedule of fees from 7 April 2018.

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. With the agreement of the Trustee, this fee was reduced to the recovery of hedging advisory services from 7 April 2018.

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. This fee ceased on 7 April 2018.

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**11. Related Parties (continued)**

**Delegated Manager and Investment Manager (continued)**

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.

			Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
			31 March	6 April	31 March	6 April	31 March	6 April
			2019	2018	2019	2018	2019	2018
Penrich Capital G10 Currency Income Fund	Holding	Units	-	-	3,128	3,128	3,128	3,128
		\$	-	-	2,115,457	2,263,792	2,115,457	2,263,792
	Purchases	% of the Fund's Net Assets	-	-	62.1%	33.1%	56.4%	24.5%
		Units	-	-	-	-	-	-
			\$	-	-	-	-	-
				-	-	-	-	-

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:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	Period ended 31 March	One year and six days to 6 April 2018	Period ended 31 March	One year and six days to 6 April 2018	Period ended 31 March	One year and six days to 6 April 2018
	2019	2018	2019	2018	2019	2018
<b>Evergreen Capital Partners Limited:</b>						
Scheme management fee expense	30,133	53,877	100,879	132,269	131,012	186,146
Scheme management fee payable	792	5,662	7,757	16,947	8,549	22,609
<b>Clearwater Capital LP:</b>						
Investment management fee expense	6,946	35,350	28,386	71,722	35,332	107,072
Investment management fee payable	242	6,158	2,375	12,389	2,617	18,547

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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 6 April 2018 the 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 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>31 March 2019 £</b>	<b>6 April 2018 £</b>	<b>31 March 2019 £</b>	<b>6 April 2018 £</b>	<b>31 March 2019 £</b>	<b>6 April 2018 £</b>
Financial assets at fair value through profit or loss	<b>75,833</b>	2,220,025	<b>2,673,036</b>	4,266,678	<b>2,748,869</b>	6,486,703
Impact of a -10% change in unit prices	<b>(7,583)</b>	(222,003)	<b>(267,304)</b>	(426,668)	<b>(274,887)</b>	(648,670)
Impact of a +10% change in unit prices	<b>7,583</b>	222,003	<b>267,304</b>	426,668	<b>274,887</b>	648,670

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>
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>
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 31 March 2019 (2018: 6 April) with all other variables held constant:

	<b>Absolute Growth Fund (GBP)</b>		<b>Income Plus Fund (GBP)</b>		<b>Scheme (GBP)</b>	
	<b>31 March</b>	<b>6 April</b>	<b>31 March</b>	<b>6 April</b>	<b>31 March</b>	<b>6 April</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trade and other receivables</b>						
Carrying amount	<b>74</b>	44,137	<b>18,415</b>	21,014	<b>18,489</b>	65,151
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	<b>8</b>	3,702	<b>2,046</b>	1,477	<b>2,054</b>	5,179
NZD + 10% Profit and members' funds	<b>(7)</b>	(3,029)	<b>(1,674)</b>	(1,208)	<b>(1,681)</b>	(4,237)
USD - 10% Profit and members' funds	-	1,203	-	858	-	2,061
USD + 10% Profit and members' funds	-	(984)	-	(702)	-	(1,686)

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**12. Financial Instruments (continued)**

**Market Risk (continued)**

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

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

Investments in foreign currency denominated funds

Carrying amount of funds denominated in AUD  
Carrying amount of funds denominated in USD

Impact of a +/- 10% change in FX rates:

AUD - 10% Profit and members' funds

AUD + 10% Profit and members' funds

USD - 10% Profit and members' funds

USD + 10% Profit and members' funds

Forward foreign exchange contracts

Carrying amount

Contract value

Impact of a +/- 10% change in FX rates:

AUD - 10% Profit and members' funds

AUD + 10% Profit and members' funds

USD - 10% Profit and members' funds

USD + 10% Profit and members' funds

**Trade and other payables**

Carrying amount

Impact of a +/- 10% change in FX rates:

NZD - 10% Profit and members' funds

NZD + 10% Profit and members' funds

**Trade and other payables related parties**

Carrying amount

Impact of a +/- 10% change in FX rates:

NZD - 10% Profit and members' funds

NZD + 10% Profit and members' funds

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	31 March 2019 £	6 April 2018 £	31 March 2019 £	6 April 2018 £	31 March 2019 £	6 April 2018 £
Carrying amount of funds denominated in AUD	-	708,600	503,458	503,703	503,458	1,212,303
Carrying amount of funds denominated in USD	75,833	473,280	2,169,578	2,359,769	2,245,411	2,833,049
Impact of a +/- 10% change in FX rates:						
AUD - 10% Profit and members' funds	-	78,733	55,940	55,967	55,940	134,700
AUD + 10% Profit and members' funds	-	(64,418)	(45,769)	(45,791)	(45,769)	(110,209)
USD - 10% Profit and members' funds	8,426	52,587	241,064	262,197	249,490	314,783
USD + 10% Profit and members' funds	(6,894)	(43,025)	(197,234)	(214,524)	(204,128)	(257,550)
Forward foreign exchange contracts						
Carrying amount	(1,668)	74,027	(30,877)	222,625	(32,545)	296,652
Contract value	(91,226)	(2,033,562)	(3,059,670)	(3,112,854)	(3,150,897)	(5,146,416)
Impact of a +/- 10% change in FX rates:						
AUD - 10% Profit and members' funds	-	(72,015)	(56,256)	(56,305)	(56,256)	(128,321)
AUD + 10% Profit and members' funds	-	58,922	46,028	46,068	46,028	104,990
USD - 10% Profit and members' funds	(10,136)	(153,936)	(283,707)	(289,567)	(293,843)	(443,503)
USD + 10% Profit and members' funds	8,293	125,948	232,124	236,919	240,417	362,866
Trade and other payables						
Carrying amount	(24,295)	(34,376)	(73,247)	(81,720)	(97,542)	(116,095)
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	(2,699)	(3,820)	(8,139)	(9,080)	(10,838)	(12,899)
NZD + 10% Profit and members' funds	2,209	3,125	6,659	7,429	8,867	10,554
Trade and other payables related parties						
Carrying amount	(1,034)	(6,158)	(10,132)	(12,389)	(11,166)	(18,547)
Impact of a +/- 10% change in FX rates:						
NZD - 10% Profit and members' funds	(115)	(684)	(1,126)	(1,377)	(1,241)	(2,061)
NZD + 10% Profit and members' funds	94	560	921	1,126	1,015	1,686

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

**(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 31 March 2019 there were no financial assets past due or impaired (6 April 2018: Nil).



**EVERGREEN RETIREMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**12. Financial Instruments (continued)**

**(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 balance sheet date. 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)	
	31 March 2019 £	6 April 2018 £	31 March 2019 £	6 April 2018 £	31 March 2019 £	6 April 2018 £
<b>Forward foreign exchange contracts</b>						
<b>Financial Assets</b>						
Amounts subject to offsetting:						
Gross assets	-	103,761	15,796	229,312	15,796	333,073
Gross liabilities offset	(1,668)	(29,734)	(46,673)	(6,687)	(48,341)	(36,421)
<b>Net amounts presented</b>	<b>(1,668)</b>	<b>74,027</b>	<b>(30,877)</b>	<b>222,625</b>	<b>(32,545)</b>	<b>296,652</b>
Amounts not offset:						
Financial instruments	-	(25,734)	(34,534)	(9,466)	(308,606)	(69,352)
Cash collateral	-	-	-	-	-	-
<b>Net amount</b>	<b>(1,668)</b>	<b>48,293</b>	<b>(65,411)</b>	<b>213,159</b>	<b>(341,151)</b>	<b>227,300</b>
<b>Financial Liabilities</b>						
Amounts subject to offsetting:						
Gross liabilities	(1,668)	(29,734)	(46,673)	(6,687)	(48,341)	(36,421)
Gross assets offset	1,668	29,734	46,673	6,687	48,341	36,421
<b>Net amounts presented</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amounts not offset:						
Financial instruments	-	25,734	34,534	9,466	308,606	69,352
Cash collateral	-	-	-	-	-	-
<b>Net amount</b>	<b>-</b>	<b>25,734</b>	<b>34,534</b>	<b>9,466</b>	<b>308,606</b>	<b>69,352</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 Scheme commitments. Liquidity risk is managed by holding some liquid investments to enable the Scheme to meet commitments during the wind up period.

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

Member's ability to redeem from the Scheme ceased on 6 April 2018 when the Scheme commenced winding up. The investment of the Scheme are being liquidated at the earliest achievable liquidity date and the Trustee will pay interim distributions to members as Fund liquidity allows.

To receive a distribution from the Scheme, a member must have first provided the Trustee with certified documentation to meet Anti-money Laundering and Countering the Financing of Terrorism regulations.

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.

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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:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £
<b>Members' Funds</b>	<b>346,516</b>	2,393,192	<b>3,406,582</b>	6,847,256	<b>3,753,098</b>	9,240,448
<b>Units</b>	<b>376,904</b>	2,413,585	<b>3,967,372</b>	7,145,390	<b>4,344,276</b>	9,558,975

**14. Units on Issue**

Units on issue at the start of the period	<b>2,413,585</b>	2,522,062	<b>7,145,390</b>	7,415,395	<b>9,558,975</b>	9,937,457
Opening adjustments	<b>(791)</b>	-	<b>(1,897)</b>	-	<b>(2,688)</b>	-
Total contributions for the period	-	-	-	-	-	-
Total withdrawals for the period	<b>(2,035,890)</b>	(108,477)	<b>(3,176,121)</b>	(270,005)	<b>(5,212,011)</b>	(378,482)
Units on issue at the end of the period	<b>376,904</b>	2,413,585	<b>3,967,372</b>	7,145,390	<b>4,344,276</b>	9,558,975

**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.

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £	Period ended 31 March 2019 £	One year and six days to 6 April 2018 £
Accrued members' attributed tax at balance date	<b>275</b>	275	-	-	<b>275</b>	275
Members' attributed tax refunded during the period	<b>(275)</b>	(271)	-	(146)	<b>(275)</b>	(417)
Members' attributed tax for the period	-	4	-	(146)	-	(142)

**16. Contingent Liabilities**

There were no contingent liabilities as at 31 March 2019 (6 April 2018: Nil).

**17. Capital Commitments**

There were no capital commitments as at 31 March 2019 (6 April 2018: Nil).

**18. Events After Balance Date**

The Trustee intends to make future distributions as liquidity allows. At the final wind up of the Scheme, unpaid distribution proceeds will be paid to the Treasury under the unclaimed monies process for superannuation scheme under s77 of the Trustee Act 1956.

Subsequent to year end the Investment Manager of the Penrich G10 Currency Income Fund changed a portion of the funds underlying investments to hold interest bearing notes. The change did not change the number of units held by the Scheme in Penrich G10 Currency Income Fund nor had a material impact on the price of units held. The Investment Manager of the Penrich G10 Currency Income Fund has confirmed that there will be a full redemption of the Scheme's investments on 30 September 2019.

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 18, which comprise the statement of net assets available for benefits of the Scheme as at 31 March 2019, 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 18 present fairly, in all material respects, the financial position of the Scheme as at 31 March 2019 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 Capital G10 Currency Income Fund ("the Fund") and GDI No. 36 Perth CBD Office Trust ("the Trust") are carried at £2,115,457 and £503,458 in the statement of net assets available for benefits which represent 56% and 13% of net assets, respectively. The Fund is a related party of the Scheme as disclosed in Note 11. The Scheme's investment in the Fund and Trust are valued at their estimated net realisable value using prices supplied by the Manager of the Fund and Trust.

As disclosed at note 7 (i) of the financial statements, the audited financial statements of the Fund and the Trust are not yet available. In addition, the Trustee and Delegated Manager are assessing the options in relation to these illiquid assets' realisation. As a result of the nature of these investments and the uncertainty of timing of their realisation there is material uncertainty as to their realisable values.

We were unable to satisfy ourselves by alternative means of the valuation of the Scheme's investments in the Fund and the 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 investments in the Fund and the 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 opinion.

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

#### 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 decided to commence the wind up of the Scheme on 6 April 2018. As explained in Note 2(ii), no discount adjustments were made to the value of the Scheme illiquid assets. Estimated wind up costs of £62,213 are recorded within trade and other payables in the statement of net assets available for benefits.

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

#### Key audit matters

Except for the matters described in the Basis for qualified opinion section, we have determined that there are no other key audit matters to communicate in our report.

#### Information other than the financial statements and auditor's report

The Trustee is responsible for the other information, which includes the information in this report 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, 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.

## Trustee's responsibilities for the financial statements

The Trustee is responsible, on the behalf of the Scheme, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors 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 Trustee is responsible for assessing on behalf of the Scheme, 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 Trustee 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 Trustee.
- ▶ Concludes on the appropriateness of the Trustee'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 the Trustee'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.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

The logo for Ernst &amp; Young, featuring the company name in a stylized, cursive script.

Chartered Accountants  
Christchurch  
6 September 2019