

**THE RETIRE FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

# THE RETIRE FUND

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FOR THE YEAR ENDED 31 MARCH 2025

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# THE RETIRE FUND

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	FOR THE YEAR ENDED 31 MARCH 2025			FOR THE YEAR ENDED 31 MARCH 2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<b>INCOME</b>							
Net gains on investments at fair value through profit or loss		1,258,251	78,748	<b>1,336,999</b>	1,948,241	90,423	<b>2,038,664</b>
Net gains / (losses) on forestry and land assets	4	(4,240)	-	<b>(4,240)</b>	62,425	-	<b>62,425</b>
Gains on disposal of carbon credits held as intangible assets	4	338,784	-	<b>338,784</b>	83,394	-	<b>83,394</b>
<b>TOTAL INCOME</b>		<b>1,592,795</b>	<b>78,748</b>	<b>1,671,543</b>	2,094,060	90,423	<b>2,184,483</b>
<b>EXPENSES</b>							
Investment expenses	10d	66,703	3,382	<b>70,085</b>	77,195	4,901	<b>82,096</b>
Carbon surrender expenses	5	-	-	-	211,835	-	<b>211,835</b>
Administration expenses	10d	158,327	13,103	<b>171,430</b>	160,707	16,487	<b>177,194</b>
Legal expenses		-	1,155	<b>1,155</b>	-	-	-
Audit fees	3	-	-	-	-	-	-
Other assurance services received from Auditor	3	-	-	-	-	-	-
Statutory fees		3,086	265	<b>3,351</b>	3,211	341	<b>3,552</b>
Other expenses		3,626	970	<b>4,596</b>	2,910	303	<b>3,213</b>
<b>TOTAL EXPENSES</b>		<b>231,742</b>	<b>18,875</b>	<b>250,617</b>	455,858	22,032	<b>477,890</b>
<b>NET PROFIT BEFORE TAX</b>		<b>1,361,053</b>	<b>59,873</b>	<b>1,420,926</b>	1,638,202	68,391	<b>1,706,593</b>
Tax expense		-	-	-	-	-	-
<b>PROFIT BEFORE MEMBERSHIP ACTIVITIES</b>		<b>1,361,053</b>	<b>59,873</b>	<b>1,420,926</b>	1,638,202	68,391	<b>1,706,593</b>

These financial statements should be read in conjunction with the accompanying notes.

# THE RETIRE FUND

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	FOR THE YEAR ENDED 31 MARCH 2025			FOR THE YEAR ENDED 31 MARCH 2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<b>NET ASSETS AVAILABLE AT THE BEGINNING OF THE YEAR</b>		<b>17,821,885</b>	<b>1,598,199</b>	<b>19,420,084</b>	17,990,477	1,851,531	<b>19,842,008</b>
<i>Comprising:</i>							
Net assets attributable to Members		17,796,394	1,597,600	<b>19,393,994</b>	17,967,943	1,851,356	<b>19,819,299</b>
Net assets attributable to General Reserve	6	2,932	599	<b>3,531</b>	1,806	175	<b>1,981</b>
Net assets attributable to Employer Reserve	6	22,559	-	<b>22,559</b>	20,728	-	<b>20,728</b>
<b>MOVEMENTS DURING THE YEAR</b>							
<i>Contributions</i>							
Members		326,473	7,374	<b>333,847</b>	281,288	11,454	<b>292,742</b>
Employers		50,311	2,115	<b>52,426</b>	62,589	2,640	<b>65,229</b>
<i>Withdrawals</i>							
Retirement		(862,053)	(177,858)	<b>(1,039,911)</b>	(1,660,016)	(323,712)	<b>(1,983,728)</b>
Withdrawal		(370,568)	(47,150)	<b>(417,718)</b>	(173,277)	(57,144)	<b>(230,421)</b>
Death		(778,491)	(143,498)	<b>(921,989)</b>	(238,507)	-	<b>(238,507)</b>
Members PIE tax		(148,082)	(12,379)	<b>(160,461)</b>	(29,261)	(4,453)	<b>(33,714)</b>
Transfers between investment pools		-	-	-	(49,492)	49,492	-
Employer reserve withdrawals		-	-	-	(118)	-	<b>(118)</b>
<b>Surplus before Membership activities</b>		<b>1,361,053</b>	<b>59,873</b>	<b>1,420,926</b>	<b>1,638,202</b>	<b>68,391</b>	<b>1,706,593</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF THE YEAR</b>		<b>17,400,528</b>	<b>1,286,676</b>	<b>18,687,204</b>	17,821,885	1,598,199	<b>19,420,084</b>
<i>Comprising:</i>							
Net assets attributable to Members		17,376,078	1,286,385	<b>18,662,463</b>	17,796,394	1,597,600	<b>19,393,994</b>
Net assets attributable to General Reserve	6	392	291	<b>683</b>	2,932	599	<b>3,531</b>
Net assets attributable to Employer Reserve	6	24,058	-	<b>24,058</b>	22,559	-	<b>22,559</b>
		<b>17,400,528</b>	<b>1,286,676</b>	<b>18,687,204</b>	17,821,885	1,598,199	<b>19,420,084</b>

## THE RETIRE FUND

### STATEMENT OF NET ASSETS AS AT 31 MARCH 2025

	Notes	AS AT 31 MARCH 2025			AS AT 31 MARCH 2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<b>ASSETS</b>							
Investment in the Investment Trust	5	17,145,940	1,303,508	<b>18,449,448</b>	17,381,699	1,602,652	<b>18,984,351</b>
Investment in forestry and land assets	5	436,538	-	<b>436,538</b>	466,769	-	<b>466,769</b>
<b>TOTAL ASSETS</b>		<b>17,582,478</b>	<b>1,303,508</b>	<b>18,885,986</b>	17,848,468	1,602,652	<b>19,451,120</b>
<b>LIABILITIES</b>							
PIE tax payable		181,950	16,832	<b>198,782</b>	26,583	4,453	<b>31,036</b>
<b>TOTAL LIABILITIES</b>		<b>181,950</b>	<b>16,832</b>	<b>198,782</b>	26,583	4,453	<b>31,036</b>
<b>AMOUNTS AVAILABLE FOR BENEFITS</b>		<b>17,400,528</b>	<b>1,286,676</b>	<b>18,687,204</b>	17,821,885	1,598,199	<b>19,420,084</b>
<b>Represented by:</b>							
Member's net assets		17,376,078	1,286,385	<b>18,662,463</b>	17,796,394	1,597,600	<b>19,393,994</b>
General Reserve net assets	6	392	291	<b>683</b>	2,932	599	<b>3,531</b>
Employer Reserve net assets	6	24,058	-	<b>24,058</b>	22,559	-	<b>22,559</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		<b>17,400,528</b>	<b>1,286,676</b>	<b>18,687,204</b>	17,821,885	1,598,199	<b>19,420,084</b>

For and on behalf of The New Zealand Anglican Church Pension Board who authorised the issue of these financial statements as at the date below:

*Lawrence Kimberley*

Authorised Signatory  
26 June 2025

*Andrew Roland Johnson*

Authorised Signatory

# THE RETIRE FUND

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	FOR THE YEAR ENDED 31 MARCH 2025			FOR THE YEAR ENDED 31 MARCH 2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Expenses paid		(165,041)	(15,493)	<b>(180,534)</b>	(378,663)	(17,131)	<b>(395,794)</b>
PIE tax (paid)/received		7,285	-	<b>7,285</b>	(2,678)	-	<b>(2,678)</b>
Purchase of investments		(376,784)	(9,489)	<b>(386,273)</b>	(343,877)	(63,586)	<b>(407,463)</b>
Sale of investments		2,168,866	383,999	<b>2,552,865</b>	2,502,751	397,987	<b>2,900,738</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	9	<b>1,634,326</b>	<b>359,017</b>	<b>1,993,343</b>	1,777,533	317,270	<b>2,094,803</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Contributions		376,784	9,489	<b>386,273</b>	343,877	63,586	<b>407,463</b>
Benefits paid		(2,011,110)	(368,506)	<b>(2,379,616)</b>	(2,121,410)	(380,856)	<b>(2,502,266)</b>
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(1,634,326)</b>	<b>(359,017)</b>	<b>(1,993,343)</b>	(1,777,533)	(317,270)	<b>(2,094,803)</b>
Net increase in cash and cash equivalents		-	-	-	-	-	-
Cash and cash equivalents at the beginning of the year		-	-	-	-	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		-	-	-	-	-	-

These financial statements should be read in conjunction with the accompanying notes.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**1 GENERAL INFORMATION**

These financial statements are for The Retire Fund (the "Fund") for the year ended 31 March 2025 (the "reporting date").

The Fund is established and domiciled in New Zealand. The purpose of the Fund is to provide retirement superannuation to clergy, employees and other workers of the Anglican Church and other religious organisations. The Fund is a defined contribution superannuation scheme and a profit oriented reporting entity under the External Reporting Board Standard A1.

The Fund was established under a Trust Deed dated 11 June 1991, and is governed by a Trust Deed dated 30 June 2022.

The Manager of the Fund is the New Zealand Anglican Church Pension Board (the "Manager" or "NZACP") and the Trustee is The New Zealand Anglican Church Pension Board ("Trustee"). Andrew Johnson is the Licenced Independent Trustee. The Manager is the Custodian of the Fund.

The Fund was registered under the Financial Markets Conduct Act 2013 (the "FMC") as a restricted workplace savings scheme and a restricted legacy scheme on 31 August 2016.

These financial statements were adopted by the Manager on 26 June 2025.

The Fund is comprised of various underlying Investment Pools (the "Pools"). Notwithstanding the division of the Fund into Pools, the Fund comprises a single trust fund with the value of the Members' interests in the Fund determined by reference to values held in the underlying Pools.

The Pools as at 31 March 2025 (and 31 March 2024) were as follows:

Balanced	Conservative
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**(a) Funding policy**

The Fund had 13 (2024: 14) Participating Employers who subsidise their Members in accordance with the Schedule of the Trust Deed relating to that Participating Employer. These represented 37 (2024: 39) Members. In addition there were 16 (2024: 16) non-subsidised Members of associated organisations and 137 (2024: 151) retired Members.

*Contributions*

Participating Employers and employee Members contribute to the Fund based on agreed contribution rates. The minimum contribution for a non-employee (private) Member either by lump sum or regular payments is \$600 per annum.

*Investments*

To fund retirement benefits a Member can choose between investing in the Balanced and/or the Conservative Pool of the Fund.

*Retirement benefits*

The retirement benefits are determined by contributions to the Fund together with investment earnings on these contributions over the period of membership.

*Winding Up*

The Trust Deed sets out the basis on which the Fund can be wound up.

**(b) Investment Policies**

The objective of the Conservative Pool is to provide investors with returns predominantly from income distributions with a low expectancy of capital loss. It does this by investing through the Investment Trust in income assets (cash and short term deposits, fixed interest and mortgages).

The objective of the Balanced Pool is to provide investors with long term capital growth with a medium degree of risk. It does this by investing through the Investment Trust in a diversified range of growth assets (shares and alternative assets) and income assets (cash and short term deposits, fixed interest and mortgages) as well as investing in direct forestry assets.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**(a) Basis of preparation**

The financial statements of the Fund have been prepared in accordance with the Trust Deed governing the Fund, the FMC and generally accepted accounting practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), International Financial Reporting Standards ("IFRS"), and other applicable financial reporting standards as appropriate for profit oriented entities. The Fund is deemed to be a publicly accountable Tier 1 entity for the purposes of the External Reporting Board Standard A1 "Application of the Accounting Standards Framework".

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to Members.

**(b) Going concern**

The Trustee is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

**(c) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for investments in financial assets, land and forests, which have been measured at fair value. All figures presented have been rounded to the nearest dollar.

**(d) Income**

Income is recognised to the extent that it is probable that economic benefits will flow to the Fund and the income can be readily measured.

*Net realised and unrealised gains or losses on investments at fair value through profit or loss*

Gains or losses on financial assets at fair value through profit or loss are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend income.

*Net realised and unrealised gains or losses on forestry and land assets*

Gains or losses on forestry and land assets are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

**(e) Investments****Investments at fair value through profit or loss**

The Fund holds interests in sectors of the New Zealand Anglican Church Pension Board Investment Trust (the "Investment Trust"). The Trustee of the Investment Trust is the NZACPB. The Investment Trust is a registered Portfolio Investment Entity ("PIE"). The Investment Trust holds investments in the following sectors - cash and short term deposits, fixed interest, mortgages, shares and private equity on behalf of the Fund and other parties some of which are listed in Note 10, Related Parties. The interests in each sector held by each of the Pools is based on their tactical asset allocation ("TAA") which is set by the NZACPB's Investment Committee, taking into account ranges and limits defined in the Statement of Investment Policy and Objectives ("SIPO"). All interests are stated by reference to the dollar values held. The daily weighted average holding of each sector by each Pool is used to calculate the Pool's share of each sector's income, expenses, gains and losses which are distributed monthly.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(e) Investments (continued)****Investments in forestry and land assets**

The Fund also has interests in forestry and land assets. These assets are held directly by the NZACPB on behalf of the Fund and other parties. The value of forestry and land assets held by the Fund takes into account ranges and limits defined in the SIPO. The daily weighted average holding of forestry assets by each Pool within the Fund is used to calculate the Pool's share of income, expenses, gains and losses which are distributed monthly.

**(f) Forestry**

Forestry is recognised at fair value less estimated point of sale costs. Forest establishment and maintenance expenses are capitalised, and changes in fair value are recognised in profit and loss.

**(g) Land**

Land is classified as an investment property and is recognised initially at cost and subsequently at fair value with changes in fair value recognised in profit and loss.

**(h) Cash and cash equivalents**

The Fund has no cash or bank accounts in its own name.

**(i) Other financial liabilities at amortised cost**

Other financial liabilities includes payables owing by the Fund which are unpaid at the reporting date. Purchases of financial assets are recorded on trade date, and normally settled within three business days. Purchases of financial assets that are unsettled at reporting date are included in payables. All financial liabilities are included in this category unless they are measured at fair value through the profit or loss.

**(j) Taxation***Portfolio Investment Entity ("PIE") Tax*

The Fund qualifies as, and has elected to be, a PIE under the Income Tax Act 2007. The Fund has further elected to be a provisional tax payer under the PIE rules.

Under the PIE regime income is effectively taxed in the hands of the Members. Any provisional tax paid is available as a credit against the entity's portfolio entity tax liability calculated at the end of the year.

The Fund, as a PIE, pays no income tax on the taxable income of the Fund and all taxable income and tax credits are attributable to Members in proportion to their holdings when taxable income and credits arise.

The Fund deducts tax from each Member's allocation using each Member's Notified Prescribed Investor Rate, or if a rate has not been notified, at the default Prescribed Investor Rate ("PIR") of 28%. The Fund then pays the tax to Inland Revenue on behalf of each Member.

PIE tax liabilities are due for payment on the last day of the month following the end of each tax year or following the withdrawal of Member's interests in the Fund.

*Goods and Services Tax ("GST")*

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

**(k) Currency***Functional and presentation currency*

The Fund's Members are primarily located within New Zealand, with all transactions with Members and the Fund denominated in New Zealand Dollars ("NZD"). The financial statements of the Fund are measured and reported to Members in NZD. The NZD is considered as the currency that most faithfully represents the activities of the Fund. The financial statements are presented in NZD which is the Fund's functional and presentation currency.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(l) Member Activity**

The Fund provides Members with the right to request withdrawals, for cash, of their interest of their holding in the Fund at the balance as valued at most recent quarter end plus an adjustment for interest earned to the date of withdrawal, provided that the Member meets certain requirements contained in the terms of the Trust Deed. Monies held in the Fund are redeemable at the Member's option and are classified as net assets available for benefits. As each Member's withdrawal request depends on the terms of each individual's Membership situation, including employment contracts and vesting arrangements, and is subject to the terms of the Trust Deed, the amount of expected cash flows on redemption cannot be calculated.

The Fund does not hold cash or cash equivalents in its own name. As such on acceptance of a valid withdrawal request the Manager, on behalf of the Fund, will sell down holdings in the Fund's investment in the Investment Trust to fund the withdrawal. Quantitative information about the Fund's Member activity is provided in the statement of changes in net assets. The Fund invests alongside other retirement savings products into the Investment Trust. The Member activity of the Fund is factored into the cash policies and processes of the Investment Trust so as to ensure sufficient cash is available to meet the requirements of all underlying Member activity.

There have been no changes to this process from prior years.

**(m) Accrued benefits**

Amounts available for benefits is the Fund's present obligation to pay benefits to Members and has been calculated as the difference between the carrying value of the assets and the carrying value of the liabilities in the Fund.

**(n) Contributions and withdrawals**

Subject to the terms of the Trust Deed and applicable legislation, contributions and withdrawals are recognised when the Manager has confirmed the validity of a Member's application or withdrawal request.

**(o) Intangible carbon credits and carbon obligations**

New Zealand carbon credits are considered an intangible asset and are recognised in the balance sheet at cost upon initial recognition. The asset is subsequently measured at cost, less any accumulated impairment losses.

The asset is deemed to have an indefinite useful life, and consequently will not be amortised. Based on analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, as the economic benefits of units are not consumed while the units are held, but are realised by either surrendering units to settle obligations incurred through harvest or selling units to a third party.

The asset is tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired. Any impairment losses are recognised in profit or loss in the year the impairment is identified. The impairment test is performed in accordance with NZ IAS 36 Impairment of Assets.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the year the asset is derecognised.

An obligation to return carbon credits is recognised to the extent there are not sufficient carbon credits available.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2 SUMMARY OF SIGNIFICANT MATERIAL POLICY INFORMATION (continued)****(p) Material estimates and judgements**

The preparation of financial statements necessarily requires estimation and judgements. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets are outlined in the relevant notes. Land and forestry assets are valued by an independent qualified valuer. The fair value has been stated at the current market value of the land. The unencumbered current market value of the land has been determined by reference to recent sales evidence of similar properties. Forestry assets have been valued on a stand based approach for each stand age class which incorporates a mix of valuation methods depending on the age of the trees. Investments are subject to variation due to market and exchange rate fluctuations. Judgement has also been applied in the categorisation of its financial assets at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13.

The Manager has also considered the impact of recent and ongoing global events on the reliability of fair values for the underlying investments. This is particularly relevant to the investment in the Investment Trust. It is the Manager's view that where market prices are obtained from recognised exchanges and markets, these markets and exchanges have continued to operate with reliability and hence no change in the valuation process has been deemed necessary. The Investment Trust also invests in assets that are unquoted: registered first mortgages and private equity investments. The mortgage portfolio has been evaluated against assumptions relating to recent movements in the property market along with consideration of other factors relevant to the individual mortgages. A reduction to the impairment allowance has been reflected against the mortgage portfolio in the Investment Trust for the year ended 31 March 2025. The Manager has undertaken due enquiry with underlying private equity fund managers to establish a view that the valuations provided by these managers as at 31 March 2025 reflect the market conditions at that time across the portfolios. Consideration has been given to the quarterly reporting to 31 March 2025 provided by all private equity managers and their assessment of the impact of global events on their valuations. A risk continues to exist that further information on the impact of ongoing global events could have an impact on the valuations applied by the Fund Managers and consequently on the unit pricing provided to investors such as the Investment Trust. Valuations may alter significantly over time dependent on the extent and impact that actually occurs to each relevant investment.

Details of material estimates and related assumptions are provided in the relevant notes to the financial statements.

**(q) Comparative information**

There have been no changes to comparative information in the current year.

**(r) Changes in accounting policy and disclosure*****(i) New and amended standards and interpretations***

FRS-44 Disclosure of Fees for Audit Firms' Services has been revised to require increased disclosure regarding the fees paid to an entity's audit firm. Increased detail relating to the services received and the cost is required for both audit or review related services and other assurance services provided by the audit firm. This standard was effective for reporting periods beginning on or after 1 January 2024 and has not had a material impact on the financial statements.

***(ii) New NZ IFRS standards and interpretations issued but not yet adopted***

NZ IFRS 18 Presentation and Disclosure in Financial Statements has been updated to introduce new categories and subtotals within the statement of profit or loss. This standard is effective for reporting periods beginning on or after 1 January 2027 and the Manager is still assessing the impact of implementation of this standard.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2025

### 3 AUDITORS REMUNERATION

Audit fees are paid by the NZACPB and included in the administration fee charged to the Fund. (refer note 10 c). The following fees (incl GST) were indirectly paid by the Fund for audit and other assurance services provided by the Auditor of the Fund.

Note	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Audit of financial statements - EY	29,204	2,392	31,596	27,580	2,655	30,235
<u>Other assurance services provided by EY:</u>						
Members register compliance engagement	1,166	96	1,262	268	27	295
Custodian internal controls compliance engagement	4,374	358	4,732	5,575	540	6,115
Anti-money laundering and countering the financing of terrorism engagement	-	-	-	4,402	423	4,825
<b>Total remuneration for assurance services</b>	<b>34,744</b>	<b>2,846</b>	<b>37,590</b>	<b>37,825</b>	<b>3,645</b>	<b>41,470</b>

### 4 NET GAIN/(LOSS) ON FORESTRY, LAND, AND CARBON CREDIT ASSETS

*Net gain/(loss) on forestry and land assets held at fair value through profit or loss:*

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Forests	(6,234)	-	(6,234)	26,423	-	26,423
Land	1,994	-	1,994	36,002	-	36,002
<b>Total net gain/(loss)</b>	<b>(4,240)</b>	<b>-</b>	<b>(4,240)</b>	<b>62,425</b>	<b>-</b>	<b>62,425</b>

*Gains on disposal of carbon credits held as intangible assets:*

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Gains on carbon credits sold	338,784	-	338,784	83,394	-	83,394
	<b>338,784</b>	<b>-</b>	<b>338,784</b>	<b>83,394</b>	<b>-</b>	<b>83,394</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2025

## 5 INVESTMENTS

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<i>At fair value through profit or loss:</i>						
Investment Trust	17,145,940	1,303,508	<b>18,449,448</b>	17,381,699	1,602,652	<b>18,984,351</b>
Forestry	215,646	-	<b>215,646</b>	231,233	-	<b>231,233</b>
Forest land	220,892	-	<b>220,892</b>	235,536	-	<b>235,536</b>
<b>Total investments held at fair value through profit or loss</b>	<b>17,582,478</b>	<b>1,303,508</b>	<b>18,885,986</b>	<b>17,848,468</b>	<b>1,602,652</b>	<b>19,451,120</b>
<b>Holdings as a percentage of Total Assets</b>						
Investment Trust	97.5%	100.0%	97.7%	97.4%	100.0%	97.6%
Forestry	1.2%	0.0%	1.1%	1.3%	0.0%	1.2%
Forest land	1.3%	0.0%	1.2%	1.3%	0.0%	1.2%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*Forestry assets*

The Forestry Pool currently directly holds one forest in Hawke's Bay. At 31 March 2025, the Fund held a 5.7% interest in the forestry pool (2024: 6.2%). The forest is into its second rotation following harvesting that was completed by 31 March 2021. The forest crop has been progressively replanted and replanting is now completed, including replanting areas that were damaged by the February 2023 Cyclone Gabrielle. The Forestry Pool also continues to hold the land. The forest itself and land under the forest are separately valued.

The Hawke's Bay Forest is predominantly a post-1989 forest. The Trustee has opted into the Emissions Trading Scheme ("ETS") for this forest.

The NZACPB has registered 659.8 hectares of land (2024: 659.8 ha) in the ETS. At 31 March 2024, the NZACPB had 91,162 carbon credits (NZUs) on the New Zealand Emissions Trading Register (ETR). These were all sold during the financial year and as at 31 March 2025 the NZACPB does not hold any NZUs. The NZUs when held, are classified as intangible assets, and the Trustee has elected to recognise these at cost. The value of the NZUs was recognised at nil at 31 March 2024.

The Final Emissions Return covering the period 1 January 2018 to 31 December 2022 was submitted late 2023. Settlement of the resulting liability was reflected in the financial year ending 31 March 2024, whereby the NZACPB elected to apply the Fixed Price Option (FPO) it was eligible for under provisions in the Climate Change Response Act 2002 at that time.

A fixed price of \$25 per unit applied to carbon removal that occurred in the 2019 calendar year or earlier and \$35 per unit for carbon removal that occurred in the 2020 calendar year. The Scheme's share of the costs of exercising the FPO was \$211,835 and this was recorded as an expense in the Statement of Changes in Net Assets Available for Benefits. After paying the FPO price, and relinquishing carbon units for carbon removal obligation not covered by the FPO, the NZACPB was left with 111,262 NZUs which were unencumbered by any harvest liability in respect of carbon removal. Some of these NZUs were sold in March 2024 via the secondary carbon market and the remainder were sold during the current financial year through the secondary market. As at 31 March 2025, nil NZUs are held by the NZACPB (2024: 91,162 NZUs).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**5 INVESTMENTS (continued)**

*Forestry assets (continued)*

The NZUs are apportioned to the Fund in the same manner as the forest crop and land in the forestry pool are allocated. The Fund's apportionment of the value of the NZUs at 31 March 2025 is \$0.00 (2024: nil). The trees sequester additional carbon as the forest crop grows but for a second rotation, only earn NZUs once the trees attain approximately 10 years of age. No NZUs have yet been earned on the replanted forest. All NZUs when held related solely to the recently harvested forest.

The NZUs apportioned to the Fund (in the same manner the forest crop and land in the forestry pool are allocated) as at 31 March 2025 are as follows:

	2025			2024		
	Balanced	Conservative	TOTAL FUND	Balanced	Conservative	TOTAL FUND
Registered hectares of land in ETS	37.63	-	37.63	41.16	-	41.16
NZUs (carbon credits)	-	-	-	5,686	-	5,686
Estimated net carrying value of NZUs	\$0	-	\$0	\$0	-	\$0

**6 MOVEMENT IN RESERVES**

**6a General Reserve**

The profit or loss of the Fund is initially allocated to the General Reserve. On a regular basis it is the Trustee's policy to declare an interest rate to two decimal points and make a distribution to the Members accounts from the General Reserve. The interest paid or charged to Member's accounts represents the allocation to Members of investment earnings net of tax, costs and expenses. The interest rate for each Member is calculated based on the prescribed investor tax rate for the Member. In determining the annual interest rate the Trustee is not required to allocate the total amount in the General Reserve.

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<i>Total General Reserve at the beginning of the year</i>	2,932	599	3,531	1,806	175	1,981
Profit after tax for the year	1,361,053	59,873	1,420,926	1,638,202	68,391	1,706,593
Profit allocated to Members	(1,362,094)	(60,181)	(1,422,275)	(1,635,127)	(67,967)	(1,703,094)
Profit allocated to Employer Reserves	(1,499)	-	(1,499)	(1,949)	-	(1,949)
<i>Total General Reserve at the end of the year</i>	392	291	683	2,932	599	3,531

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2025

6 MOVEMENT IN RESERVES (continued)

6b Employer Reserve

The Trust Deed of the Fund allows the establishment of a reserve account in respect of any Participating Employer. This reserve can be used at the Trustee's discretion for the benefit of the Members of the Participating Employer.

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Total Employer Reserve at the beginning of the year	22,559	-	22,559	20,728	-	20,728
Employer reserve withdrawals	-	-	-	(118)	-	(118)
Allocation from general reserves	1,499	-	1,499	1,949	-	1,949
Total Employer Reserve at the end of the year	24,058	-	24,058	22,559	-	22,559

The remaining movement in net assets is allocated to Member accounts.

7 VESTED MEMBERS' BENEFITS

Vested benefits are benefits payable to Members under the conditions of the Trust Deed, on the basis of all Members ceasing to be members of the Fund at balance date.

As at the reporting date there were no Members (2024: Nil) whose balance had not been fully vested. Vesting is based on a tabled period of employment with the Members employer.

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Vested Members' benefits	17,376,078	1,286,385	18,662,463	17,796,394	1,597,600	19,393,994

8 GUARANTEED BENEFITS

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

9 RECONCILIATION OF NET PROFIT ATTRIBUTABLE TO MEMBERS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Net profit after tax	1,361,053	59,873	1,420,926	1,638,202	68,391	1,706,593
Adjusted for non-cash items included in profit						
Net gain on fair value of investments	(1,254,011)	(78,748)	(1,332,759)	(2,010,666)	(90,423)	(2,101,089)
Investment expenses	66,703	3,382	70,085	77,195	4,901	82,096
Adjusted for working capital movements in operating activities						
PIE tax (increase) / decrease	7,285	-	7,285	(2,678)	-	(2,678)
Net sales of investments	1,453,296	374,510	1,827,806	2,075,480	334,401	2,409,881
Total cash inflows from operating activities	1,634,326	359,017	1,993,343	1,777,533	317,270	2,094,803

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**10 RELATED PARTIES**

*(a) Responsible Entities*

The NZACPB is the Manager, a Trustee, the Administrator, and Custodian of the Fund.

The NZACPB is a related party of the Fund. The NZACPB is trustee of the Fund under the relevant Acts of Parliament, Canons and Rules. The Fund has a defined interest in the Investment Trust of the NZACPB or in other investments held by the NZACPB as Trustee.

The NZACPB carries out all administration for these entities and charges the Fund for investment and administration to recover the NZACPB's applicable costs.

*(b) Details of Key Management Personnel*

**Board Members**

The Members of the NZACPB Board are considered to be Key Management Personnel.

The NZACPB Board has authority for the strategic direction and management of the Fund.

**Key management personnel transactions**

Other than to the Licenced Independent Trustee, no amounts (2024: Nil) have been paid to NZACPB Board Members in their capacity as Members of the Trustee of the Fund.

Members of the Trustee may hold units in the Fund in their capacity as Members of the Fund. All transactions between these parties is pursuant to, and governed by, the terms of the Trust Deed of the Fund.

*(c) Licenced Independent Trustee fees*

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Licensed Independent Trustee fees	2,818	231	3,049	2,910	303	3,213
	<b>2,818</b>	<b>231</b>	<b>3,049</b>	2,910	303	3,213

*(d) Manager's fees*

The NZACPB's administration charges to the Fund were:

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Investment administration	48,544	3,049	51,593	50,812	3,950	54,762
Fund administration	123,583	10,257	133,840	122,882	12,842	135,724
	<b>172,127</b>	<b>13,306</b>	<b>185,433</b>	173,694	16,792	190,486

Investment expenses charged to the Fund include fees paid to the NZACPB as shown above along with other third party investment expenses incurred. Fund administration charges represent Administration expenses less audit fees paid.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**11 FINANCIAL AND OTHER RISK MANAGEMENT**

The Fund holds interests in sectors of the Investment Trust and in pooled forestry assets (the "Forestry Pool"). The Investment Trust is a related party of the Fund and shares the same Manager.

Risks arising from holding investments indirectly through the Investment Trust, and direct investments in the Forestry Pool, are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. Through these holdings the Fund is exposed to credit risk, market price risk and liquidity and cash flow risk arising from the investments held.

Investments indirectly held by the Fund comprise investments in financial assets for the purpose of generating a return on the investment made by Members, in addition to forestry and land. The Fund may directly hold net assets attributable to Members, and other investments such as receivables and payables, which arise from its operations.

The Fund may be exposed to credit risk, market risk (including unit price risk, foreign exchange risk and interest rate risk), and liquidity and cash flow risk arising from the investments held.

The Manager, as Responsible Entity, is responsible for identifying and controlling the risks that arise from these investments.

The Trustee has approved a Statement of Investment Policy and Objectives ("SIPO") which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations undertaken as required.

The Fund's policies set out in the SIPO and in the Investment Policies, Authorities and Limits ("PALS") specify risk management strategies for each asset class and for each type of risk including liquidity, credit, market, currency and interest rate risks, and the SIPO and PALS also specify how derivatives may be used to manage risk.

The risks are measured using a method that reflects the expected impact on the results and net assets from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of investments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept, with additional emphasis on selected industries.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

Concentrations of risk arise when a number of investments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**11 FINANCIAL AND OTHER RISK MANAGEMENT (continued)****(a) Credit risk**

Credit risk represents the risk that the counterparty will fail to discharge an obligation and cause the Fund to incur a financial loss. The Fund holds no cash and cash equivalents directly. Receivables are not past due and are not considered impaired. The carrying amount of these assets best represents their maximum credit risk exposure at the reporting date.

**(b) Liquidity and cash flow risk**

Liquidity and cash flow risk is the potential inability for the Fund to meet its payment obligations, which could arise as a result of mismatched cash flows. The Fund holds no cash and cash equivalents directly instead investing through the Investment Trust. Liquidity and cash flow risk strategies have been adopted by the Investment Trust within the guidelines provided by the Trustee.

**(c) Market price risk**

Market price risk is the risk that the value of the Fund's holdings in the Investment Trust will fluctuate as a result of changes in market prices. This risk is managed within the underlying investments by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

Market risk comprises three types of risk; foreign currency risk, interest rate risk and other price risk.

*(i) Foreign currency risk*

Foreign currency risk is the risk that the value of an investment will fluctuate because of changes in foreign exchange rates. The Fund has indirect foreign exchange risk as it invests, through the Investment Trust, in cash, international fixed interest stock, shares and private equity which exposes the Fund to currency risks. Currency risk strategies have been adopted by the Investment Trust within the guidelines provided by the Trustees. Derivatives are principally used as a means to economically hedge against currency risks and the most commonly used derivatives are foreign exchange contracts entered into by the Investment Trust.

*(ii) Interest rate risk*

Interest rate risk represents the risk that the value of an investment will fluctuate because of changes in market interest rates. The Fund has indirect exposure to market risk for changes in the underlying interest rates relating primarily to investments in fixed interest bonds and debentures held by the Investment Trust.

The Manager actively monitors interest rate risk exposure and takes actions as necessary. This includes regular review of interest rates applicable to underlying cash balances. The Fund has no material direct investments subject to interest rate risk.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

## 11 FINANCIAL AND OTHER RISK MANAGEMENT (continued)

## (c) Market price risk (continued)

## (ii) Other price risk

Other price risk represents the risk that the value of an investment will fluctuate because of changes in market prices other than interest rates and foreign currency rates. The Fund is exposed to other price risk from its investment in the Investment Trust.

## Market price risk sensitivity analysis - Investment Trust holdings

The analysis below shows the effect on net assets available for benefits that would result in reasonable changes in the fair value of the Fund's investment in the Investment Trust.

Increase/(decrease) in profit and loss and net assets available for benefits

	2025			2024		
	Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<i>Financial assets at fair value through profit or loss</i>						
Amount exposed to market risk	17,145,940	1,303,508	<b>18,449,448</b>	17,381,699	1,602,652	<b>18,984,351</b>
Market -10%	(1,714,594)	(130,351)	<b>(1,844,945)</b>	(1,738,170)	(160,265)	<b>(1,898,435)</b>
Market +10%	1,714,594	130,351	<b>1,844,945</b>	1,738,170	160,265	<b>1,898,435</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2025

11 FINANCIAL AND OTHER RISK MANAGEMENT (continued)

(c) Estimation of fair values

NZ IFRS 13 *Fair Value Measurement*, requires the Fund to measure and disclose fair values using the a three level fair value hierarchy.

The following provides an analysis of the underlying investments of units in the Investment Trust and forestry and land assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);  
and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Fund's investments at fair value through profit or loss are classified as follows:

	Notes	2025			2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
Level 2							
Investment Trust	2e	17,145,940	1,303,508	<b>18,449,448</b>	17,381,699	1,602,652	<b>18,984,351</b>
<b>Total</b>		<b>17,145,940</b>	<b>1,303,508</b>	<b>18,449,448</b>	17,381,699	1,602,652	<b>18,984,351</b>

There were no transfers between Level 2 and Level 3 in 2025 or 2024.

The fair value of the Fund's investment in the Investment Trust is based on underlying observable market prices. The Fund's holding in the Investment Trust is based on the actual cash flow between the two entities, plus the quarterly allocation of positive or negative interest on the cash weighted holding of the Fund. Where there are no quoted prices for underlying assets, fair values of the underlying assets may be impaired based on objective analysis and assessment of qualitative factors made.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2025

11 FINANCIAL AND OTHER RISK MANAGEMENT (continued)

(c) Estimation of fair values (continued)

Forestry and land assets

The forestry and land assets comprise the Hawkes Bay forest and land. The TAA for each pool in the Fund sets out the percentage of its total investments to be held in the alternative asset sector which includes forestry and land assets.

	Notes	2025			2024		
		Balanced \$	Conservative \$	TOTAL FUND \$	Balanced \$	Conservative \$	TOTAL FUND \$
<b>Forests</b>							
Opening balance		231,233	-	231,233	206,544	-	206,544
Net gains at fair value through profit or loss		(6,234)	-	(6,234)	26,423	-	26,423
Net reallocation in holdings from/(to) other investors		(9,353)	-	(9,353)	(1,734)	-	(1,734)
Closing balance	i	215,646	-	215,646	231,233	-	231,233
<b>Forest land</b>							
Opening balance		235,536	-	235,536	223,160	-	223,160
Net gains at fair value through profit or loss		1,994	-	1,994	36,002	-	36,002
Net reallocation in holdings from/(to) other investors		(16,638)	-	(16,638)	(23,626)	-	(23,626)
Closing balance	ii	220,892	-	220,892	235,536	-	235,536
<b>Total</b>		<b>436,538</b>	-	<b>436,538</b>	<b>466,769</b>	-	<b>466,769</b>

**Valuation processes for the forestry and land assets**

The Hawke's Bay Forest land fair value has been stated at the current market value of the land. The unencumbered current market value of the land has been determined by reference to recent sales evidence of similar properties. The land and forest have been valued at 31 March 2025 by an independent qualified valuer, M H Morice B.Com.Ag (VFM), Dip.Fore., SPINZ, ANZIV, RMNZIF. Forest land is classified as level 3 in the fair value hierarchy (2024: Level 3) and there were no transfers between the levels in the current or prior year.

The external valuer has determined the inputs used in obtaining the valuations based on size, age and condition of the forest and land, the state of the local economy and comparable prices in the corresponding national economy.

The fair value of the current trees held in the total forestry pool is \$3,781,000 (2024: \$3,707,000), which is apportioned between the Fund and other entities managed by the NZACPB. The forest fair value has been determined by applying a valuation method appropriate for each stand age class. This comprises of a mix of compounding cost methods for trees up to two years in age (2024: one year in age), a hybrid method for trees aged between three and four years (2024: two and four years), and an expectation approach for trees aged five or more. The forest is categorised in level 3 of the fair value hierarchy (2024: Level 3) and there were no transfers between the levels in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
FOR THE YEAR ENDED 31 MARCH 2025

11 FINANCIAL AND OTHER RISK MANAGEMENT *(continued)*

(c) Estimation of fair values *(continued)*

*i* Forests

<b>Description:</b>	Interests in forests
<b>Fair value at 31 March 2025</b>	\$215,646
<b>Valuation technique:</b>	Independently valued: compounding cost, expectation approach, and a hybrid of these two methods depending on the age of the stand.

<b>Description:</b>	Interests in forests
<b>Fair value at 31 March 2024</b>	\$231,233
<b>Valuation technique:</b>	Independently valued: compounding cost, expectation approach, and a hybrid of these two methods depending on the age of the stand.

*ii* Forest land

<b>Description:</b>	Interests in forest land
<b>Fair value at 31 March 2025</b>	\$220,892
<b>Valuation technique:</b>	Independently valued: market approach.
<b>Unobservable inputs</b>	<b>Relationship of unobservable inputs at fair value</b>

Market approach

Land classes have been compared against recent sales of properties following adjustment for size, ETS status, productivity, altitude, locality, timing of sale and contour. Productive land has been valued on the basis of being in a hypothetical state suitable for planting and the forestry right has ceased as the previous rotation tree crop has been harvested. Consideration has also been given to any higher and better use of the land other than forestry along with improvements in the form of fencing and tracking.

<b>Description:</b>	Interests in forest land
<b>Fair value at 31 March 2024</b>	\$235,536
<b>Valuation technique:</b>	Independently valued: market approach.
<b>Unobservable inputs</b>	<b>Relationship of unobservable inputs at fair value</b>

Market approach

Land classes have been compared against recent sales of properties following adjustment for size, ETS status, productivity, altitude, locality, timing of sale and contour. Productive land has been valued on the basis of being in a hypothetical state suitable for planting and the forestry right has ceased as the previous rotation tree crop has been harvested. Consideration has also been given to any higher and better use of the land other than forestry along with improvements in the form of fencing and tracking.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2025**

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**11 FINANCIAL AND OTHER RISK MANAGEMENT (continued)****(d) Capital management**

Net assets available to Members can be considered to be the Fund's capital for the purposes of capital management. The Fund does not have to comply with externally imposed capital requirements. The Fund has established policies to manage the net assets and capital of the Fund with the objective of providing returns and retirement benefits to Members ensuring that net assets attributable to members are sufficient to meet future and present obligations. The Fund's management reviews the Fund's performance on a regular basis.

**12 CONTINGENT ASSETS AND LIABILITIES AND CONTINGENCIES**

There are no outstanding contingent assets or liabilities or commitments as at 31 March 2025 (2024: Nil).

**13 EVENTS OCCURRING AFTER BALANCE DATE**

There have been no material events after reporting date that require adjustment to, or disclosure in the financial statements. Uncertainty in global markets which impacts on the value of investments is considered in Note 2(p) Material Estimates and Judgements. Furthermore, sensitivity of investments to market risk is considered in Note 11 Financial and Other Risk Management.



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## Independent auditor's report to the Scheme Participants of each Fund comprising The Retire Fund (the "Scheme")

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of the following funds (each a "Fund" and collectively "the Funds") which together comprise the Scheme:

- the Balanced Fund
- the Conservative Fund

The financial statements of each Fund and the Scheme on pages 1 to 21 comprise the statement of net assets of each Fund and the Scheme as at 31 March 2025, the statement of changes in net assets available for benefits and the statement of cash flows for the year then ended of each Fund and the Scheme, and the notes to the financial statements including material accounting policy information.

In our opinion, the financial statements on pages 1 to 21 present fairly, in all material respects, the financial position of each Fund and the Scheme as at 31 March 2025 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 Fund's Scheme Participants, as a body. Our audit has been undertaken so that we might state to the Fund's Scheme Participants 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 Fund and the Fund's Scheme Participants, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Basis for opinion

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 Funds and the Scheme in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Ernst & Young provides other assurance related services to the Scheme. Partners and employees of our firm may deal with the Funds or the Scheme on normal terms within the ordinary course of the business of the Funds and Scheme. We have no other relationship with, or interest in, the Funds or Scheme.



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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Investment in the New Zealand Anglican Church Pension Board Investment Trust (“Investment Trust”)

Why significant	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>▶ Each of the Fund’s and the Scheme’s investment in the Investment Trust represents substantially all of its total assets.</li> <li>▶ The Investment Trust invests in a range of asset types including (in order of quantum at balance date) equities, fixed interest securities, deposits, mortgages and private equity holdings.</li> <li>▶ As detailed in the accounting policies, as described in Note 2 to the financial statements, these financial assets are recognised at fair value through profit or loss in accordance with NZ IAS 26: <i>Accounting and Reporting by Retirement Benefit Plans</i>.</li> <li>▶ Market volatility can have a significant impact on the value of some of the Investment Trust’s assets, and the nature of some of these investments means there is increased subjectivity and uncertainty in assessing their value at any point in time. As a result the valuation of the Fund’s and the Scheme’s interest in the Investment Trust is considered a key area of audit focus.</li> <li>▶ Disclosures regarding each Fund’s and the Scheme’s investment at 31 March 2025 are included in Note 5 to the financial statements and regarding the judgements and estimates made in the valuation of the Fund’s and Scheme’s investment in the Investment Trust are included in Note 2(p) to the financial statements.</li> </ul>	<p>In relation to the valuation of each Fund’s and the Scheme’s investment in the Investment Trust our procedures included:</p> <ul style="list-style-type: none"> <li>▶ Gaining an understanding of the processes used to record investment transactions and the revaluation of each Fund’s and the Scheme’s investment in the Investment Trust; and</li> <li>▶ Agreeing each Fund’s and the Scheme’s investment in the Investment Trust to its share of the Investment Trust’s Net Assets Attributable to Unit Holders.</li> </ul> <p>In relation to the Investment Trust’s assets other than mortgage and private equity investments:</p> <ul style="list-style-type: none"> <li>▶ Gaining an understanding of the processes used to record investment transactions and the revaluation of the investment portfolio;</li> <li>▶ Testing a selection of the Investment Trust manager’s controls relevant to the Investment Trust’s investments;</li> <li>▶ Receiving direct third party confirmations of investment holdings and exit prices at balance date; and</li> <li>▶ Agreeing a sample of investment exit prices at balance date to independent pricing sources.</li> </ul> <p>In relation to the Investment Trust’s interests in private equity funds our procedures included:</p> <ul style="list-style-type: none"> <li>▶ Receiving direct confirmations of investment holdings and exit prices at balance date from the relevant private equity fund managers;</li> <li>▶ Assessing the impact of calls and distributions on the carrying value of investment holdings at balance date;</li> </ul>



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Why significant	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>▶ Considering quarterly reporting by each private equity fund manager; and</li> <li>▶ Considering either the latest independent controls assurance report in relation to the private equity fund manager of, or the audited financial statements of, each of the private equity investments for evidence of risk to the quarterly pricing utilised by the Investment Trust's manager for valuation purposes in the Investment Trust. We have considered the implications of any control deficiencies or modifications to the audit reports on our audit.</li> </ul> <p>In relation to the Investment Trust's mortgage assets our procedures included:</p> <ul style="list-style-type: none"> <li>▶ Confirming a sample of mortgage asset balances directly with mortgagees;</li> <li>▶ For a sample of new mortgage assets issued during the period, considering external valuations of the mortgaged properties and agreeing property title information to confirm the mortgage was registered and secured;</li> <li>▶ Assessing the calculation of the fair value of the mortgage assets, in particular considering key inputs including market interest rates and the recoverability of the mortgage assets; and</li> <li>▶ Considering payment history and aging profile of the mortgage asset portfolio.</li> </ul> <p>Assessing the disclosures in the financial statements, including whether they appropriately reflected the Funds' and Scheme's exposure to financial instrument risk with reference to NZ IFRS 7 <i>Financial Instruments: Disclosures</i>.</p>

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

The Trustee is responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustee and, if uncorrected, to take appropriate action to bring the matter to the attention of the Scheme Participants for whom our auditor's report was prepared.



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### Trustee's responsibilities for the financial statements

The Trustee is responsible, on behalf of each of the Funds and 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 Trustee determines 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 each Fund and the Scheme, the Fund's and 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 Fund or 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 Scheme Participants taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

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

The Ernst &amp; Young logo is written in a black, cursive script font.

Chartered Accountants  
Wellington  
27 June 2025