

MISS Scheme

Financial Statements

For the Year Ended 31 March 2024

MISS Scheme
Financial Statements
For the Year Ended 31 March 2024

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Independent Auditor's Report

To the Members of MISS Scheme

Opinion

We have audited the financial statements of MISS Scheme (the 'Scheme'), which comprise the statement of net assets as at 31 March 2024, and the statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements, on pages 3 to 15, present fairly, in all material respects, the financial position of the Scheme as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of taxation services, we have no relationship with or interests in the Scheme. These services have not impaired our independence as auditor of the Scheme.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Directors of the Trustee are responsible on behalf of the Scheme for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors of the Trustee's responsibilities for the financial statements

The Directors of the Trustees are responsible on behalf of the Scheme for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors of the Trustee are responsible on behalf of the Scheme for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Trustee either intend to liquidate the Scheme or to 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 ISAs and ISAs (NZ) 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.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2>

This description forms part of our auditor's report.

Restriction on use

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

**James Shepherd, Partner
for Deloitte Limited**
Wellington, New Zealand
20 June 2024

MISS Scheme
Statement of Net Assets
As at 31 March 2024

	Note	2024 \$	2023 \$
ASSETS			
Cash and Cash Equivalents		102,784	1,163,834
Financial assets at fair value through Profit or Loss	6	95,718,655	93,922,745
Contributions Receivable - Member		413,473	349,470
Contributions Receivable - Employer		237,185	203,805
Prepayments		30,612	29,230
Group Life Proceeds Receivable		121,098	-
Current Tax Receivable		-	3,406
Deferred Tax		-	454,875
Total Assets		<u>96,623,807</u>	<u>96,127,365</u>
Less LIABILITIES			
Benefits Payable		1,115,176	450,802
Current Tax Payable		121,949	-
Sundry Creditors		124,193	135,034
Total Liabilities		<u>1,361,318</u>	<u>585,836</u>
NET ASSETS AVAILABLE FOR BENEFITS		<u><u>95,262,489</u></u>	<u><u>95,541,529</u></u>
LIABILITY FOR ACCRUED BENEFITS			
	4		
<i>Represented By:</i>			
Member Accounts		50,968,109	50,590,694
Subsidy Accounts		29,274,629	29,146,033
Voluntary Accounts		7,458,656	6,734,785
Deferred Benefit Accounts		7,084,780	8,592,308
Reserve Account		476,315	477,709
		<u>95,262,489</u>	<u>95,541,529</u>

For and on behalf of the Trustees, who authorised the issue of these financial statements.

Trustee 

Date 20 June 2024

Trustee 

Date 20 June 2024

MISS Scheme
Statement of Changes in Net Assets
For the Year Ended 31 March 2024

	Note	2024 \$	2023 \$
INVESTMENT ACTIVITIES			
Investment Income			
Gains/(Losses) on financial assets at fair value through Profit or Loss	7	6,721,445	(3,612,146)
Investment Management Fee Rebates		31,749	31,822
Interest		<u>22,234</u>	<u>11,355</u>
		6,775,428	(3,568,969)
Investment Expenses			
Investment Management Fees		<u>387,769</u>	<u>403,311</u>
Net Investment Income		6,387,659	(3,972,280)
OTHER INCOME			
Group Life Claims		301,556	120,000
Miscellaneous Income	16	<u>1,015</u>	<u>1,971</u>
Total Other Income		302,571	121,971
OTHER EXPENSES			
Administration Fees		267,172	267,172
Auditor's Remuneration - audit of financial statements	17	32,965	31,033
Auditor's Remuneration - taxation services	17	24,150	23,575
Actuarial and Consulting Fees		139,187	132,408
FMA Levy and Subscriptions		15,716	40,656
Group Life Insurance Premiums		272,438	298,423
Trustee Expenses		129,562	123,233
Legal Fees		18,859	22,039
Secretarial Fees		86,250	86,250
General Expenses		<u>35,764</u>	<u>39,005</u>
Total Other Expenses		1,022,063	1,063,794
Change in Net Assets before Taxation and Membership Activities		<u>5,668,167</u>	<u>(4,914,103)</u>
Income Tax Expense/(Benefit)	8	<u>592,161</u>	<u>(1,098,195)</u>
Change in Net Assets after Taxation and before Membership Activities		5,076,006	(3,815,908)
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		3,521,396	3,468,977
Employer Contributions		2,498,176	2,480,809
Voluntary Member Contributions		<u>946,267</u>	<u>842,540</u>
Total Contributions		6,965,839	6,792,326
Benefits Paid			
Retirement		6,452,908	6,350,800
Withdrawals		2,462,995	3,059,132
Death		805,592	220,697
Ill Health Benefits		208,833	214,311
Transfer Benefits		107,611	131,017
Deferred Benefits		1,981,946	1,886,739
Partial Withdrawal		<u>301,000</u>	<u>344,000</u>
Total Benefits Paid		12,320,885	12,206,696
Net Membership Activities		<u>(5,355,046)</u>	<u>(5,414,370)</u>
Net Decrease in Net Assets During Year		(279,040)	(9,230,278)
Net Assets Available for Benefits at Beginning of Year		<u>95,541,529</u>	<u>104,771,807</u>
Net Assets Available for Benefits at End of Year		<u><u>95,262,489</u></u>	<u><u>95,541,529</u></u>

This Statement is to be read in conjunction with the notes on pages 6 to 15

MISS Scheme
Statement of Cash Flows
For the Year Ended 31 March 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash provided from</i>			
Contributions		6,868,456	6,874,301
Group Life Claims		180,458	180,000
Interest Received		22,234	11,355
Miscellaneous Income		1,015	1,971
Income Tax Refund		-	627
		<u>7,072,163</u>	<u>7,068,254</u>
<i>Cash applied to</i>			
Benefits Paid		11,656,511	12,956,509
Group Life Insurance Premiums		272,438	298,423
Audit and Taxation Fees		50,157	50,761
Professional and Administration Fees		424,912	379,124
Investment Management Fees		135,444	151,361
FMA Levy and Subscriptions		16,236	40,656
Trustee Expenses		130,772	123,534
General Expenses		140,073	144,458
Income Tax Paid		6,670	3,407
		<u>12,833,213</u>	<u>14,148,233</u>
Net Cash Flows applied to Operating Activities	9	<u>(5,761,050)</u>	<u>(7,079,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash provided from</i>			
Sale of Investments		4,700,000	7,200,000
<i>Cash applied to</i>			
Purchase of Investments		-	-
Net Cash Flows from Investing Activities		<u>4,700,000</u>	<u>7,200,000</u>
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,061,050)	120,021
Cash and Cash Equivalents at Beginning of Year		1,163,834	1,043,813
Cash and Cash Equivalents at End of Year		<u><u>102,784</u></u>	<u><u>1,163,834</u></u>

MISS Scheme
Notes to the Financial Statements
For the Year Ended 31 March 2024

1. Scheme Description

The MISS Scheme (the "Scheme") is a restricted workplace savings scheme registered under the Financial Markets Conduct Act 2013 to provide employees working in the Meat Industry with benefits on their retirement or otherwise leaving the industry's service.

Registered Office: C/- Mercer (N.Z.) Limited, P O Box 2897, Wellington 6041.

There are two classes of membership, active and deferred members.

Details of membership as at 31 March 2024 were:

	Contributing members	Non-contributing		Total non-contributing members	Total Membership
		Members	Deferred members		
1 April 2023	1,592	85	140	225	1,817
Contributory status change	(35)	35	-	35	-
Plus					
New members	203	-	-	-	203
Transfer in	-	-	7	7	7
Total new members	203	-	7	7	210
Less					
Retirement	(77)	(12)	-	(12)	(89)
Leaving service/resignation/withdrawals	(96)	(16)	(21)	(37)	(133)
Retrenchment/Redundancy	(1)	-	-	-	(1)
Death and ill health	(7)	(4)	(2)	(6)	(13)
Transfers out to other schemes	(5)	-	-	-	(5)
Other reasons - to Cat02	-	(3)	-	(3)	(3)
Total withdrawals	(186)	(35)	(23)	(58)	(244)
31 March 2024	1,574	85	124	209	1,783

Funding Arrangements

The Scheme is a defined contribution scheme. Under the Trust Deed contributions are made by Scheme Members and by the Employers. During the year the Employers and Members contributed at the following rates:

Member: 5% of Remuneration where remuneration is defined as the rate agreed upon between the Employers and the Unions as being the rate for superannuation purposes.

Employer: 5% of Remuneration (less withholding tax).

Voluntary: Member's may make additional contributions over and above the minimum 5% as the Member may elect.

These funding arrangements are consistent with those of the previous period.

Retirement Benefits

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

Termination Terms

The Trust Deed sets out the basis on which the Scheme can be terminated.

Changes in the Scheme

The SIPO was updated on 23 November 2023 to reflect the current asset value and investment strategy. The Scheme's investment objectives and strategy remain the same.

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

2. Statement of Compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013 ('FMC Act 2013').

The Scheme is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to IFRS Accounting Standards ("NZ IFRS"), other New Zealand Accounting Standards and authoritative notices as appropriate for For-profit entities. The financial statements also comply with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of assets which are measured at fair values at balance date.

Presentation Currency

These financial statements are presented in New Zealand dollars which is the currency of the primary economic environment in which the Scheme operates.

Classification of Assets and Liabilities

The MISS Scheme operates as a superannuation scheme. As such, the assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

3. Summary of Material Accounting Policy Information

The following are the material accounting policies which have been adopted in the preparation of the financial statements:

Financial Assets at Fair Value through Profit or Loss

The Scheme classifies its investments at Fair Value through Profit or Loss. The financial assets are recognised and derecognised on the trade date where a purchase or sale is under contract whose terms require delivery within the time frame established by the market concerned, initially measured at fair value. Subsequent to initial recognition, all Financial Assets through Profit or Loss are measured at fair value.

Gains or losses arising from changes in fair value of the Financial Assets through Profit or Loss category are presented in the Statement of Changes in Net Assets when they arise. Interest and dividends related to Financial Assets at Fair Value through Profit or Loss are recognised as part of the gains and losses presented in the Statement of Changes in Net Assets.

The Fair Value of financial assets is determined with reference to the unit prices calculated by the investment managers in which the Scheme holds financial assets.

The Fair Value of financial assets is determined using the last sale price ("exit" price) as calculated by the fund manager at balance date.

Revenue Recognition

(i) Interest income is recognised as interest accrued using the effective interest rate method. Interest income is earned on cash and cash equivalents.

(ii) Gains or losses of Financial Assets at Fair Value through Profit or Loss are recognised in the Statement of Changes in Net Assets as disclosed above.

(iii) Dividends and distributions from unitised investments are recognised on a due and receivable basis.

(iv) Other income is recognised in the Statement of Changes in Net Assets when the Scheme's right to receive payment is established.

Foreign Currencies

Transactions in currencies other than NZ dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance date, assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance date. Gains and losses arising on retranslation are included in the Statement of Changes in Net Assets for the period.

Expenses

All expenses are accounted for on an accruals basis.

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

3. Summary of Material Accounting Policy Information (Cont'd)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the Statement of Changes in Net Assets because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Scheme's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Changes in Net Assets.

Financial Instruments

Financial assets and financial liabilities are recognised on the Scheme's Statement of Net Assets when the Scheme becomes a party to the contractual provisions of the instrument. The Scheme shall offset financial assets and financial liabilities if the Scheme has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

Derivative Financial Instruments

The Scheme's activities expose it to financial risk to changes in foreign currency, interest rates and commodity prices. The Scheme may use foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. The Scheme does not use derivative financial instruments for speculative purposes. Derivative financial instruments are at fair value through profit or loss and are classified as held for trading.

The use of financial derivatives is governed by the Scheme's policies approved by the Trustees, which provide written principles on the use of financial derivatives.

Changes in the fair value of derivative financial instruments are recognised in the Statement of Changes in Net Assets as they arise.

Sundry Creditors

Sundry creditors are not interest-bearing and are stated at their amortised cost.

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 appropriate.

Statement of Cash Flows

The cash flows of the Scheme do not include those of the investment managers. The following are definitions of the terms used in the Statement of Cash Flows:

Cash and Cash Equivalents - comprises cash balances held with banks in New Zealand and overseas.

Operating activities - include all transactions and other events that are not investing activities.

Investing activities - comprise acquisition and disposal of investments. Investments include securities not falling within the definition of cash.

Accrued Benefits

The Liability for Accrued Benefits is the Scheme's present obligation to pay benefits to members and beneficiaries. It has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities as at balance date. Accrued benefits include amounts allocated to members' accounts and reserves.

Contributions and Benefits

Contributions and benefits are accounted for on an accruals basis.

New and Amended Standards adopted by the Scheme

Amendments to FRS-44 New Zealand Additional Disclosures requires an entity to describe the services provided by its audit or review firm and to disclose the fees incurred by the entity for those services using prescribed categories. The amended Standard is effective from 15 June 2023 and mandatory for accounting periods beginning on or after 1 January 2024 with early adoption permitted. The adoption of this Standard will impact on the requirement to include additional Note disclosures related to fees for audit firms' services impact the accompanying Statements. The Scheme has elected to early adopt the amendments to FRS-44.

Amendments to NZ IAS 1 Disclosure of accounting policies and NZ IAS 8 Definition of Accounting Estimates have been applied for the first time in these financial statements. The adoption of these amendments did not have a material impact on the financial results, financial position or disclosures.

There are no other new standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2023 that have a material effect on the financial statements of the Scheme.

MISS Scheme
Notes to the Financial Statements (Cont'd)
For the Year Ended 31 March 2024

4. Liability for Accrued Benefits

Changes in Accrued Benefits as at 31 March 2024:

	Member Account	Voluntary Account	Subsidy Account	Deferred Benefit Account	Reserve Account	Total 31 March 2024
	\$	\$	\$	\$	\$	\$
Opening Balance	50,590,694	6,734,785	29,146,033	8,592,308	477,709	95,541,529
Contributions	3,521,396	946,267	2,498,176	-	-	6,965,839
Benefits Paid	(5,866,480)	(637,281)	(3,330,422)	(2,285,890)	(200,812)	(12,320,885)
Transfers	(219,443)	(83)	(117,721)	337,247	-	-
Expenses Deducted	(1,473)	-	(611,027)	(1,834)	614,334	-
Net Income	-	-	-	-	5,076,006	5,076,006
Interest Allocated	2,943,415	414,968	1,689,590	442,949	(5,490,922)	-
Closing Balance	<u>50,968,109</u>	<u>7,458,656</u>	<u>29,274,629</u>	<u>7,084,780</u>	<u>476,315</u>	<u>95,262,489</u>

Changes in Accrued Benefits as at 31 March 2023

	Member Account	Voluntary Account	Subsidy Account	Deferred Benefit Account	Reserve Account	Total 31 March 2023
	\$	\$	\$	\$	\$	\$
Opening Balance	55,156,096	7,084,717	31,916,115	10,091,018	523,861	104,771,807
Contributions	3,468,977	842,540	2,480,809	-	-	6,792,326
Benefits Paid	(5,749,531)	(816,678)	(3,308,371)	(2,313,828)	(18,288)	(12,206,696)
Transfers	(623,669)	(166,478)	(348,308)	1,138,455	-	-
Expenses Deducted	(998)	-	(631,740)	(2,063)	634,801	-
Net Income	-	-	-	-	(3,815,908)	(3,815,908)
Interest Allocated	(1,660,181)	(209,316)	(962,472)	(321,274)	3,153,243	-
Closing Balance	<u>50,590,694</u>	<u>6,734,785</u>	<u>29,146,033</u>	<u>8,592,308</u>	<u>477,709</u>	<u>95,541,529</u>

Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for Accrued Benefits (31 March 2023: Nil).

5. Vested Benefits	2024	2023
	\$	\$
	<u>94,101,968</u>	<u>94,419,916</u>

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

No guarantees have been made in respect of any part of the liability for Accrued Benefits (31 March 2023: Nil).

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

6. Financial Assets at Fair Value Through Profit or Loss	2024	2023
	\$	\$
ANZ New Zealand Investments Limited		
- Short Term Deposits	9,503,639	9,548,643
- New Zealand Fixed Interest	13,223,159	13,040,143
- Overseas Shares	21,597,093	20,031,637
- Forward Foreign Exchange	<u>(351,447)</u>	<u>(15,445)</u>
	43,972,444	42,604,978
Fisher Funds Institutional		
- Overseas Fixed Interest	24,954,945	24,963,540
Harbour Asset Management		
- NZ Short Duration	9,615,254	9,448,572
Mercer Investment Trusts New Zealand		
- Listed Property Portfolio	4,642,377	4,308,012
- Listed Infrastructure Portfolio	<u>4,405,031</u>	<u>4,431,916</u>
	9,047,408	8,739,928
Nikko Asset Management New Zealand Limited		
- Australasian Shares	8,128,604	8,165,727
Financial Assets at Fair Value Through Profit or Loss	<u><u>95,718,655</u></u>	<u><u>93,922,745</u></u>
7. Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	2024	2023
	\$	\$
Short Term Deposits and Cash	1,139,886	640,351
New Zealand Fixed Interest	558,016	(186,517)
Overseas Fixed Interest	984,134	(1,374,052)
Australasian Shares	311,032	(85,572)
Overseas Shares	3,872,941	737,756
FX Hedging	(518,487)	(1,522,960)
Listed Property	367,249	(1,373,791)
Listed Infrastructure	6,674	(447,361)
	<u><u>6,721,445</u></u>	<u><u>(3,612,146)</u></u>

The gains on items at fair value through profit or loss include interest or dividend income and are presented in the Statement of Changes in Net Assets.

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

8. Income Tax	2024	2023
	\$	\$
Current tax	132,025	-
Deferred tax	455,426	(432,375)
PIE tax paid/payable by fund manager	5,261	(439,688)
Prior period adjustment	(551)	(226,132)
	<u>592,161</u>	<u>(1,098,195)</u>

The total charge for the year can be reconciled to the Change in Net Assets as follows:

Change in Net Assets before Tax and Membership Activities	<u>5,668,168</u>	<u>(4,914,103)</u>
Income Tax @ 28%	<u>1,587,087</u>	<u>(1,375,949)</u>

Adjusted for permanent differences:

Non assessable investment gains and losses	(2,027,465)	584,972
Non taxable insurance receipts and rebates	(84,436)	(33,600)
Non taxable insurance premiums	76,283	83,558
PIE tax on investments	5,261	(169,263)
Management fees deducted at PIE level	44,602	47,129
Non taxable management fee rebates	(8,889)	(8,910)
PIE attributed taxable income (0% PIR)	1,000,269	-
Prior Period Adjustment	(551)	(226,132)
Income Tax Expense/(Benefit)	<u>592,161</u>	<u>(1,098,195)</u>

Deferred Tax Asset

Opening balance	454,875	24,865
Prior Period Adjustment	551	(2,365)
Current year movement	<u>(455,426)</u>	<u>432,375</u>
	<u>-</u>	<u>454,875</u>

Current Tax

Opening balance	3,406	626
Current year movement	(132,025)	3,407
Tax paid/(refund)	6,670	(627)
	<u>(121,949)</u>	<u>3,406</u>

The Scheme invests in a number of funds which are Portfolio Investment Entities ('PIEs'). For these investments, the Scheme can elect to apply a Prescribed Investor Rate ('PIR') of either 0% or 28%. Taxable amounts related to investments with a PIR of 0% are taxable directly within the Scheme, with the resultant tax charge presented on the face of the Statement of Changes in Net Assets as 'Income Tax Expense/(Benefit)'. Taxable amounts related to investments with an elected PIR of 28% are taxable within the relevant PIE, with any tax deducted/credited reflected in the valuation of investments at period end, with investment returns shown gross of tax and the tax expense reflected on the Statement of Changes in Net Assets as 'Income Tax Expense/(Benefit)'.

At 31 March 2024, the Scheme's PIE investments with Nikko Asset Management and Mercer Investment Trusts had PIRs of 28%. The scheme's PIR investments with Harbour Asset Management, Fisher Funds and ANZ Investments all had a 0% PIR.

9. Reconciliation of Net Cash Flows applied to Operating Activities

	2024	2023
	\$	\$
(Decrease) in Net Assets	(279,040)	(9,230,278)
Non-Cash Items		
Change in Net Market Value of Investments	(6,721,445)	3,612,146
Investment Management Fee Rebates	(31,749)	(33,193)
Portfolio Investment Entity (PIE) Tax	5,261	(668,186)
Decrease/(Increase) in Deferred Tax Asset	454,875	(430,010)
Movements in Other Working Capital Items		
(Increase)/Decrease in Contributions Receivable	(97,383)	81,977
Decrease/(Increase) in Current Tax Receivable	3,406	(2,780)
Increase/(Decrease) in Benefits Payable	664,374	(749,813)
(Increase)/Decrease in Group Life Proceeds Receivable	(121,098)	60,000
(Decrease)/Increase in Sundry Creditors	(10,840)	14,688
Increase in Prepayments	(1,382)	(1,725)
Increase in Current Tax Payable	121,949	-
Decrease in Fee Rebates Receivable	-	1,371
Items Classified as Investing Activities		
Investment Management Fees	252,022	265,824
Net Cash Flows from Operating Activities	<u>(5,761,050)</u>	<u>(7,079,979)</u>

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

10. Reserve Account

Under the Trust Deed the Trustees have established a Reserve Account. This account is from time to time debited or credited with:

- (a) Monies or other benefits (other than deferred benefits) unclaimed by or on behalf of a Member for six years from the date of death or cessation of employment of that Member;
- (b) The amounts of subsidy and interest thereon which by virtue of the Scheme's Trust Deed are not payable to any Member upon the cessation of employment of that Member;
- (c) Any monies required by any provision of this Deed to be paid to the Reserve Account and any other monies in the Scheme not otherwise required to meet the obligations under the Scheme's Trust Deed; and
- (d) Any donations, gifts and legacies to the Scheme not specifically made for any other purpose.

The amount standing to the credit of the Reserve Account may be used for the Benefit of the Members and their dependents in the following way as the Trustees shall from time to time decide namely:

- (a) To meet all or part of the contributions of all Members on an equitable basis;
- (b) To meet all or part of the Employer's Subsidies on an equitable basis;
- (c) To increase the retirement benefits of all Members on an equitable basis;
- (d) To provide benefits other than retirement benefits for all Members on an equitable basis;
- (e) In the payment of expenses (including any taxation payable) of the Scheme and of the Trustees in connection with the Scheme; and
- (f) In any other manner which the Trustees consider to be equitable to all the Members of the Scheme.

11. Financial Instruments

The Scheme is involved with a number of financial instruments in the course of its normal investing activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

The Trustees have approved a Statement of Investment Policy and Objectives (SIPO) dated 23 November 2023 which establishes the investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations are undertaken as required.

Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values determined in accordance with the Scheme's accounting policy in relation to Financial Assets Held at Fair Value through Profit or Loss.

Categories of Financial Instruments - 31 March 2024

Assets	Financial Assets at Fair value through Profit or Loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	-	102,784	-	102,784
Financial Assets at Fair Value Through Profit or Loss	95,718,655	-	-	95,718,655
Contributions Receivable	-	650,658	-	650,658
Group Life Proceeds Receivable	-	121,098	-	121,098
Total Assets	95,718,655	874,540	-	96,593,195
Liabilities				
Benefits Payable	-	-	1,115,176	1,115,176
Sundry Creditors	-	-	124,193	124,193
Total Liabilities	-	-	1,239,369	1,239,369

MISS Scheme
Notes to the Financial Statements (Cont'd)
For the Year Ended 31 March 2024

11. Financial Instruments (Cont'd)

Categories of Financial Instruments - 31 March 2023

	Financial Assets at Fair value through Profit or Loss \$	Financial Assets at Amortised Cost \$	Financial Liabilities at Amortised Cost \$	Total \$
Assets				
Cash and Cash Equivalents	-	1,163,834	-	1,163,834
Financial Assets at Fair Value Through Profit or Loss	93,922,745	-	-	93,922,745
Contributions Receivable	-	553,275	-	553,275
Total Assets	93,922,745	1,717,109	-	95,639,854
Liabilities				
Benefits Payable	-	-	450,802	450,802
Sundry Creditors	-	-	135,034	135,034
Total Liabilities	-	-	585,836	585,836

Hierarchy of Fair Value Measurements - 31 March 2024

Financial instruments that are measured subsequent to initial value at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Scheme invests in managed funds. The fair value is based upon unit prices calculated by the manager of the fund.

All financial assets and financial liabilities at fair value through profit or loss are classified as Level 2 fair value instruments.

The financial assets that trade in markets that are not considered to be active but are valued based on quoted market prices or alternative pricing sources supported by observable inputs are classified within Level 2. These include investments in other unitised funds and over the counter derivatives.

Investment Policies

The Trustees are empowered to delegate the investment of the Scheme's assets to professional investment managers. The Trustees believe that it is in the members' best interests that multiple investment managers be appointed. To this end, the Trustees have appointed ANZ New Zealand Investments Limited ('ANZ'), Mercer Investment Trusts New Zealand ("MITNZ"), Fisher Funds Institutional ('Fisher'), Nikko Asset Management NZ Limited and Harbour Asset Management to invest the Scheme's assets.

Performance objectives

- Over the long term (rolling ten year periods) to achieve a benchmark real return after tax and investment fees that exceeds inflation by 1.25% pa.
- Over a rolling three year period, to achieve a Scheme return (gross of tax and fees) that exceeds the composite benchmark return by 1.00% pa.
- Over a rolling three year period, to achieve a return (gross of tax and investment management fees) in each asset sector that exceeds the relevant benchmark index return.

The current strategy is:

Asset Class	Benchmark %	Strategic Ranges %
Trans-Tasman Shares	8.5	4.5 - 12.5
International Shares	21.5	16.5 - 26.5
International Listed Property	5	2.5 - 7.5
International Listed Infrastructure	5	2.5 - 7.5
Total Growth Assets	40	35 - 45
New Zealand Fixed Interest	14	9 - 19
New Zealand Short Duration	10	5 - 15
Global Fixed Interest	26	21 - 31
Cash	10	5 - 15
Total Income Assets	60	55 - 65
Foreign Currency Exposure	10.75	

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

11. Financial Instruments (Cont'd)

Liquidity Risk

The Scheme's primary source of liquidity is its Cash investments. Cash investments play a role in the Scheme's investment strategy, providing a stable return with low volatility. The Scheme's investment strategy supports its liquidity requirements by predominantly investing in listed securities via pooled products with daily unit pricing.

The Scheme holds financial assets and liabilities that are highly liquid and can be realised within 12 months.

Credit Risk

Financial instruments which potentially expose the Scheme to credit risk consists of cash and short term deposits, fixed interest securities and receivables and, indirectly, investments in unitholdings which invest in cash and fixed interest investments. The maximum exposure to credit risk is the carrying value of these financial instruments. The significant counterparties of the Scheme are its investment managers, ANZ New Zealand Investments Limited, Fisher Funds Institutional, Mercer Investment Trusts New Zealand (MITNZ), Nikko Asset Management NZ Limited and Harbour Asset Management and their nominee companies, which the Trustees consider to be financial institutions of high quality. The investments are held in trust by the investment managers for the benefit of the Scheme. The managers maintain diversified investment portfolios in accordance with the investment mandate set by the Trustees.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund manager manages currency risk through strategic hedging within the global products.

The Scheme's benchmark currency hedging positions on an after tax basis are:

International Listed Infrastructure	100%
International Fixed Interest	100%
International Shares	50%
International Listed Property	100%

ANZ New Zealand Investments Limited maintains forward foreign exchange contracts on behalf of the Scheme.

Risk Management

Risk management activities are undertaken by the Scheme's investment managers to operate within the guidelines provided by the Trustees.

Net assets available for benefits are considered to be the Scheme's capital for the purposes of capital management. The Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and to maximise the Scheme's members' value as well as ensuring its net assets available for benefits are sufficient to meet all present and future obligations.

In order to meet its objectives for capital management the Scheme's management review the Scheme's performance on a regular basis.

Interest Rate Risk

The Scheme is exposed to interest rate risk in that future interest rate movements will affect cash flows and indirectly, the valuation of investments in unitholdings which invest in cash and fixed interest investments. The intention of the Trustees is not necessarily to hold these assets to maturity, but to realise and purchase similar assets as part of the ongoing management of the investments of the Scheme.

As at balance date, exposure to other interest bearing securities is undertaken through holdings in Harbour Asset Management Enhanced Cash Fund, ANZ New Zealand Investments Limited's Short Term deposits, Wholesale High Grade Bond Fund and Wholesale Sovereign Bond Fund, while exposure to international fixed interest securities is undertaken through holdings in Fisher's Institutional International Bond Trust and Core International Bond Fund.

	31 March 2024	31 March 2023
	\$	\$
ANZ New Zealand Investment Limited		
- New Zealand Fixed Interest	13,223,159	13,040,143
- Short Term Deposits	9,503,639	9,548,643
Fisher Funds Institutional		
- Overseas Fixed Interest	24,954,945	24,963,540
Harbour Asset Management		
- NZ Short Duration	9,615,254	9,448,572

MISS Scheme

Notes to the Financial Statements (Cont'd)

For the Year Ended 31 March 2024

11. Financial Instruments (Cont'd)

Interest Rate Risk (Cont'd)

Interest rate risk management activities are undertaken by the investment manager in accordance with the investment mandate set by the Trustees. The intention of the Trustee is not necessarily to hold these assets to maturity, but to realise and purchase similar assets as part of the ongoing management of the investments of the Scheme. There is no maturity period for unutilised investments.

An appropriate level of portfolio risk for the Scheme will be determined and agreed by the Trustees in consultation with professional advisors. Investment risk must be minimised for the expected level of return and an appropriate level of diversification across securities, sectors, asset classes and countries must be maintained.

12. Sensitivity Analysis

As at 31 March 2024 a 5% increase/decrease in the unit prices of the Scheme's investments in ANZ New Zealand Investments Limited, Fisher Funds Institutional, Mercer Investment Trusts New Zealand (MITNZ), Nikko Asset Management NZ Limited and Harbour Asset Management would have a positive/adverse impact on the value of the Scheme's investments of \$4,785,933 (2023: \$4,670,653).

13. Commitments and Contingent Liabilities

There were no commitments or contingent liabilities outstanding as at 31 March 2024 (31 March 2023: Nil).

14. Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the Trustee to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. The Trustee have also used judgement in the categorisation of its financial assets and liabilities at fair value through profit and loss in accordance with the fair value hierarchy under NZ IFRS 13. Also there is an area of judgement in the valuation of vested benefits of the Plan. This valuation is performed by a qualified actuary and a summary of the valuation is contained in Note 4 and Note 5.

15. Related Parties

The Scheme holds no investments in any of the Employer companies or any of their related parties and during the period had no related party transactions except for employer contributions of \$2,498,176 (31 March 2023: \$2,480,809).

During the year the Licenced Independent Trustee and Chairman of the Scheme received remuneration for his services totalling \$77,002 (31 March 2023: \$69,374). Trustees who are also members of the Scheme contribute on the same basis and have the same entitlements as other members of the Scheme.

16. Miscellaneous Income

In May 2018 a payment of \$34,050 was credited to an incorrect bank account. The benefit entitlement to the member of the Scheme was subsequently paid. The payment was made in error due to incorrect information provided by a Participating Employer. The matter was reported to the New Zealand Police and the Trustees/Custodian referred the matter to court. As a result of the court decision, the recipient of the incorrect bank account is repatriating the funds to the scheme in instalments over time until full payment is received.

17 Fees incurred for services provided by the audit firm

During the reporting period, the scheme paid for the following professional services:

	2024	2023
	\$	\$
<i>Audit Services - Deloitte</i>		
Statutory audit of the financial statements	32,965	31,033
<i>Taxation services - Deloitte</i>		
Tax return preparation	7,360	7,498
Tax Planning and other tax advisory services	16,790	16,077
Total Fees for taxation services	<u>24,150</u>	<u>23,575</u>
Total fees for audit firms' services	<u>57,115</u>	<u>54,608</u>

18. Events After Balance Date

On 3 May 2024, ANZ announced that it would exit from its wholesale investment business. Therefore ANZ will soon no longer provide investment management services to wholesale investors such as the MISS Scheme. The Trustee has commenced the process to appoint a new investment manager.

There were no other significant events that have occurred since the balance date that require adjustment or disclosure in the financial statements.