EMPLOYEE RETIREMENT PLAN

Financial Statements

For the Year Ended 30 June 2018

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Financial Statements

For the Year Ended 30 June 2018

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Independent auditor's report

To the members of the Employee Retirement Plan

The financial statements comprise:

- the statement of net assets as at 30 June 2018;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements of the Employee Retirement Plan (the Plan), present fairly, in all material respects, the financial position of the Plan as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). 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 Plan in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Plan in the area of compliance assurance services. The provision of these other services has not impaired our independence as auditor of the Plan.

Information other than the financial statements and auditor's report

The Trustee is responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not, and will not, express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, if other information is included in the annual report, 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that the other information has not yet been approved by the Trustee.

Responsibilities of the Trustee for the financial statements

The Trustee is responsible, on behalf of the Plan, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, 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 the Plan'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 intend to liquidate the Plan 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 NZ and ISAs 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 at the External Reporting Board's website at:
https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-6/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Plan's members, as a body. Our audit work has been undertaken so that we might state those matters which 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 Plan and the Plan's members, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
20 September 2018

Wellington

EMPLOYEE RETIREMENT PLAN

Statement of Net Assets
As at 30 June 2018

	Note	2018 $	2017 $
ASSETS			
Cash and Cash Equivalents		806,145	962,438
Investments	5	648,033,931	603,057,037
Contributions Receivable - Member		640,927	597,330
Contributions Receivable - Employer		475,292	452,134
Income Tax Receivable		1,039,863	-
Deferred Tax		38,719	20,826
Total Assets		651,034,877	605,089,765
Less LIABILITIES			
Benefits Payable		358,346	181,701
Member Contributions Refundable		-	71
Trade and Other Payables		131,925	97,494
Income Tax Payable		-	3,423,143
Total Liabilities		490,271	3,702,409
NET ASSETS AVAILABLE FOR BENEFITS		650,544,606	601,387,356
LIABILITY FOR PROMISED BENEFITS			
Represented By:	3		
Members' Accounts		344,799,406	320,798,478
Employer Accounts		305,745,200	280,588,878
Operating Reserve Account		-	-
		650,544,606	601,387,356

For and on behalf of the Trustee, Public Trust, who authorised the issue of these financial statements.

Board Member ____ Date 19 September 2018
Ian Fitzgerald

Board Member ____ Date 19 September 2018
Graham Naylor

EMPLOYEE RETIREMENT PLAN

Statement of Changes in Net Assets
For the Year Ended 30 June 2018

	Note	2018 $	2017 $
INVESTMENT ACTIVITIES			
Investment Income			
Gains on Investments	6	47,414,022	50,556,064
Interest Received		28,693	34,900
Other Income		25,000	50,000
		47,467,715	50,640,964
Investment Expenses			
Investment Management Fees		(3,475,345)	(3,331,251)
Net Investment Gains		43,992,370	47,309,713
OTHER EXPENSES			
Administration Fees		371,164	342,466
Actuarial & Consulting Fees		21,181	15,031
Auditor's Remuneration - Audit Fees		20,700	19,985
Auditor's Remuneration - Assurance Fees		5,175	5,175
Tax Agent Fees		8,934	11,663
Trustees Fees		171,861	160,614
Other Expenses		60,203	37,867
Total Other Expenses		659,218	592,801
Change in Net Assets before Taxation and Membership Activities		43,333,152	46,716,912
Income Tax Expense	7	1,083,141	4,918,342
Change in Net Assets after Taxation and before Membership Activities		42,250,011	41,798,570
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		16,189,086	16,800,790
Member Voluntary Contributions		5,269,677	6,253,550
Employer Contributions		16,013,782	16,637,711
Total Contributions		37,472,545	39,692,051
Benefits Paid			
Retirement		15,474,119	15,439,523
Retrenchment		-	4,118
Death & Disablement		556,361	718,228
Hardship		599,985	573,687
Withdrawals		13,018,240	11,430,346
Transfers to other Schemes		916,601	746,898
Total Benefits Paid		30,565,306	28,912,800
Net Membership Activities		6,907,239	10,779,251
Net Increase in Net Assets During Year		49,157,250	52,577,821
Net Assets Available for Benefits at Beginning of Year		601,387,356	548,809,535
Net Assets Available for Benefits at End of Year		650,544,606	601,387,356

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Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash provided from			
Member Contributions		16,165,435	16,763,167
Member Voluntary Contributions		5,249,661	6,238,243
Employer Contributions		15,990,624	16,601,113
Other Income		25,000	50,000
Interest Received		28,677	34,901
Tax Refund		8,352	783
		37,467,749	39,688,207
Cash applied to			
Benefits Paid		30,388,663	28,762,877
Income Tax Paid		2,102	8,336
Other Expenses		624,785	580,933
		31,015,550	29,352,146
Net Cash Flows from Operating Activities	8	6,452,199	10,336,061
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash provided from			
Sale of Investments		11,775,922	383,681
Cash applied to			
Purchase of Investments		18,384,414	11,798,446
Net Cash Flows from Investing Activities		(6,608,492)	(11,414,765)
Net Decrease in Cash Held		(156,293)	(1,078,704)
Cash and Cash Equivalents at the Beginning of the Year		962,438	2,041,142
Cash and Cash Equivalents at the End of the Year		806,145	962,438

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Notes to the Financial Statements
For the Year Ended 30 June 2018

1. **Plan Description**

The Employee Retirement Plan ("ERP"or "the Plan") is a defined contribution superannuation plan registered in New Zealand as a restricted workplace saving scheme under the Financial Markets Conduct Act 2013. The ERP Trust Deed was established with a commencement date of 1 September 2002. Employers become a participant of the ERP by entering into an employer agreement with the Trustee of the ERP. The ERP is a multi-employer master trust. The assets of the ERP are invested with the Mercer Investment Trusts New Zealand.

During the year the Trustee of the Plan was Public Trust. In 2016 Public Trust was granted a corporate independent trustee licence to allow it to act as the sole independent trustee of the Plan under the Financial Markets Conduct Act 2013 ("FMCA").

Registered Office of the Scheme: Mercer (N.Z.) Limited, P O Box 1849, Wellington 6140

Details of membership as at 30 June 2018 were:

	Active Members
1 July 2017	**10,649**
New Members	-
Retirement	(152)
Withdrawals	(122)
Redundancy	-
Permanent Emigration	(6)
Death and Permanent Incapacity	(12)
Transfers to Other Schemes	(22)
30 June 2018	**10,335**

Funding Arrangements

Members and employers pay contributions to the ERP in accordance with the Trust Deed and the relevant Employer Agreement.

With effect from 1 July 2005 all members receive a matching contribution from their Employer up to a maximum of 3% of gross base salary.

Retirement Benefits

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

Termination Terms

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

Changes in the Plan

There were no changes to the Plan or Trust Deed during the 2018 financial year.

2. **Summary of Significant Accounting Policies**

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the requirements of the Financial Markets Conduct Act 2013 and other relevant legislative requirements as appropriate for For-profit entities.

Statement of Compliance

These financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting 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.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars which is also the functional currency because that is the currency of the primary economic environment in which the Plan operates.

Classification of Assets and Liabilities

The Employee Retirement Plan operates as a superannuation plan. As such, the assets and liabilities are disclosed in the Statement of Net Assets in an order that reflects their relative liquidity.

Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

2. Summary of Significant Accounting Policies (Cont'd)

Capital Risk Management

The Plan's primary purpose is to ensure that its net assets are sufficient to meet all present and future obligations as defined by the liability for promised benefits.

The Plan achieves this through obtaining contributions from members and employers and investing these into financial assets.

Accounting Policies

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

Investment Income

Interest is taken to income on an effective interest basis.

Net realised and unrealised gains and losses including any distributions are recognised in the Statement of Changes in Net Assets in the period in which they occur.

Interest income on cash and cash equivalents is recognised on a time proportionate basis using the effective interest method.

Expenses

All expenses are accounted for on an accruals basis.

Taxation

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

The tax currently payable is based on taxable profit for the year. 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 Plan's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by balance date.

The Plan invests in a number of Portfolio Investment Entities (PIE's). Investments are recorded gross of PIE tax receivable or payable. PIE tax expense is included in income tax expense in the Statement of Changes in Net Assets.

The Plan has elected to take advantage of section DV(2) of the Income Tax Act 2007 and has transferred deductible expenditure incurred by the Plan to the investment manager.

Financial Instruments

The Plan has various financial instruments comprising financial assets and liabilities with on-balance sheet risk.

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

Financial assets at fair value through profit or loss

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Investments are classified at fair value through profit or loss. As the Plan's business is investing in financial assets with a view to profiting from their total return in the form of interest, distributions or increases in fair value, investments in pooled superannuation schemes are designated at fair value through profit or loss on initial recognition.

Financial assets designated at fair value through profit or loss, are measured at subsequent reporting dates at fair value, which is the bid price of the exchange on which the investment is quoted.

Investments in units of pooled superannuation schemes are valued at the closing price released by the relevant investment manager.

2. **Summary of Significant Accounting Policies (Cont'd)**

Impairment of Assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets at fair value through profit or loss, assets are impaired when there is a significant or prolonged decline in fair value below original cost.

The carrying value of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

If, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Changes in Net Assets to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and Other Receivables
Trade and other receivables do not carry any interest and are short-term in nature and are recognised initially at fair value and subsequently at amortised cost using the effective interest method as reduced by appropriate allowances for impairment losses.

Trade and Other Payables
Trade and other payables are not interest-bearing and are recognised initially at fair value and subsequently at amortised cost.

Goods and Services Tax (GST)
The Plan 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 Plan do not include those of the investment manager. 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.

Promised Retirement Benefits
The Liability for Promised Retirement Benefits is the Plan'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. Promised benefits include amounts allocated to members' accounts and reserves.

Contributions and Benefits
Contributions and benefits are accounted for on an accruals basis.

Standards and interpretations on issue but not yet effective
At the date of authorisation of the financial report, a number of Standards and Interpretations were on issue but not yet effective. Application of the revised Standards is not expected to materially affect any of the amounts recognised in the financial statements. The following may change the presentation and disclosures presently made in relation to the Plan's financial statements:

NZ IFRS 9, 'Financial instruments'
This was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets. This standard is effective for reporting periods beginning on or after 1 January 2018. The Plan is to adopt this standard for the financial year ending 30 June 2019. The adoption of this standard may result in additional or amended disclosures and is not expected to have an effect on the Plan's reported result or financial position.

Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

3. **Liability for Promised Benefits**

Changes in Promised Benefits as at 30 June 2018:

	Member Account	Employer Account	Operating Reserve Account	Total 2018
	$	$	$	$
Balance 1 July 2017	320,798,478	280,588,878	-	601,387,356
Contributions	21,458,763	16,013,782	-	37,472,545
Benefits Paid	(20,006,336)	(10,558,970)	-	(30,565,306)
Change in Net Assets after Tax	-	-	42,250,011	42,250,011
Interest Allocated	22,548,501	19,701,510	(42,250,011)	-
Balance 30 June 2018	344,799,406	305,745,200	-	650,544,606

Changes in Promised Benefits as at 30 June 2017:

	Member Account	Employer Account	Operating Reserve Account	Total 2017
	$	$	$	$
Balance 1 July 2016	294,472,268	254,337,266	-	548,809,534
Contributions	23,060,911	16,637,604	(6,464)	39,692,051
Benefits Paid	(19,152,087)	(9,767,188)	6,475	(28,912,800)
Change in Net Assets after Tax	-	-	41,798,570	41,798,571
Interest Allocated	22,417,386	19,381,196	(41,798,581)	-
Balance 30 June 2017	320,798,478	280,588,878	-	601,387,356

Guaranteed Benefits
No guarantees have been made in respect of any part of the liability for promised benefits (2017: Nil).

Reserve Account
Pursuant to the Trust Deed, the Trustee shall establish a Reserve Account which shall be credited with the following:-

(a) any amount not paid to a member upon ceasing employment with the Employer;
(b) any unclaimed benefit;
(c) any unallocated funds transferred in from another superannuation scheme;
(d) the Reserve Account's share of the Plan's earnings or loss;
(e) any profit share or other interest allocated by the Plan's investment manager and not otherwise allocated to members' accounts.

The Trustee may, at its discretion, apply any part or the whole of the Reserve Account to:-

(a) increase on an equitable basis the total credits of all members;
(b) provide benefits other than retirement benefits for all members on an equitable basis;
(c) pay all or part of the contributions to the Plan of the Employer for all members on an equitable basis;
(d) pay expenses for the administration of the Plan;
(e) pay all or part of the insurance premiums payable under the Plan;
(f) in such other manner as is permitted from time to time under the Trust Deed.

Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

4. Vested Benefits

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 Plan at balance date.

	2018 $	2017 $
	649,428,389	600,337,891

5. Investments

	2018 $	2017 $
Mercer Investment Trust New Zealand		
- ERP Balanced Fund	334,893,060	311,398,633
- ERP Cash Fund	40,610,667	41,633,469
- ERP Growth Fund	166,010,094	147,624,400
- ERP Conservative Fund	106,520,110	102,400,535
	648,033,931	603,057,037

6. Gains on Investments

	2018 $	2017 $
Mercer Investment Trust New Zealand		
- ERP Balanced Fund	25,938,000	19,934,984
- ERP Cash Fund	972,991	582,129
- ERP Growth Fund	15,543,003	11,948,111
- ERP Conservative Fund	4,960,028	3,905,813
	47,414,022	36,371,037
Mercer Super Investment Trust		
- ERP Balanced Fund	-	7,569,762
- ERP Cash Fund	-	451,440
- ERP Growth Fund	-	5,276,347
- ERP Stable Fund	-	887,478
	-	14,185,027
Total Gains on Investments	47,414,022	50,556,064

7. Income Tax

	2018 $	2017 $
Current Tax	1,101,033	4,908,349
Deferred Tax	(17,892)	9,993
	1,083,141	4,918,342

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

	2018 $	2017 $
Change in Net Assets before Tax and Membership Activities	43,333,152	46,716,912
Income Tax @ 28%	12,133,282	13,080,735
Tax effect of:		
Non Assessable Investment (Gains) and Losses	(13,275,926)	(14,155,698)
Non Deductible Investment Manager Fees	973,097	932,751
PIE Tax	1,252,688	5,060,651
Prior period adjustment	-	(97)
Income Tax Expense	1,083,141	4,918,342

PIE Tax expenses recognised includes the reversal of the expenses of $3,433,696 for the period 1 April 2016 to 30 June 2017, and expense of $5,571,596 for the year ended 31 March 2018, and a benefit of $1,036,867 for the period 1 April 2017 to 30 June 2018.

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8. Reconciliation of Net Cash Flows from Operating Activities to Increase in Net Assets

	2018 $	2017 $
Increase in Net Assets	49,157,250	52,577,821
Non-Cash Items		
Gains on Fair Value Through Profit or Loss Assets	(47,414,022)	(50,556,064)
PIE Tax Paid	5,570,277	5,227,230
Investment Management Fees	3,475,345	3,331,251
Movements in Other Working Capital Items		
(Increase)/Decrease in PIE Tax Receivable	(1,057,759)	9,993
(Decrease)/Increase in PIE Tax Payable	(3,423,143)	(326,434)
Increase/(Decrease) in Benefits Payable	176,645	149,922
(Increase)/Decrease in Member Contributions Receivable	(43,597)	(52,801)
(Increase)/Decrease in Employer Contributions Receivable	(23,158)	(36,423)
(Decrease)/Increase in Member Contributions Refundable	(71)	(130)
(Decrease)/Increase in Employer Contributions Refundable	-	(174)
Increase in Trade and Other Payables	34,432	11,870
Net Cash Flows from Operating Activities	6,452,199	10,336,061

9. Financial Instruments

The Plan 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 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 Trustee and asset allocations 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 Plan's accounting policies.

Categories of Financial Instruments - 30 June 2018

	Designated at Fair Value through Profit or Loss $	Loans and Receivables $	Financial Liabilities at Amortised Cost $
Assets			
Mercer Investment Trust New Zealand			
- ERP Balanced Fund	334,893,060	-	-
- ERP Cash Fund	40,610,667	-	-
- ERP Growth Fund	166,010,094	-	-
- ERP Conservative Fund	106,520,110	-	-
Cash and Cash Equivalents	-	806,145	-
Member Contributions Receivable	-	640,927	-
Employer Contributions Received In Advance	-	-	-
Employer Contributions Receivable	-	475,292	-
	648,033,931	1,922,364	-
Liabilities			
Trade and Other Payables	-	-	131,925
Member Contributions Refundable	-	-	-
Benefits Payable	-	-	358,346
	-	-	490,271

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Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

9. **Financial Instruments (Cont'd)**

Categories of Financial Instruments - 30 June 2017

	Designated at Fair Value through Profit or Loss $	Loans and Receivables $	Financial Liabilities at Amortised Cost $
Assets			
Mercer Super Investment Trust			
- ERP Balanced Fund	311,398,633	-	-
- ERP Cash Fund	41,633,469	-	-
- ERP Growth Fund	147,624,400	-	-
- ERP Stable Fund	102,400,535	-	-
Cash and Cash Equivalents	-	962,438	-
Member Contributions Receivable	-	597,330	-
Employer Contributions Receivable	-	452,134	-
	603,057,037	2,011,902	-
Liabilities			
Trade and Other Payables	-	-	97,494
Member Contributions Refundable	-	-	71
Employer Contributions Refundable	-	-	-
Benefits Payable	-	-	181,701
	-	-	279,266

Prepayments, current tax and contributions received in advance are excluded from the balances in the tables above, as this analysis is required only for financial instruments.

Hierarchy of Fair Value Measurements - 30 June 2018

The following table provides an analysis of financial instruments 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 - 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).

Description	Level 1 $	Level 2 $	Level 3 $	Total $
Investments	-	648,033,931	-	648,033,931
Total	-	648,033,931	-	648,033,931

Hierarchy of Fair Value Measurements - 30 June 2017

Description	Level 1 $	Level 2 $	Level 3 $	Total $
Investments	-	603,057,037	-	603,057,037
Total	-	603,057,037	-	603,057,037

The financial assets above have been classified as level 2 as they are investments in a unitised superannuation scheme (Mercer Investment Trusts New Zealand) with fair values derived from quoted prices in non-active markets.

There were no transfers between levels in the period.

Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

9. Financial Instruments (Cont'd)

Financial Risk Management
The Plan may be exposed to credit risk, liquidity risk and market risk (including price risk) arising from the financial instruments it holds.

Credit Risk
Financial instruments which potentially expose the Plan to credit risk consist of cash and receivables and, indirectly, investments in unitised products which invest in cash and fixed interest investments.

The maximum exposure to credit risk is the carrying value of these financial instruments. The significant counterparty and concentration of credit risk for the Plan is its investment into Mercer Investment Trusts New Zealand, which the Trustee considers to be a financial institution of high quality. The investments are held in trust by the trustee of the Mercer Investment Trusts New Zealand for the benefit of the Plan. The manager for Mercer Investment Trusts New Zealand maintains diversified investment portfolios in accordance with the Statement of Investment Policy and Objectives adopted by the Trustee.

Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Plan manages liquidity in accordance with its investment mandate by investing in readily realisable investments to meet cash flow requirements.

There are no restrictions on the redemption of units and they may be redeemed for cash at any time, subject to the approval of the Trustees.

Financial liabilities of the Plan are trade and other payables and are payable within one month.

Market Risk
The Plan is exposed indirectly to foreign exchange risk, interest rate risk and other price risks through its investments in Mercer Investment Trusts New Zealand. These investments are unitised and the underlying securities comprise domestic and international equity instruments.

Due to the unitised nature of the investments it is not practical to determine the sensitivity of the unit price to changes in foreign exchange rates, interest rates or other market factors. These investments are managed by Mercer and the Plan has no influence over how these risks are controlled or mitigated but considers the portfolio to be of such a diverse nature as to reduce significant exposure to the impact of market movements.

Currency Risk
The Plan is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unitised products which invest in foreign currency denominated investments. During the year the Plan did not directly hold investments denominated in a foreign currency.

Risk management activities are undertaken by the Plan's investment manager to operate within the Statement of Investment Policy and Objectives provided by the Trustee.

Interest Rate Risk
The Plan is indirectly exposed to interest rate risk in that future interest rate movements will affect cash flows and indirectly, the valuation of investments in unitised products which invest in cash and fixed interest investments.

Interest rate risk management activities are undertaken by the investment manager in accordance with the investment mandate set by the Trustee.

Price Risk
A one cent movement in the unit prices of the Plan's investments in Mercer Investment Trust New Zealand would have an impact on the value of the Plan's assets and income of +/- $4,936,708 (2017: +/- $4,920,295).

10. Commitments and Contingent Liabilities

There were no commitments or contingent liabilities outstanding as at 30 June 2018 (2017: Nil).

Notes to the Financial Statements (Cont'd)
For the Year Ended 30 June 2018

11. Related Parties

ERP holds no investments in the Employer or any of its related parties. During the year ERP received $16,013,782 (2017: $16,637,711) of Employer contributions. Trustee fees of $171,861 (2017: $160,614) were paid to Public Trust.

12. Events After Balance Date

There have been no material events after balance date that require adjustment to or disclosure in the financial statements (2017: Nil).