

**ANNUAL REPORT TO MEMBERS**

**and**

**SUMMARY FINANCIAL STATEMENTS**

**for the**

**PORTS RETIREMENT PLAN**

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**Year ended 31 March 2018**

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## Introduction

On behalf of the Directors of Ports Retirement Trustee Limited (the Trustee), I present the Annual Report and Summary Financial Statements for the Ports Retirement Plan (the Plan), for the year ended 31 March 2018.

### HIGHLIGHTS OF THE YEAR

The Plan had another very satisfactory year. The before-tax investment return (after investment expenses but before all other expenses and insurance costs) for the year ended 31 March 2018 was 8.2%.

During their regular quarterly meetings, the Directors continued to keep a focus on the Plan's investment performance. In a year with considerable volatility, a regular feature in investment markets, it is pleasing to report the result shown above.

Members were kept regularly informed of the Plan's investment performance through the newsletters.

This is the second Annual Report prepared under the requirements of the Financial Markets Conduct Act 2013 (FMCA) and you are reminded of the change in headings and content required under this new legislation that differs from what you have seen previously. The sections headed *Details of Scheme, Information on Contributions and Scheme Participants, Changes Relating to the Scheme, Other Information for Particular Types of Managed Funds, Changes to Persons Involved in the Scheme, How to Find Further Information* and *Contact Details and Complaints* are all required by the FMCA to be included in the order shown (and their content reflects the new legislative requirements).

After 29 years of service as Plan Secretary, Leonie Stieller retired in August 2017. On behalf of members I would like to thank Leonie for her years of valuable service to the Plan.

I would also like to welcome Debby Green as the new Plan Secretary.

## Returns to Members

Investment markets again proved resilient for the 2018 financial year.

The year ended 31 March 2018 saw global share markets rise 9.9% (or 10.1% in unhedged New Zealand dollar terms). The New Zealand share market was particularly strong, rising 16.9% and outperforming the Australian market by a large margin. Bond markets returned weaker – but still positive – results due to interest rates mostly being at lower levels than in previous years. The New Zealand Government Bond index rose 4.6% and corporate bonds rose 4.7%. The global bond market was up 3.2% overall.

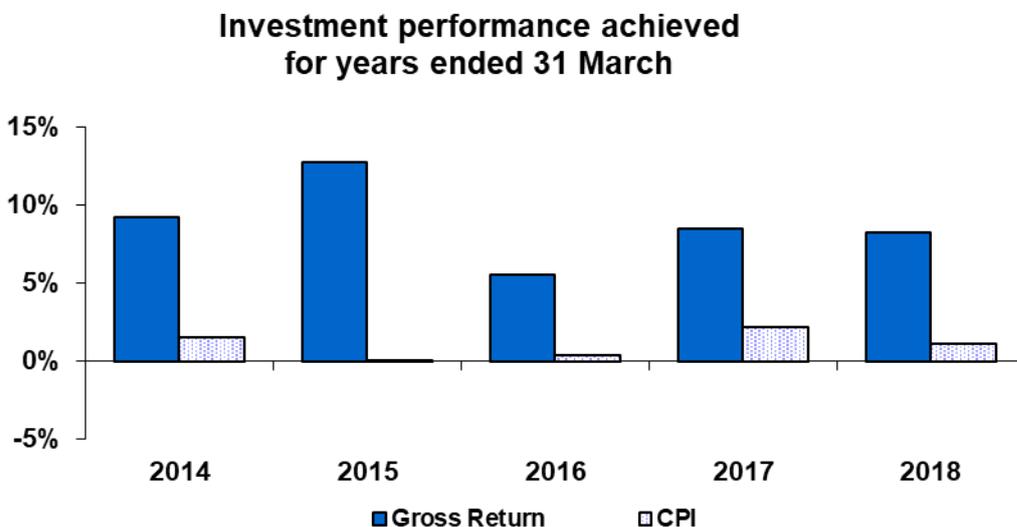
As mentioned above the Plan's investment return for the year gave members an equivalent gross return (after investment expenses but before all other expenses and insurance costs) of 8.2% before tax. The return before all other expenses and insurance costs but after tax was 6.8% at a prescribed investor rate (PIR) of 28% and 7.4% at a PIR of 17.5%.

The details of other expenses, insurance costs (when applicable) and tax are set out in each member's year-end benefit statement. Due to the structure of those other expenses and insurance costs, and the complexity of the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members' balances after expenses, costs and tax as this percentage rate differs for each individual member.

Over the five years ended 31 March 2018, the average annual pre-tax return (as described above) was 8.9% against the annual average rate of inflation of 1.1%, so the average annual pre-tax real return over that period was 7.8%.

Each year we look at the total expenses charged to members as a proportion of total assets and compare this to the same ratio in the balanced funds provided by all KiwiSaver Schemes. It is pleasing to report that the Plan's expense ratio remains well below the average expense ratio for balanced funds in KiwiSaver.

The graph below compares the pre-tax returns achieved by the Plan with inflation over the last five years.



## Investment Issues

### INVESTMENT REVIEW

The first nine months of the financial year continued without major incident. The Federal Reserve – the US central bank – lifted its interest rate as expected in the June quarter and in the September quarter announced its intention to “normalise” its balance sheet. The US senate passed its “Trump Tax Bill” with expected benefits for US corporates spurring the equity market (particularly telecom, energy and utility sectors) higher.

The March 2018 quarter was something of a rude awakening for investors; the first shock in markets was in February and involved concerns around increased inflation. In March, President Trump’s introduction of tariffs caused a further negative reaction – trade wars are not good for markets. The result of this was negative returns across almost all share markets and a negative quarter from global corporate bonds.

However, in spite of this “correction” late in the financial year, the strong first nine months meant that the year remained positive for all asset classes. Thanks to a strong performance from certain key stocks like a2 milk and Xero, the NZ share market had a strong year with a return of 16.9% overall.

The return from other markets was a little lower with the MSCI World Index up 9.9% for the year while Australia was up just 2.5% (both figures in local currency terms). The appreciation in the NZ dollar against the Australian dollar has meant that the return for unhedged investors in Australia was near nil.

Bonds saw moderate positive returns in New Zealand. The return for mainstream global bond funds (which invest in a mix of government and non-government bonds), while lower than previous years, was still positive. As with shares, bonds had weaker returns in the later months of the year due to rising interest rates and some pain in corporate bond markets.

The Government’s estimate for New Zealand’s real GDP growth this year is 2.8% with forecasts of rises to 3.3% and 3.4% in 2019 and 2020 respectively. The Treasury expects inflation to stay within a 1% to 2% band, with some increase in its forecasts in the 2022 year to 2.0%.

## INVESTMENT SECTOR ALLOCATIONS

As at 31 March 2018, the assets of the Plan were invested as shown in the table below, with the prior year proportions being shown for comparison.

Investment sector	\$m	31.03.2018	31.03.2017
		Proportion %	Proportion %
Shares NZ / Australian	9.0	11.0	12.7
Shares Overseas	25.5	31.2	31.8
Alternative assets	2.3	2.8	2.6
Property	4.3	5.3	5.1
Global Infrastructure	2.9	3.6	3.7
<b>Growth Assets</b>	<b>44.0</b>	<b>53.9</b>	<b>55.9</b>
Fixed Interest NZ	11.3	13.8	13.2
Fixed Interest Overseas	18.0	22.1	21.5
Alternative assets	4.4	5.4	5.2
Cash, net current assets	3.9	4.8	4.2
<b>Income Assets</b>	<b>37.6</b>	<b>46.1</b>	<b>44.1</b>
<b>Total</b>	<b>81.6</b>	<b>100.0</b>	<b>100.0</b>

## STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The Trustee has duties under the trust deed and at law to ensure that the assets of the Plan are properly managed.

The Plan has a wide range of assets which should support a sustainable return to members over time.

A key objective in the SIPO is to outperform the CPI by 2.5% on a rolling three year basis. The Plan has achieved this very successfully in the last three years and indeed over the last five years.

The SIPO benchmark and strategic asset allocation ranges as at 31 March 2018 are shown in the table below:

Sector	%	Range	
		Lower	Upper
Australasian shares	8.33	6.50	10.50
Australian shares	4.17	3.00	5.50
	12.50		
Global shares	30.00	25.00	35.00
Property/Infrastructure			
NZ Listed Property	2.50	0.00	5.00
Global Listed Property	2.50	0.00	5.00
Infrastructure	5.00	2.50	7.50
	10.00		
Alternative	2.50	0.00	5.00
<i>Total Growth Assets</i>	<i>55.00</i>	<i>50.00</i>	<i>60.00</i>
Alternative	5.00	2.50	7.50
NZ Bonds	13.25	10.75	15.75
Global Bonds			
PIMCO	10.88		
GSAM	10.88		
Total	21.75	16.75	26.75
Cash	5.00	2.50	7.50
<i>Total Income Assets</i>	<i>45.00</i>	<i>40.00</i>	<i>50.00</i>
Total	100.00		
<u>Foreign currency exposure</u>			
Global shares	75.00	0.00	100.00
Australian shares	0.00	0.00	100.00

## APPOINTED INVESTMENT MANAGERS

The Plan has four investment managers. Based on actual asset allocations, as at the end of the year the allocation to each manager was as follows:

**AMP Capital Investors New Zealand Limited** managed 28% of Plan assets, comprising Cash, New Zealand Bonds, Property (New Zealand and Global) and Global Infrastructure.

**ANZ New Zealand Investments Limited** managed 46% of Plan assets, split between Global Equities, Australian Equities and Global Bonds.

**Nikko Asset Management New Zealand Limited** managed 19% of Plan assets, split between Growth and Income-based Alternative Assets and Global Bonds.

**Harbour Asset Management Limited** managed 7% of Plan assets, in Australasian Equities.

There were no new manager appointments this year.

## THE YEAR AHEAD

The outlook in the US is moderately strong, according to most of the key economic indicators. GDP is expected to grow 2%-3% per annum and inflation expected to hover around 2% per annum. The US central bank is expected to continue to increase interest rates over the coming year. President Trump's volatility around his policies and actions continue to be a source of uncertainty looking into the future.

While lagging the US, the Eurozone continues to enjoy a boom with private sector sentiment relatively high and unemployment declining. The main risks here are reversal in this good sentiment and declines in stock or bond markets. Brexit continues to be a point of uncertainty.

New Zealand is expected to continue with its solid economic growth. The residential housing market remains a key issue and it remains to be seen what impact the new Government's policies and expenditure plans will have on the broader economy.

The Plan continues to operate to a well-diversified investment mix in order to capture the best returns without taking on undue risk. The Plan's Investment Consultant considers that at present the Plan's chosen managers provide a suitable mix for the management of the Plan's assets. The managers are well aware of the issues that face investment markets and have sufficient abilities to manage the funds accordingly.

Compared to other similar schemes the Plan continues to operate to a more conservative strategy with slightly lower exposure to equity markets and more diversifiers in its line-up in the form of alternative asset classes.

## Details of Scheme

The scheme name is the Ports Retirement Plan (the Plan). The Plan is registered as a restricted workplace savings scheme.

The manager is the Ports Retirement Trustee Limited, whose Directors are named on page 12. The Product Disclosure Statement for the Plan is dated 2 November 2017 and it remains open for applications. A fund update for the Plan was produced as at 31 March 2018.

The financial statements of the Plan as at 31 March 2018, and the auditor's report on those financial statements, have been lodged with the Registrar of Financial Service Providers and are available electronically by visiting [companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose), selecting Search Schemes and entering the Plan name.

## Information on Contributions and Scheme Participants

### Total Members

Members	1 April 2017	31 March 2018
Contributing members	487	477
Non-contributing members	27	34
<b>Total members</b>	<b>514</b>	<b>511</b>

### New Members

New Members In Year Ended 31 March 2018	
Transfers from other schemes	Nil
Other new members	36
<b>Total new members</b>	<b>36</b>

### Member Exits

Member Exits In Year Ended 31 March 2018	
Leaving service	35
Death	1
Total and Permanent Disablement	Nil
Transfers to other schemes	Nil
Other reasons- withdrawal	3
<b>Total member exits</b>	<b>39</b>

### Members' Accumulations

Members' Accumulations	1 April 2017	31 March 2018
Total account balances	\$81,073,149	\$81,614,412
Number of members with accounts	514	511
<b>Total members</b>	<b>514</b>	<b>511</b>

### Total Contributions

Contribution Type	Total In Year Ended 31 March 2018	Number of Members To Whom Contributions Related
Member contributions	\$2,933,356	511
Employer contributions*	\$1,638,710	511
Member additional voluntary contributions	Nil	Nil
<b>Total contributions</b>	<b>\$4,572,066</b>	<b>511</b>

\*Net employer contributions credited to Plan after deducting employer superannuation contribution tax.

## Changes Relating to the Scheme

During the year ended 31 March 2018 there were no significant changes to the Plan.

The Plan is a restricted workplace savings scheme registered under the Financial Markets Conduct Act (FMCA).

A replacement Product Disclosure Statement (PDS) was lodged on 2 November 2017.

A replacement Statement of Investment Policy and Objectives (SIPO) was lodged on 17 November 2017. The main changes were minor technical amendments made in order to comply with the FMCA and there were no material changes made to the Plan's investment policy and objectives.

No transactions providing for related party benefits (as contemplated by section 172(1) of the FMCA) to be given from the Plan were entered into during the year ended 31 March 2018 on anything other than arm's-length terms.

## Other Information for Particular Types of Managed Funds

During the year 51 Plan participants made a withdrawal that was permitted under the FMCA and the trust deed, and the grounds on which those withdrawals were made were as follows:

Withdrawal type	Number of members
<b>Full withdrawals</b>	<b>36</b>
Leaving service	35
Death	1
<b>Partial withdrawals</b>	<b>12</b>
Contributing members aged 65 plus	3
Non-contributing members	9
Relationship property sharing order	0

The Trustee confirms that for the year ended 31 March 2018 all contributions required to be made to the Plan in accordance with the terms of the trust deed were made.

The Trustee confirms that:

1. All the benefits required to be paid from the Plan in accordance with the terms of the trust deed have been paid.
2. The market value of the property of the Plan as at 31 March 2018 equalled the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members as at that date.

As noted earlier in this Annual Report:

- the Plan's before-tax investment return (after investment expenses but before all other expenses and insurance costs) for the year ended 31 March 2018 was 8.2%; and
- this gross return will have been 6.8% at a PIR of 28% and 7.4% at a PIR of 17.5%;

but due to the complexity of those other expenses and insurance costs, and the tax allocation process, it is not possible to advise in this Annual Report the crediting rate or rates applied to members' balances after expenses, costs and tax as that percentage rate differs for each individual member.

## Changes to Persons Involved in the Scheme

Ports Retirement Trustee Limited is the Trustee of the Plan. The Directors of the Trustee act as manager of the Plan and custodian of the Plan's property.

During the year under review there were the following changes in the Directors of Ports Retirement Trustee Limited:

**Resigned**        Stephen Connolly effective 22 February 2018

**Appointed**       Jonathan Gardiner effective 9 May 2018

On behalf of members I would like to thank Stephen for the valuable contributions he has made over the years while involved with the management of the Plan. I would also like to welcome Jonathan as a new Director.

There were no other changes during the year to the Trustee or its Directors, the administration manager, any investment manager, the securities registrar or the auditor of the Plan.

There were no changes in the control of the Trustee during the year ended 31 March 2018.

## How to Find Further Information

The following information is available electronically (and free of charge) on the Disclose Register at [companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose):

- copies of the trust deed, the Plan's latest audited financial statements, the Statement of investment policy and objectives and the annual report (select *Search Schemes* and enter the Plan name); and
- copies of the Product Disclosure Statement, the annual fund update and other material information relating to the Plan (select *Search Offers* and enter the Plan name).

Copies of the Statement of investment policy and objectives, the Product Disclosure Statement, the latest Annual Report and the latest fund update (as well as other information about the Plan) are also available on the Plan's website [portsretirement.org.nz](http://portsretirement.org.nz).

You can obtain a copy of any of those documents (or an estimate of your benefits) from the Trustee free of charge by writing to the administration manager at the following address:

Ports Retirement Plan  
Melville Jessup Weaver  
Level 5, 40 Mercer Street  
PO Box 11330  
Wellington 6142

## Contact Details and Complaints

Contact details for the Administration Manager are:

Ports Retirement Plan  
Melville Jessup Weaver  
Level 5, 40 Mercer Street  
PO Box 11330, Wellington 6142

Phone: 0800 728 370

Any queries or complaints about the Plan can be made by contacting the Trustee at the above address.

The administration manager also acts as the securities registrar for the Plan and can be contacted (in that capacity) at the above address.

The Trustee has established a process to deal with any complaints that members might have. The process is confidential, providing members with the ability to be satisfied that all their dealings with the Plan have been handled properly. The first step is to contact either the secretary or the administrator in confidence to set out your complaint.

Members also have the right to send their complaints directly to the Plan's external disputes resolution service, Financial Services Complaints Limited ("FSCL"). FSCL's contact details are:

Website: [www.fscl.org.nz](http://www.fscl.org.nz)  
Email: [info@fscl.org.nz](mailto:info@fscl.org.nz)  
Telephone: 0800 347257 (call free for consumers)  
(04) 472 FSCL (472 3725)  
Fax: (04) 472 3727  
Postal address: PO Box 5967 Lambton Quay  
Wellington 6145

Neither the Trustee nor FSCL will charge a fee to any complainant to investigate or resolve a complaint.

## Summary of the Plan's Operational Results

Activities in the last five years are summarised in the following table.

Year ended 31 March	2018	2017	2016	2015	2014
Audited Accounts	\$m	\$m	\$m	\$m	\$m
<b>Fund start of year</b>	<b>81.1</b>	<b>81.0</b>	<b>84.3</b>	<b>78.4</b>	<b>73.2</b>
Contributions	4.6	4.4	4.4	4.3	4.1
Benefits	(9.3)	(9.8)	(11.0)	(7.1)	(4.3)
Expenses	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Taxation	(0.7)	(0.8)	(0.4)	(0.9)	(0.9)
Investment income	6.5	6.6	4.0	10.0	6.7
Other income	0.2	0.2	0.3	0.0	0.1
<b>Fund end of year</b>	<b>81.6</b>	<b>81.1</b>	<b>81.0</b>	<b>84.3</b>	<b>78.4</b>

Over the year ended 31 March 2018, total members' balances increased marginally to \$81.614 million, from \$81.073 million in the prior year. That increase (\$541,281) compares with an increase of \$31,382 in the prior year.

The main reason that the value of the Plan's assets increased slightly, despite there being benefit payments of \$9.3 million and contributions of only \$4.6 million, was that the Plan had gross investment income (after investment expenses but before all other expenses, insurance costs and tax) of \$6.5 million.

## Plan Administration

### MEMBER SERVICES

#### Contacts

The Plan Secretary,  
**Debby Green,**  
 Rail & Maritime Transport Union  
 phone (04) 499 2066, email  
[dgreen@rmtunion.org.nz](mailto:dgreen@rmtunion.org.nz)



For personal member balances and enquiries contact the Administrator, **Claire Shiels,** Melville Jessup Weaver  
 phone (04) 499 0277  
 email [claire.shiels@mjlw.co.nz](mailto:claire.shiels@mjlw.co.nz)



## Wills and Your Nominated Beneficiary

Issues relating to wills and nominated beneficiaries remain of vital importance to members.

Due to this we make no apologies for making this section a regular feature in the Annual Report.

The question most often asked about a will is 'Do I need one?'. The answer, because you are going to die at some time, is 'Yes' - otherwise you will create difficulties for those you care about.

The Plan provides a death benefit which has to be paid out. But it is the Trustee who is charged with correctly paying out that benefit. The Trustee has a broad discretion as to how to distribute the benefit and may pay it to one or more of a range of potential recipients including (among others) anyone whose name and details you have notified to us in writing, your spouse, your children, your dependants or your estate – the point is that the Trustee has to decide.

So you need to make sure that the Trustee has good information to help it make an appropriate decision about who should receive the benefit. There are two things that you should do:

- firstly, keep your Plan nominated beneficiary details up to date, and
- secondly, make a will, as the will directs how assets in (or paid to) your estate must be distributed.

If you do not have a will, the Court may appoint an administrator to manage your estate, which takes time and may not be someone you would have chosen.

Then the assets in your estate (which may include some or all of your death benefit from the Plan, if the Trustee makes a payment to your estate) are distributed according to the Administration Act, which may not be what you would have wanted.

Another way of looking at this is to know that if you have advised the Trustee of your nominated beneficiaries and if you have made a will, you help make the financial consequences of your death much easier for your loved ones.

## Conclusion

In closing this report I wish again to emphasise the importance the Directors place on managing the Plan in the best interests of members.

I am pleased to be able to report on another satisfactory year for members. Economic and political difficulties still prevail around the world - volatility in world investment markets will continue and the year ahead will not be without problems and difficulties - but the Directors will continue to act in the best interests of all of you.

I also record with thanks the valuable contribution made by my fellow Directors to the management of the Plan.

**DAVID S STEVENS**

**CHAIRMAN**

14 June 2018

## Profiles of Trustee's Directors



**David Stevens** was appointed the Chairman of Trustees in 1994 and is now the Chairman of Directors of Ports Retirement Trustee Limited. He is a retired General Manager of a major bank and a retired Executive Director of Workplace Savings New Zealand. He is a Trustee of and involved in the management of a number of charitable organisations.

**Wayne Butson** was appointed a Trustee in March 2010. Wayne is the General Secretary of the Rail & Maritime Transport Union and a Trustee of the Locomotive Engineers' SAD Fund and the NZ Railways Staff Welfare Trust.



**Jonathan Gardiner** was appointed a Director of the Trustee in May 2018. Jonathan has been the Chief Financial Officer of the Lyttelton Port Company since July 2014. Jonathan has a Bachelor of Management Studies (Hons) from Waikato University.

**Chris Ball** was appointed a Director of the Trustee in February 2017. He is a Chartered Accountant and is also a Trustee of the Locomotive Engineers' SAD Fund.



**Paul Drummond (Licensed Independent Trustee)** was appointed a Trustee in 2016. He acts as the Licensed Independent Trustee Director of the Plan for the purposes of the FMCA. He spent over 40 years in banking and investment-related roles with several New Zealand banks before retiring in 2013. He is currently acting as Executive Trustee of the NZ Red Cross Foundation and has Licensed Independent Trustee roles for several other restricted workplace savings schemes.

**Andrew Kelly** was appointed a Trustee in November 2014. He has worked as a fitter/turner at LPC since 2006. He is branch president of the Rail & Maritime Transport Union and also South Island Ports Representative on the NMC. Andrew served his apprenticeship in the UK and moved to NZ 30 years ago.



**Simon Kebbell** was appointed a Director of the Trustee in February 2017. Simon is an experienced finance professional who holds a Bachelor of Management Studies (Hons) and is also a Chartered Accountant. Simon is currently the IT/Finance Manager for the Port of Tauranga Limited.

**Dion Young** was appointed a Trustee in October 2009 and works as a cargo handler/crane driver for C3 Limited in Tauranga. Dion, a South Islander who now lives in Mount Maunganui, is a delegate of the Rail & Maritime Transport Union Bay of Plenty Port Branch.



## Summary Financial Statements

The following summary financial statements have been extracted from the full financial statements for the year ended 31 March 2018, which were authorised for issue by the Trustee on 14 June 2018. An unmodified audit report was issued on the full financial statements on 14 June 2018.

There is no requirement to obtain an audit opinion on the summary financial statements. Consequently, the summary financials are unaudited.

As the summary financial statements do not include all the disclosures included in the full financial statements, they cannot be expected to provide as complete an understanding as is provided by the full financial statements of the financial position, financial performance and cash flows of the Plan.

A copy of the full financial statements can be obtained from the Administrator:

Melville Jessup Weaver (Claire Shiels):

Telephone (04) 499 0277

Freephone 0800 728 370

Email [claire.shiels@mjw.co.nz](mailto:claire.shiels@mjw.co.nz).

The full financial statements comply with the Financial Reporting Act 2013 and were lodged on the Disclose Register ([companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose)) on 20 June 2018.

The full financial statements and the summary financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Plan operates.

The full financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Financial Reporting Act 2013.

The full 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 full financial statements also comply with International Financial Reporting Standards (IFRS) as issued by The International Accounting Standards Board.

**PORTS RETIREMENT PLAN**

**Statement of Net Assets  
As at 31 March 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash at Bank	67,869	10,620
Contributions Receivable - Member	140,510	159,046
Contributions Receivable - Employer	83,524	97,132
<b>Total Current Assets</b>	<u>291,903</u>	<u>266,798</u>
<b>FINANCIAL ASSETS - At Fair Value Through Profit &amp; Loss</b>		
Short Term Deposits	4,922,767	3,847,325
Fixed Interest - Onshore	11,242,875	10,728,981
Fixed Interest - Offshore	18,037,705	17,458,968
Equities - Trans Tasman	8,987,470	10,274,486
Equities - Offshore	25,640,978	25,807,270
Property Domestic	2,154,617	2,056,219
Property International	2,196,817	2,105,037
Global Infrastructure	2,898,944	3,002,885
Alternative Assets - Growth	2,284,092	2,105,220
Alternative Assets - Income	4,392,601	4,237,973
Forward Foreign Exchange	(166,750)	(128,624)
<b>Total Investments</b>	<u>82,592,116</u>	<u>81,495,740</u>
<b>Total Assets</b>	82,884,019	81,762,538
<b>Less LIABILITIES</b>		
Sundry Accounts Payable	144,886	131,888
Benefits payable	713,622	423,844
Taxation payable	411,099	133,657
<b>Total Liabilities</b>	<u>1,269,607</u>	<u>689,389</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>81,614,412</u>	<u>81,073,149</u>
<b>LIABILITY FOR PROMISED BENEFITS</b>		
<i>Represented By:</i>		
Member Accounts	52,991,881	52,261,305
Employer Accounts	28,622,531	28,811,844
	<u>81,614,412</u>	<u>81,073,149</u>

For and on behalf of the Trustee, who authorised the issue of these financial statements on:

Director:

Date:

14.6.18

Director:

Date:

14.6.18

## PORTS RETIREMENT PLAN

### Statement of Changes in Net Assets For the year ended 31 March 2018

<b>INVESTMENT ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Investment revenue</b>		
Gains on Financial Assets at Fair Value Through Profit or Loss	6,981,490	7,034,218
	<u>6,981,490</u>	<u>7,034,218</u>
<b>Investment Expenses</b>		
Gross Investment Management Fees	(570,445)	(563,055)
Investment Management Fee Rebates	101,610	101,373
<b>Net Investment Revenue</b>	<u>6,512,655</u>	<u>6,572,536</u>
<b>OTHER REVENUES</b>		
Group Life Claims	-	108,841
Use of Money Interest	2,324	2,972
<b>Total Other Revenue</b>	<u>2,324</u>	<u>111,813</u>
<b>OTHER EXPENSES</b>		
Administration and Investment Advisor Fees	(245,384)	(250,561)
Auditors' Remuneration - Audit of Financial Statements	(20,125)	(12,650)
Auditors' Remuneration - Custodian Controls	(17,122)	-
Auditors' Remuneration - Register of Members	-	(2,300)
Group Life Premiums	(199,968)	(185,009)
Trustees Remuneration	(48,277)	(44,579)
Auditors' Remuneration - Taxation Services Fees	(23,230)	(33,465)
<b>Total Other Expenses</b>	<u>(554,106)</u>	<u>(528,564)</u>
<b>Change in Net Assets Before Taxation and Membership Activities</b>	<u>5,960,873</u>	<u>6,155,785</u>
<b>MEMBERSHIP ACTIVITIES</b>		
<b>Contributions</b>		
Member Contributions	2,933,356	2,816,933
Employer Contributions	1,638,710	1,616,072
<b>Total Contributions</b>	<u>4,572,066</u>	<u>4,433,005</u>
<b>Benefits Paid</b>		
Retirement	(5,175,703)	(4,989,494)
Withdrawals	(1,619,672)	(3,298,338)
Redundancy	-	(616,698)
Death and Permanent Incapacity	(22,229)	(835,001)
Resignation	(2,449,957)	(11,072)
<b>Total Benefits Paid</b>	<u>(9,267,561)</u>	<u>(9,750,603)</u>
Income Tax Expense	(724,115)	(806,805)
<b>Net Membership Activities</b>	<u>(5,419,610)</u>	<u>(6,124,403)</u>
<b>Net Increase in Net Assets During Year</b>	<u>541,263</u>	<u>31,382</u>
Net Assets Available for Benefits at Beginning of Year	81,073,149	81,041,767
<b>Net Assets Available for Benefits at End of Year</b>	<u>81,614,412</u>	<u>81,073,149</u>

## PORTS RETIREMENT PLAN

### Statement of Cash Flows

For the year ended 31 March 2018

	2018	2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Cash provided from</i>		
Member Contributions	2,951,892	2,825,716
Employer Contributions	1,652,318	1,621,914
Group Life Claims	-	108,841
	<u>4,604,210</u>	<u>4,556,471</u>
<i>Cash applied to</i>		
Benefits Paid	(8,977,783)	(9,326,759)
Other Administration Expenses	(292,863)	(336,203)
Taxation Paid	(444,349)	(600,000)
Insurance	(199,968)	(360,008)
Trustee Fees	(48,276)	(44,579)
	<u>(9,963,239)</u>	<u>(10,667,549)</u>
<b>Net Cash Flows from Operating Activities</b>	<b>(5,359,029)</b>	<b>(6,111,078)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Cash provided from</i>		
Sale of Investments	15,576,269	14,591,015
<i>Cash was applied to</i>		
Purchase of Investments	(10,159,991)	(8,546,177)
<b>Net Cash Flows from Investing Activities</b>	<b>5,416,278</b>	<b>6,044,838</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>57,249</b>	<b>(66,240)</b>
<b>Cash at Beginning of Year</b>	<b>10,620</b>	<b>76,860</b>
<b>Cash at End of Year</b>	<b><u>67,869</u></b>	<b><u>10,620</u></b>

**ADMINISTRATION MANAGER**

Melville Jessup Weaver  
PO Box 11330  
Wellington 6142  
Telephone: (04) 499 0277

**PRIVACY OFFICER**

Plan Secretary  
PO Box 4197  
Wellington 6140  
Telephone: (04) 499 2066

**INSURER**

Sovereign Limited  
PO Box 291  
Wellington 6140

**AUDITOR**

Deloitte  
PO Box 1990  
Wellington 6140

**SOLICITOR**

Chapman Tripp  
PO Box 993  
Wellington 6140

**COMPLAINTS RESOLUTION SERVICE**

Financial Services Complaints Limited  
P O Box 5967  
Wellington 6145

**INVESTMENT MANAGERS**

AMP Capital Investors (New Zealand) Limited  
PO Box 3764  
Wellington 6140

ANZ New Zealand Investments Limited  
P O Box 7149  
Auckland 1141

Harbour Asset Management Limited  
PO Box 3363  
Wellington 6140

Nikko Asset Management New Zealand Limited  
PO Box 3892  
Auckland 1140

**PLAN SECRETARY**

Information can be obtained from and all correspondence from members to the Trustee should be addressed to:

Debby Green  
Secretary to the Trustee  
Ports Retirement Plan  
PO Box 4197  
Wellington 6140  
Telephone: (04) 499 2066