
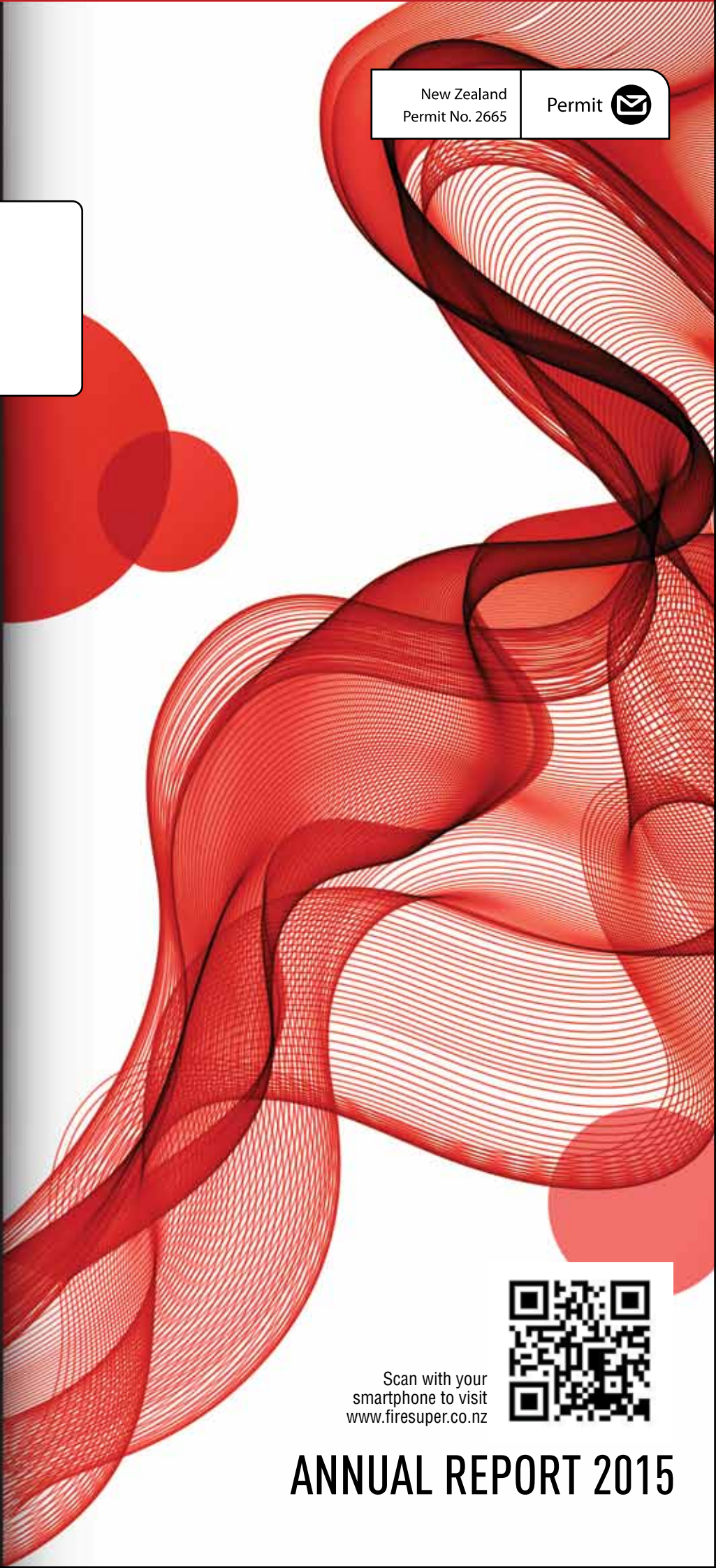


NEW ZEALAND FIRE SERVICE



SUPERANNUATION SCHEME

New Zealand Permit No. 2665	Permit 
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ANNUAL REPORT 2015



TRUSTEES

Appointed by the New Zealand Fire Service Commission

Angela Foulkes
Peter Harris
Geoff Taylor

Appointed by the New Zealand Professional Firefighters Union

Denis Fitzmaurice
Boyd Raines
Ian Wright

Independent Trustee appointed by the Trustees

Tim McGuinness

ADMINISTRATOR CONTACT

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ADMINISTRATION

Accountant

Kendons Chartered Accountants Ltd

Administration Manager

Mercer NZ Ltd

Auditor

Deloitte

Investment Consultant

Russell Investment Group Limited

Investment Managers

AMP Capital Investors Limited
ANZ Investments
Direct Capital Limited
First State Investments
Harbour Asset Management Limited
Russell Investment Group Limited

Scheme Secretary

Barry Dent

Solicitor

DLA Piper

TRUSTEE/SCHEME SECRETARY CONTACT

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This Report has been produced by the Trustees to provide you with an understanding of how the scheme has operated over the twelve months to 31 March 2015. It should be read in conjunction with the scheme's Investment Statement and the information available at www.firesuper.co.nz



Denis Fitzmaurice
Chairman of Trustees

The Trustees are pleased to bring you this Annual Report of your Superannuation Scheme for the year to 31 March 2015.

This Annual Report will be the last prepared by Scheme Secretary Barry Dent. I would like to take this opportunity on behalf of Trustees and Members, to thank Barry for his service to the Scheme firstly as a NZPFU appointed Trustee from the Scheme's 1987 inception and subsequently as Scheme Secretary from 1994. In my own dealings with Barry, firstly as a Trustee and subsequently as Chairman I have found him to be both professional and efficient in his dealings with the Board, Providers and Members. He has been indefatigable, never losing sight of Members best interests and that of the Board, I wish him well in his future endeavours.

Again the year has seen good returns for members, building on the increases of previous years with January particularly being a record month for the Schemes Balanced Portfolio. Whilst markets have climbed and generally been relatively stable, geopolitical events, such as possible Greek exit from the Eurozone weigh upon World investment markets in the short term, illustrating why it is wise to remember that your Superannuation Scheme is a long term investment towards your retirement.

During the year regular meetings have been held between your Trustees and the investment consultant (Russell) and managers to review market returns and manager performance against their benchmarks. Accordingly, Trustees regularly review assets in each Member Investment Choice option to ensure that investment benchmark allocations are maintained.

A reading of this report will enable you to see the difference in earnings between the four Member Investment Choice options.

The differences in return highlight the reward for taking on risk by being exposed to more growth assets in your portfolio (Balanced/Growth MIC) than income generating assets (Cash/Conservative MIC) over a period of time.

Members will be aware in last year's annual report we indicated that an Early Access Benefit would be available to qualifying members from 01 July 2014 and many have made use of this facility. Nonetheless the Scheme still grew from \$339.5m at 31 March 2014 to \$372.3m as at 31 March 2015.

I would like to thank my fellow trustees and the providers of services to the Scheme for their continued efforts over the past year, and this year as we transition the Scheme towards compliance with the Financial Markets Conduct Act (FMCA). It is with the due diligence and help of these people that the Scheme is able to offer continued retirement savings for our Members.

I would recommend that you read this report as it contains important information regarding your retirement savings.

Denis Fitzmaurice

Chairman of Trustees



YOUR TRUSTEES

Angela Foulkes:

Formerly Secretary of the NZ Council of Trade Unions (NZCTU), and a Member of the New Zealand Fire Service Commission, with a twenty year involvement in superannuation policy development. Currently Deputy Chair of the Remuneration Authority, and involved in public sector policy issues.



Tim McGuinness:

Tim has held trustee and director positions with substantial New Zealand based investment management organisations and funds for over 13 years and has an extensive specialist knowledge and experience built up through involvement with managing and administering investment funds for over 26 years.



Geoff Taylor:

Geoff is a director and manager of Dairy Investment Fund Limited and TDB Advisory Limited.



Dairy Investment Fund Limited is a specialized private equity vehicle in the Dairy Sector and has a range of investments in the Dairy Sector.

TDB is a NZ corporate finance and economics advisory business involved in Funds Management, treasury, economic analysis and public policy.

Geoff is a Fellow of the Institute of Finance Professionals of NZ.

Denis Fitzmaurice:

Denis began his career with the Fire Service in 1980, having spent the previous five years in the banking industry. His Fire Service career involves 33 years as an operational Firefighter and Officer with the last two years seconded to a Black Watch role. He is a Life Member of the NZPFU, and formerly served as South Island President and as a member of the National Committee. Currently he is Chairman of Trustees of the Scheme and has been a Trustee since 2006.



As well as the independent trustee for the Fire Service Superannuation Scheme, he is also currently Chairman of Trustees of the Dairy Industry Superannuation Scheme and Fonterra Superannuation Scheme and a trustee of the Police Superannuation Scheme. He is also a director of Whai Rawa Fund Ltd and Unimed, a health insurer. He was on the Board of the Government Superannuation Fund Authority for 10 years (including 3 as Chair) and Board of the Earthquake Commission for 8 years.

These positions followed senior funds management roles with Royal & SunAlliance and Norwich Union / State Insurance.

Ian Wright:

Ian is a Station Officer on Blue Watch at Seaview and he is the Vice President of the NZPFU.



He has completed the Workplace Savings NZ Trustee education programme and has been a Trustee since November 2009.

Peter Harris:

Peter worked in the research and advocacy divisions of the PSA, Combined State Unions and CTU between 1976 and 1999. He was the economic advisor to Finance Minister Michael Cullen from then until 2002. He has been involved in the design and revision of various superannuation schemes, including chairing the group that designed what evolved into KiwiSaver. He carried out a comprehensive review of FireSuper in 2008.



Boyd Raines:

Boyd was appointed a Trustee in December 2013 by the New Zealand Professional Firefighters Union and has completed the Workplace Savings NZ Trustee education programme.





Cash Investment Choice interest credited after expenses and tax (%) 2.59

Conservative Investment Choice interest credited after expenses and tax (%) 7.53

Balanced Investment Choice interest credited after expenses and tax (%) 13.52

Growth Investment Choice interest credited after expenses and tax (%) 16.21

New Members 108

Total Members 1853

New contributions (million) \$ 16.672

Benefits paid (million) \$ 25.378

Scheme net assets (million)

01 April 2014 \$ 339.449

31 March 2015 \$ 372.299



Setting the Objectives

In managing your money, Trustees start by forming a set of investment choices that provide members with distinct options for the type of investments they wish to be invested in. These choices range from a low risk “cash” type option through to higher risk options.

Investments in less risky assets tend to be in cash or in bonds, which are termed “income” assets. The expectation is that there will be less volatility – both up and down – in the capital value of these assets. Investments in more risky assets tend to be in property or in shares. These are known as “growth” assets, because there is an expectation that returns will also come from capital gains, but at the same time there is a greater risk of capital losses.

To help members understand the trade-off between the expected return and risks with each of the options, the Trustees set investment objectives for each of them. These objectives vary across each member investment choice option. In general, as investors seek to achieve higher returns, they need to take on more risk, which means that the chances of negative returns also increases.

Our objectives are set in relation to changes in consumer prices, because at the end of the day the thing that matters is how your retirement savings have performed in relation to what any given amount of your money will buy.

The more we strive to “beat” the Consumers Price Index (CPI), the greater the risk, so we set those objectives over longer time frames to allow for bad years as well as good. The objectives are based on what our Investment Consultant currently believes are the best estimates looking ahead for the returns and risks from investing in the various asset classes.

Currently, our objectives, after deducting fees, administration expenses and tax, for the Member Investment Choice options are:

Growth: CPI plus 4% per annum over ten years plus

Balanced: CPI plus 3% per annum over ten years plus

Conservative: CPI plus 1.5% per annum over ten years plus

Cash: CPI plus 0.25% per annum over ten years plus

A review of how these choice options have performed over the last six years is set out on page 10.

Allocating the Assets

Having formed the investment choices and set the objectives, we take advice from our professional Investment Consultant as to what specific allocation of assets between cash, bonds, property, equities and infrastructure best aligns the risk involved with the return sought.

The percentage in each asset category will vary within each Member Investment Choice option. Where appropriate, assets are also allocated between domestic and global holdings to again get the best anticipated mix of risk and return.

The differences between the asset allocation of the four investment choice options are illustrated below:

Option	Cash (%)	Income earning assets (%)	Shares (%)	Property (%)	Global Listed Infrastructure (%)
Cash	100	0	0	0	0
Conservative	35	45	20	0	0
Balanced	2.5	39	46	7.5	5
Growth	2.5	12.5	67.5	10	7.5

We review the combined performance of the assets within each investment choice to see if, in aggregate, we have outperformed what might have been earned by just investing in the various assets passively. This is an overall test of how our managers are doing.





Appointing the Managers

Again, on professional advice, we engage managers for the different asset types. The performance of each individual manager is regularly assessed against a “benchmark” that is relevant to the class of asset they are investing in. For example, if a manager is investing in global equities, their benchmark will be a margin against a relevant global share index measure.

The managers who invest assets for the scheme are:

AMP Capital Investors – Australasian Shares and Global Shares

Direct Capital Partners – New Zealand unlisted shares

First State Investments – Global Listed Infrastructure

Harbour Asset Management – Australasian shares

ANZ Investments – New Zealand Cash and bonds and Global Property

Russell Investment Group – Global Bonds.

We review the performance of each manager each quarter, meet them face to face once a year, or more often if necessary, and can change managers if we think that is in the best interest of members.

With that background, this report now sets out:

- The performance of each Member Investment Choice option during the year.
- How assets were allocated within those choices.

In setting the scene for scheme performance this year and the variation across the investment choices it is worth noting the most significant factors that influenced the returns were:

- Sharemarkets enjoyed another stellar year, with Global Shares and Australasian Shares returning 18% and 15% respectively. Within Australasian Shares performance by Harbour Asset Management was much less than their benchmark but

Trustees remain comfortable with them as managers.

- Growth assets such as Global Property and Global Listed Infrastructure performed very well with gross performance of 31% and 23% respectively.
- Global performance was enhanced by a decrease in the New Zealand Dollar against the United States Dollar of around 13.5% over the year which meant any unhedged international investments were positively affected.
- Global fixed interest had a gross performance of around 12% whilst New Zealand fixed interest was close to 10%. New Zealand cash had a gross performance of 4%.

This year higher risk was rewarded with higher returns.

Compared against our peers in the industry the following performance comparison has been measured against the median or middle manager of the relevant Mercer KiwiSaver Survey universe:

	1 Year (%)	2 Years (%)	3 Years (%)	5 Years (%)
Our Conservative MIC	9.5	7.5	7.9	7.3
Outperformed peers	√	√	√	√
Excess returns	+0.2	+0.7	+0.9	+1.2
Our Balanced MIC	15.2	12.9	13.1	10.2
Outperformed peers	√	√	√	√
Excess returns	+1.8	+1.9	+1.7	+1.5
Our Growth MIC	17.0	15.5	15.7	11.3
Outperformed peers	√	√	√	√
Excess returns	+1.4	+1.8	+2.2	+1.1

The comparative performance is in excess of our peers for all options over all periods.





HOW THE INVESTMENT CHOICE OPTIONS PERFORMED

Cash Investment Choice

This option returned 3.99% before and 2.59% after tax and expenses for the year.

The gross performance of 3.99% is in excess of the gross benchmark of 3.58% set for cash assets for the year.

	Benchmark allocation (%) at 31 March 2015	Actual allocation (%) at 31 March 2015
Income assets		
Cash	100	100
Assets under management (\$ million)		
		25.62
Gross performance (%)		
	Benchmark	Option
	3.58	3.99

The administration and investment expenses for this Choice were 0.33%.

Conservative Investment Choice

This option returned 9.95% before and 7.53% after tax and expenses for the year.

The gross performance of 9.95% is in excess of the gross benchmark of 9.69% for this option. It is also in excess of the Mercer KiwiSaver Median Return of 9.3% for the year for funds with similar asset allocations.

	Benchmark allocation (%) at 31 March 2015	Actual allocation (%) at 31 March 2015	
Growth assets			
Australasian Shares	5.0	6.4	
Global Shares	15.0	15.0	
Income assets			
New Zealand Bonds	9.0	9.9	
Global Bonds	36.0	33.4	
New Zealand Cash	35.0	35.3	
Assets under management (\$ million)			
		26.55	
Gross performance (%)			
	Benchmark	Option	KiwiSaver Median Return
	9.69	9.95	9.3

The administration and investment expenses for this Choice were 0.56%.

Balanced Investment Choice

This option returned 15.81% before and 13.52% after tax and expenses for the year.

The gross performance of 15.81% is above the gross benchmark of 15.52% for this option. It is also in excess of the Mercer KiwiSaver Median Return of 13.4% for the year for funds with similar asset allocations.

	Benchmark allocation (%) at 31 March 2015	Actual allocation (%) at 31 March 2015	
Growth assets			
Australasian Shares	11.0	12.4	
Global Shares	35.0	35.0	
Global Property	7.5	7.4	
Global Infrastructure	5.0	4.9	
Income assets			
New Zealand Bonds	8.0	8.9	
Global Bonds	31.0	28.5	
NZ Cash	2.5	2.9	
Assets under management (\$ million)			
		279.41	
Gross performance (%)			
	Benchmark	Option	KiwiSaver Median Return
	15.52	15.81	13.4

The administration and investment expenses for this Choice were 0.80%.



Growth Investment Choice

This option returned 17.68% before and 16.21% after tax and expenses for the year.

The gross performance of 17.68% is slightly less than the gross benchmark of 17.79% for this option. However, it is in excess of the Mercer KiwiSaver Median Return of 15.6% for the year for funds with similar asset allocations.

	Benchmark allocation (%) at 31 March 2015	Actual allocation (%) at 31 March 2015	
Growth assets			
Australasian Shares	15.0	16.4	
Global Shares	52.5	52.5	
Global Property	10.0	9.9	
Global Listed infrastructure	7.5	7.4	
Income assets			
NZ Bonds	2.5	3.4	
Global Bonds	10.0	7.5	
NZ Cash	2.5	2.9	
Assets under management (\$ million)		40.83	
Gross performance (%)	Benchmark	Option	KiwiSaver Median Return
	17.79	17.68	15.6

The administration and investment expenses for this Choice were 0.86%.





How has the Scheme performed?

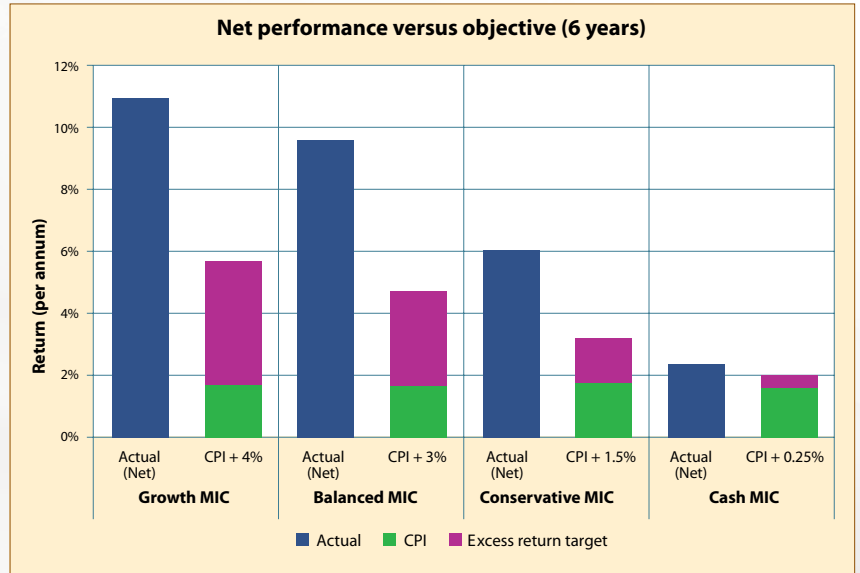
The Trustees maintain a Statement of Investment Policies and Objectives (SIPO) that sets out key investment policies, the investment objectives for the various investment options and the performance expected from each investment manager compared to the most relevant benchmark index.

The SIPO is available at the scheme's web site at www.firesuper.co.nz

The current Investment Objectives from the SIPO follow as does progress towards achieving them:

Overall long term performance

Measured after the deduction of investment fees and tax.



The increase in GST to 15% in October 2010 had the effect of a one-off increase in the CPI of about 2% at the time. The effects of the GST increase will take a number of years to work through the system.

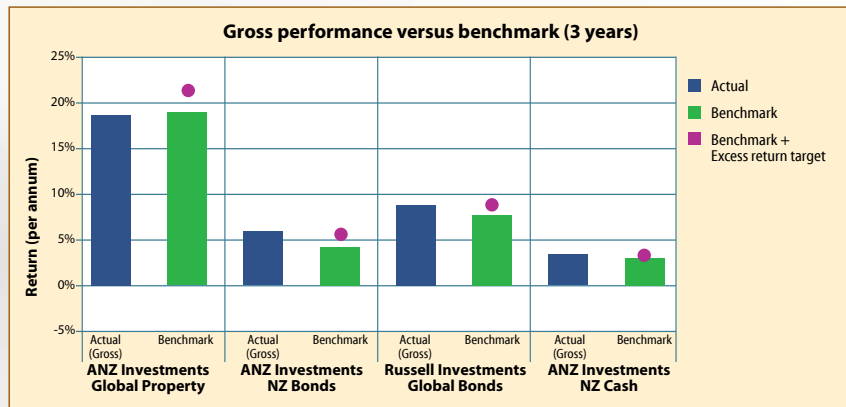
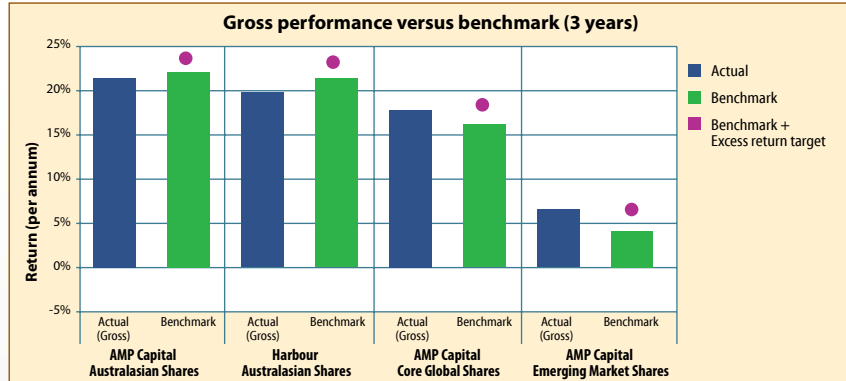
Each Member Investment choice has exceeded the objective over the last six years.





Individual Manager Performance compared to Benchmark

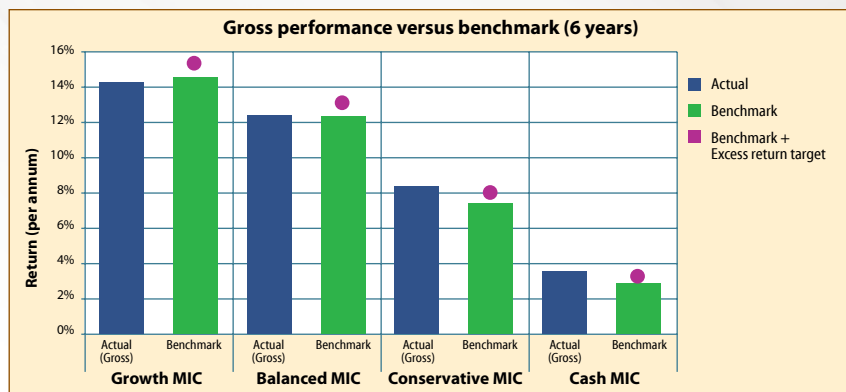
Measured before the deduction of investment fees and tax. The measurement period is rolling 3 years.



The manager performance for the growth assets, Australasian Shares, Global Shares – in aggregate – and Property did not meet the benchmark plus the Trustee set target over the three year period. The manager performance for income assets, Bonds and Cash, has been in excess of the benchmark and the Trustee set target over the three year period.

Investment Choice Performance compared to Benchmark

Measured before the deduction of investment fees and tax. The measurement period is rolling 6 years.



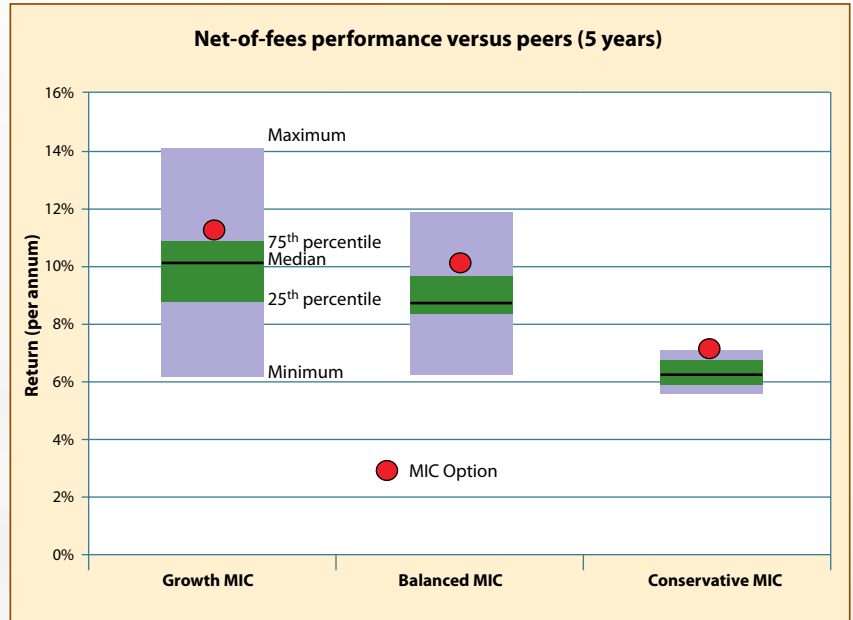
Over the period the gross performance for the Growth and Balanced options have failed to meet the established targets, however the Conservative and Cash options have.



Performance compared to KiwiSaver Funds

Measured after the deduction of investment fees but before the deduction of administration expenses and tax. Compared to funds with a similar growth asset allocation. The measurement period is rolling 5 years.

The chart shows the range of returns by other providers who have similar asset allocations to the scheme in grey. The red dot shows the scheme's performance compared to those other providers with all three options having performance in the top 25%.



Investment Configuration

There were a number of changes made to the investment configuration during the year.

All New Zealand Property assets were divested and were reallocated to other global growth assets in the Balanced and Growth Member Investment Choices. For the Balanced option, the effect of the 5% reallocation was an increase in the exposure to global equities and global property assets of 2.5% each. For the Growth option, the effect of the 7.5% reallocation was an increase in the exposures to global equities of 5% and global property of 2.5%.

In December 2014 AMP Capital announced to Trustees they were closing down their New Zealand Equities team. Your Trustees carried out a search for a new Investment Manager to replace AMP Capital and in February decided to appoint Salt Funds Management as a replacement. Later, after a search,

AMP Capital also decided to appoint Salt Funds Management. In March Trustees resolved to continue to access their Australasian Equities through AMP Capital Investors because the current AMP Capital investment management fees were lower than the fees in the identical product offered by Salt Funds Management.

A minor change was made to the currency hedging policy, to better reflect the Trustee intent to hedge 50% of the foreign currency exposures associated with global shares and fully hedge all other foreign currency exposures.

The Statement of Investment Policies and Objectives (SIPO) was updated twice during the year. The SIPO is available at the scheme's web site at www.firesuper.co.nz.

In March Direct Capital Partners advised they had reduced the commitment required by the Trustees from \$ 5 to

\$ 4 million for their fund. Investments at year's end totalled \$ 2 277 351 of this committed capital contribution on behalf of the Balanced Member Investment Choice option. Direct Capital manages a fund that invests in a mix of smaller unlisted private companies in New Zealand.

The Trustees have maintained a close watch on the scheme's investments and sought regular advice from the Investment Consultant. Trustees are satisfied that a good level of liquidity is maintained at all times to meet any cash flow requirements the scheme may have. Evidence of this satisfactory level of liquidity is seen when over 95% of the Early Access Benefit payments were able to be made within fifteen working days of the request being received from the Member.



Trustees

Trustees met on four occasions during the year. There were no changes to the trustees of the scheme.

New Zealand Fire Service Commission Report into FireSuper

As reported last year there were four recommendations where scheme Trustees had an ability to influence changes. They were:

- The Composition of the Trustee Board,
- Performance comparatives with KiwiSaver,
- Review of the Investment Adviser, and the
- Development of a Communications Strategy.

The final three recommendations above were implemented several years ago. In the case of the composition of the Trustee Board, Trustees will finalise action on this recommendation as part of the transition to the Financial Markets Conduct Act.

In late 2014 a number of the Trustees met with, reported to and provided a written report to the Chairperson of the Sponsor, the New Zealand Fire Service Commission on the scheme's activities to 31 March 2014.

Trust Deed amendments

The Trust Deed was amended on 22 April 2014 to establish an Early Access Benefit for eligible members from 1 July 2014, and to set out the conditions to be met before the benefit payment is made.

The Costs

Overall Administration expenses and investment management fees for the year totalled \$ 2.675 million, up \$ 385 000 on last year, as a result of the growth of funds under management during the year. Administration expenses were up \$ 120 000 to \$ 659 432 this year, as a result of increased administration and Trustee expenses.

Some investment managers deduct fees from inside their Investment Funds. Others directly bill the scheme for fees in accordance with their Investment Management agreements. Trustees disclose both types of investment fees paid in the expenses section of the scheme's financial statements.

The Trustees use an international method of measuring and comparing these expenses from year to year known as the 'Management Expense Ratio' (MER). This ratio shows the level and trend in scheme expenses for investment and administration compared against the total funds being managed. The MER comparison over the last five years is shown below:

To 31 March	Investment	Administration	Total
	MER (%)	MER (%)	MER (%)
2015	0.566	0.185	0.751
2014	0.536	0.165	0.701
2013	0.545	0.181	0.726
2012	0.461	0.200	0.661
2011	0.496	0.208	0.704

The total expense ratio has crept up slightly over the last year and this trend is expected to continue over the next few years because of increasing governance and costs to transition to the Financial Markets Conduct Act. When you compare these costs to retail savings and KiwiSaver products in the market place the scheme's costs are significantly lower.

Scheme Administration

Mercer continued to administer the scheme dealing with day to day enquiries through the HelpLine from their call centre in Melbourne.

Shyam Kanji administers the scheme in a very professional manner.

The Mercer website was updated a number of times during the year which improved the functionality for Members.

Member Investment Choice

153 Members made elections to change their Member Investment Choice options during the year.

Early Access Benefit

The Early Access Benefit was introduced on time on 01 July. As at 31 March \$ 12.943 million in Early Access Benefits had been paid to 211 Members.

Significant Financial Hardship Benefit – Canterbury Earthquakes

One benefit was paid during the year and one claim had yet to be finalised at year's end.



Voluntary contributions

During the year the scheme received voluntary contributions totalling \$53 165. 33 Members made voluntary contributions to the scheme in excess of their normal contributions.

During the year the amount of these contributions has decreased significantly because the scheme must now comply with Regulation 20A of the Anti-Money Laundering and Countering of Terrorism Regulations 2013.

Voluntary contributions to the scheme can now only be accepted through the New Zealand Fire Service payroll and are limited to 10% of the Member's superable salary. Deferred Members can no longer make voluntary contributions.

Financial Markets Conduct Act transition

Trustees have resolved to transition the scheme from its current legislative requirements to the Financial Markets Conduct Act provisions on 30 June 2016.

Members will be kept informed of the changes that will affect them by regular communications in SuperNews.

Scheme Secretary

Barry Dent was appointed the scheme Secretary in September 1994. He has advised Trustees he will be retiring on 31 July 2015.

After a Request for Proposal, Mercer (NZ) Limited have been appointed to be the Secretary to the Scheme from 01 August 2015. The key person appointed by Mercer to carry out this role will be Jan Barber, who was involved in the scheme's administration with both Jacques Martin and more latterly Mercer.

Members will be kept informed of the changes that will affect them by regular communications in SuperNews.

Disputes

Financial Services Complaints Limited (FSCL) continues to administer the Dispute Resolution Scheme on behalf of the Trustees.


Three Complaints were received during the year and were quickly resolved internally to the satisfaction of each of the Members and did not require escalation to the Dispute Resolution Scheme.

The Disputes Resolution Procedure is set out inside the back cover of this Report.

Privacy Issues

The scheme's Privacy Officer reported that the scheme had complied with the Privacy Act and its principles throughout the year. No complaints related to privacy issues were received during the year.

UNIPRI Membership

The scheme continued its membership of the United Nations Principles of Responsible Investing (UNPRI) during the year. 

Membership

The number of Members of the scheme increased again this year.

A breakdown of the Membership changes for the year follows:

Members at 01 April 2014	1804
New Members	108
Members leaving	
Death	1
Dismissal	0
Loss of medical/physical fitness	2
Resignation	24
Retirement	32
Retrenchment	0
Subtotal	59
Members at 31 March 2015	1853

There were 79 deferred Members of the scheme at 31 March 2015.



CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		\$	\$
Investment and Administration Activities			
Investment Revenue	Note 1	48,633,973	30,719,944
Investment Expenses		<u>(2,015,746)</u>	<u>(1,750,097)</u>
Net Investment Revenue		46,618,227	28,969,847
Administration Expenses	Note 2	<u>(659,432)</u>	<u>(539,768)</u>
Change in Net Assets Before Taxation and Membership Activities		45,958,795	28,430,079
Taxation Expense		<u>(4,485,101)</u>	<u>(3,842,894)</u>
Change in Net Assets After Taxation and before Membership Activities		<u>41,473,694</u>	<u>24,587,185</u>
Membership Activities			
Contributions:			
Members	6,612,838		6,258,777
Voluntary	53,165		177,306
Employer	10,005,597		9,455,242
FSC Reimbursement	82,873		<u>73,902</u>
		16,754,473	15,965,227
Withdrawals, Retirements and Other Benefits		<u>(25,378,009)</u>	<u>(15,162,459)</u>
Net Contributions Received / (Paid)		<u>(8,623,536)</u>	<u>802,768</u>
Net Increase in Net Assets during the Year		<u>32,850,158</u>	<u>25,389,953</u>
Liability for Promised Benefits			
Liability for Promised Benefits at Beginning of Year		339,449,017	314,059,064
Net Increase in Net Assets After Taxation and Before Membership Activities		41,473,694	24,587,185
Net Contributions Received / (Paid)		<u>(8,623,536)</u>	<u>802,768</u>
Liability for Promised Benefits at End of Year		<u>372,299,175</u>	<u>339,449,017</u>
Represented as at 31 March by:			
Members' Accounts		150,368,988	142,118,342
Employer Accounts		<u>221,930,187</u>	<u>197,330,675</u>
Reserve Funds		-	-
Liability for Promised Benefits		<u>372,299,175</u>	<u>339,449,017</u>
NET ASSETS AS AT 31 MARCH 2015			
Assets			
Cash		131,459	135,351
Receivables		322,672	381,951
Investments:			
Short Term Securities	44,370,000		50,365,096
New Zealand Fixed Interest	28,860,118		26,953,520
Offshore Fixed Interest	91,426,450		84,323,369
New Zealand Equities	20,931,048		17,658,584
Offshore Equities	161,981,450		130,385,760
New Zealand Property	-		14,277,249
Offshore Property	24,843,816		<u>15,102,554</u>
		372,412,882	339,066,132
Total Assets		<u>372,867,013</u>	<u>339,583,434</u>
Less:			
Payables	436,708		55,722
Tax Payable	-		-
Deferred Tax Liability	131,130		<u>78,695</u>
		567,838	134,417
Net Assets Available to Pay Benefits at End of Year		<u>372,299,175</u>	<u>339,449,017</u>

NOTES FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	\$	\$
Summary of Statement of Cash Flows		
Net Cash Flows from Operating Activities	(11,383,768)	2,023,392
Net Cash Flows from Investing Activities	11,379,876	(2,041,839)
Note 1: Investment Revenue		
Interest	29,577	40,537
Dividends	4,408,791	3,564,964
Change in Net Market Value of:		
New Zealand Fixed Interest	4,473,271	1,650,311
Offshore Fixed Interest	7,082,282	(25,166)
New Zealand Equities	2,330,880	1,699,663
Offshore Equities	23,671,483	21,882,331
New Zealand Property	2,993,277	1,101,542
Offshore Property	3,639,840	805,762
Sundry Income	4,572	-
	<u>44,195,605</u>	<u>27,114,443</u>
Total Investment Revenue	<u><u>48,633,973</u></u>	<u><u>30,719,944</u></u>
Note 2: Administration Expenses		
Accountancy Fees	17,513	10,325
Administrators Fees	327,640	271,390
Audit Fees (Audit of Financial Statements)	18,688	17,825
Legal Fees	76,645	58,549
Other Fees Paid to Deloitte (Tax Advice)	52,900	52,497
Levies	41,824	40,705
Printing and Stationery	15,046	14,144
Trustees Fees & Expenses	104,256	73,908
Other Administration Fees	4,920	425
	<u>659,432</u>	<u>539,768</u>

SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements of the New Zealand Fire Service Superannuation Scheme on pages 15 to 16 are the Summary Financial Statements of the New Zealand Fire Superannuation Scheme, a profit-orientated entity, for the year ended 31 March 2015, and are extracted from the full Financial Statements, which have been prepared in accordance with NZ GAAP and comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and with International Financial Reporting Standards ("IFRS"). The full Financial Statements were authorised for issue by the Trustees on 21 May 2015.

An unmodified audit report was issued for the full financial statements on 21 May 2015.

As the summary Financial Statements do not include all the disclosures that are in the full Financial Statements, they cannot be expected to provide as complete an understanding as provided by the full Financial Statements. These summary Financial Statements are in compliance with FRS-43: *Summary Financial Reports*.

All amounts are presented in New Zealand dollars.

The full Financial Statements are available to Members from the Scheme Secretary at no charge from:

The Secretary to the Trustees
 New Zealand Fire Service Superannuation Scheme
 PO Box 36287
 Merivale
 CHRISTCHURCH 8146.



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

TO THE MEMBERS OF NEW ZEALAND FIRE SERVICE SUPERANNUATION SCHEME

The accompanying summary financial statements of the New Zealand Fire Service Superannuation Scheme on pages 15 to 16, which comprise the summary statement of net assets as at 31 March 2015, and the summary statement of changes in net assets and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of the New Zealand Fire Service Superannuation Scheme for the year ended 31 March 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 21 May 2015.

The summary financial statements do not contain all the disclosures required for full financial statements under New Zealand Equivalents to International Financial Reporting Standards, International Financial Reporting Standards and generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the New Zealand Fire Service Superannuation Scheme.

This report is made solely to the Scheme's members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 31 March 2015. 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 on summary financial statements 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.

Trustees' Responsibility for the Summary Financial Statements

The Trustees are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

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

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the New Zealand Fire Service Superannuation Scheme for the year ended 31 March 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Chartered Accountants
21 May 2015
Wellington, New Zealand

This audit report relates to the summary financial statements of the New Zealand Fire Service Superannuation Scheme for the year ended 31 March 2015 included on the New Zealand Fire Service Superannuation Scheme's website. The New Zealand Fire Service Superannuation Scheme's Trustees are responsible for the maintenance and integrity of the New Zealand Fire Service Superannuation Scheme's website. We have not been engaged to report on the integrity of the New Zealand Fire Service Superannuation Scheme's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 21 May 2015 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.



In accordance with the reporting requirements of the Superannuation Schemes Act 1989 the Trustees:

- Confirm that all contributions required to be made to the scheme in accordance with the Trust Deed for the year ended 31 March 2015 have been made.
- Certify that all the benefits required to be paid from the scheme in accordance with the Trust Deed for the year ended 31 March 2015 have been paid.
- Certify that the market value of the assets of the scheme as at 31 March 2015 equaled or exceeded the total value of all benefits that would have been payable had all Members ceased to be Members at that date.
- Confirm there has been one amendment to the Trust Deed of the scheme during the year ended 31 March 2015. On 22 April 2014 the Trust Deed was amended to establish an Early Access Benefit for eligible members from 1 July 2014, and to set out the conditions to be met before the benefit payment is made.
- Confirm the earning rates for the Member Investment Choice options that applied from 01 April 2014 to 31 March 2015 were:

Interest rates (%)	Cash Option	Conservative Option	Balanced Option	Growth Option
April	+0.19	+0.70	+1.21	+1.39
May	+0.20	+0.83	+1.55	+1.88
June	+0.18	+0.12	+0.08	+0.02
July	+0.22	+0.66	+1.38	+1.57
August	+0.24	+0.86	+1.38	+1.53
September	+0.23	+0.41	+0.44	+0.58
October	+0.23	+0.48	+1.02	+1.11
November	+0.22	+0.90	+1.56	+1.96
December	+0.22	+0.28	+0.37	+0.33
January	+0.21	+1.41	+2.74	+3.26
February	+0.20	+0.55	+1.15	+1.87
March	+0.22	+0.04	-0.14	-0.37

- Confirm the market value of assets subject to complying fund rules is \$ 3 179 852. These assets relate to 100 Members and the value of withdrawals subject to complying fund rules was \$ 198 335.00.

In accordance with the Securities Act 1978 the Trustees confirm:

That no trustee, promoter, or manager of the scheme, or any director of that trustee, promoter, or manager has, during the last 5 years preceding the balance date, been adjudged bankrupt or insolvent, convicted of any crime involving dishonesty, prohibited from acting as a director of a company, or placed in statutory management or receivership.

None of the scheme's assets (calculated in accordance with generally accepted accounting practice) was, at any time during the year preceding the balance date, represented directly or indirectly by any securities that were issued by a trustee, manager or custodian of the scheme (or any associated person of any of them).

No legal proceedings or arbitrations were pending at the balance date that may have a material adverse effect on the scheme.

In their opinion, after due enquiry by them, that neither

- the value of the scheme's assets relative to its liabilities (including contingent liabilities);
- the ability of the scheme to pay its debts as they become due in the normal course of business

have materially and adversely changed since the balance date.



IF YOU HAVE A COMPLAINT – FOLLOW THIS PROCEDURE

1. Members, including deferred Members and pensioners, are advised that the Secretary to the Trustees, Barry Dent, is the named individual whom they should contact if they have any dispute or a complaint about the operation of the scheme. His contact details are set out inside the front cover.
2. In the case of a dispute or a complaint about the operation of the scheme he is to:
 - acknowledge receipt of the complaint,
 - check whether or not anonymity is requested and advise the Member whether or not that is likely to be practicable,
 - advise the Member when a substantive reply can be expected,
 - ensure that the Trustees are notified of the complaint,
 - ensure that the complaint is dealt with within 40 days following its receipt.
3. The Trustees have formed a sub-committee to handle complaints. Membership of the sub-committee is Angela Foulkes, Steve Warner and Barry Dent.
4. The sub-committee shall make a decision on all complaints received. If you are not satisfied with the decision you have the right to take an unresolved complaint to FSCL – Financial Services Complaints Limited – who have been selected as the scheme's Disputes Resolution Scheme provider.
5. The FSCL contact details are:

Website: www.fscl.org.nz

Email: info@fscl.org.nz

Freephone: 0800 347257

Telephone: (04) 472FSCL (472 3725)

Fax: (04) 472 3727

Postal Address: PO Box 5967
Lambton Quay
WELLINGTON 6145.

Comment:

- **Complaints about the rates of return of the scheme or the level of benefits provided in the Trust Deed.** These are not matters that would be expected to be dealt with by this procedure. Members are encouraged to write to the Secretary to the Trustees at any time to bring them to the attention of the Trustees.
- **Complaints of a clerical nature, such as contributions not being recorded correctly or personal details not being corrected.** These are not matters that would be expected to be dealt with by this procedure. Members should write to the Secretary to the Trustees immediately an error is detected in order that it can be corrected as soon as possible.
- **Complaints about failure to exercise a discretion by Trustees.** Members generally do not appreciate that Trustees can, at law, be required to consider whether or not to exercise a discretion, but cannot be compelled to exercise it. Complaints about the exercise or non-exercise of a discretion may be addressed under this procedure.
- **Complaints about employer actions or non-actions.** These are outside the scope of this procedure, but the Trustees intend to advise the employer of the nature and frequency of these complaints as necessary and at least on an annual basis.



New Zealand Fire Service Superannuation Scheme PO Box 36287, Merivale, CHRISTCHURCH 8146