

Ranfurly Superannuation Scheme

Financial Statements

For the year ended 31 March 2021

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Directory

Manager	Ranfurly Strategic Limited Level 1 , North Lobby Awly Building, 293 Durham Street, Christchurch 8013, New Zealand	Supervisor	Public Trust Level 8, Public Trust Building 22 Willeston Street Private Bag 5902 Wellington 6140, New Zealand
Directors of the Manager	Christopher Wells Kenji Steven	Legal Advisors	DLA Piper New Zealand Chartered Accountants House Level 5, 50-64 Customhouse Quay PO Box 2791 Wellington 6140, New Zealand
Established by Deed dated	14 March 2014 As amended by Deed dated: 5 August 2015 23 November 2016 16 December 2016 26 May 2017 10 December 2020	Auditor	BDO Christchurch Level 4, 287-293 Durham Street North Christchurch, New Zealand
Registered as a Superannuation Scheme	SCH11231 24 November 2016		

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RANFURLY SUPERANNUATION SCHEME**

Opinion

We have audited the financial statements of Ranfurly Superannuation Scheme (“the Scheme”), which comprise the statements of net assets as at 31 March 2021, and the statements of changes in net assets and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Scheme as at 31 March 2021, and 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”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Scheme.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and existence of financial assets held at fair value through profit or loss (FVTPL)

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Financial Assets and Liabilities at Fair Value through Profit or Loss are included in note 5 of the financial statements. This balance included material movements in revenues recognized as both realized and unrealized gains on Investment.</p> <p>The Scheme recognises their investments as financial assets and liabilities at fair value through profit or loss. The fair value of the financial assets is considered to be their redeemable value according to published prices at reporting date and they are therefore included in Level 2 of the fair value hierarchy.</p> <p>In assessing the fair value, the Manager uses information provided by the investment fund administrators including the financial statements of the underlying funds and recent transaction prices. When the market prices are quoted in foreign currencies, these are translated to New Zealand dollars using the applicable exchange rate at balance date.</p> <p>Investments held by the Scheme as of 31 March 2021 total \$50,003,835. Due to the significance of the balance and the associated movements, this was considered to be a key audit matter.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtaining confirmations from the Custodian and financial institutions of the holdings of all the financial instruments held by the Scheme and the Funds as at balance date; • Reviewing prices of units to externally reported prices; • Reviewing the movements recognized as revenues through both realized and unrealized gains on investments; • Considering whether there were any indicators of impairment; • Obtaining the Custodians, Supervisors, and Investment Management Firm’s internal control reports for services provided, considering whether those controls relied upon operated effectively for the full year ended 31 March 2021; • Assessing the adequacy of the disclosures made in respect of the investments in the financial statements.

Directors’ of the Licensed Managers Responsibilities for the Financial Statements

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

In preparing the financial statements, the directors are responsible on behalf of the Scheme for assessing the Scheme’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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) 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 decisions of users taken on the basis of these consolidated 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/assurance-standards/auditors-responsibilities/audit-report-1/>

Who we Report to

This report is made solely to the Scheme'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 Scheme and the Scheme'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 Michael Rondel.

A handwritten signature in blue ink that reads 'BDO Christchurch'.

BDO Christchurch
Christchurch
New Zealand
29 July 2021

Statements of changes in net assets

for the year ended 31 March 2021
in New Zealand Dollars

	Note	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
		2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	5 months 2020 \$	2021 \$	2020 \$
Investment Income													
Interest income - amortised cost		2	-	-	-	1	-	65	197	4	11	72	208
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	4	4,607,194	312,712	706,640	102,157	1,176,075	(551)	3,010,189	399,782	50,040	(1,684)	9,550,138	812,416
Other foreign currency (losses)/gains, net		(1,206)	632	(57)	(202)	(42)	-	(61,809)	80,897	13,253	714	(49,861)	82,041
Total income/(loss)		4,605,990	313,344	706,583	101,955	1,176,034	(551)	2,948,445	480,876	63,297	(959)	9,500,349	894,665
Expenses													
Management fees	8	188,747	135,869	37,735	23,987	45,518	13,267	128,999	78,240	4,113	899	405,112	252,262
Bank fees and commissions		591	322	157	168	300	227	6,733	7,809	586	96	8,367	8,622
Establishment costs		8,720	23,087	1,827	3,960	2,033	1,350	6,288	11,601	153	-	19,021	39,998
Interest expense - amortised cost		-	-	-	-	-	-	1,146	3,609	-	-	1,146	3,609
Total operating expenses		198,058	159,278	39,719	28,115	47,851	14,844	143,166	101,259	4,852	995	433,646	304,491
Net profit/(loss) before taxation and membership activities		4,407,932	154,066	666,864	73,840	1,128,183	(15,395)	2,805,279	379,617	58,445	(1,954)	9,066,703	590,174
Membership activities													
Contributions	7	7,115,723	4,103,579	696,661	1,545,753	4,192,134	1,500,628	4,106,671	1,375,530	327,337	-	16,438,526	8,525,490
Fund switches in	7	1,730,148	131,347	355,268	-	665,429	53,721	208,614	3,282,784	378,212	201,045	-	-
Fund switches out	7	(1,235,657)	(3,294,982)	(877,067)	(388,549)	-	-	(808,667)	-	(416,280)	-	-	-
Withdrawals	7	(1,068,373)	(498,982)	(677,327)	(157,897)	(166,026)	(9,625)	(683,013)	(4,020,580)	(3,693)	(724)	(2,598,432)	(4,687,808)
PIE tax attributable to Members	7	(135,461)	(103,678)	(6,080)	(5,790)	(29,589)	(3,132)	(179,357)	46,120	(3,328)	754	(353,815)	(65,726)
Net membership activities		6,406,380	337,284	(508,545)	993,517	4,661,948	1,541,592	2,644,248	683,854	282,248	201,075	13,486,279	3,757,322
Foreign currency translation reserve		(603,156)	1,200,941	(204,773)	224,490	(32,627)	150,013	-	-	-	-	(840,556)	1,575,444
Movements in members' funds for the period		10,211,156	1,692,291	(46,454)	1,291,847	5,757,504	1,676,210	5,449,527	1,063,471	340,693	199,121	21,712,426	5,922,940
Net assets available for benefits at the beginning of the year		13,880,252	12,187,961	3,526,215	2,234,368	2,333,003	656,793	8,884,634	7,821,163	199,121	-	28,823,225	22,900,285
Net assets available for benefits at the end of the period		24,091,408	13,880,252	3,479,761	3,526,215	8,090,507	2,333,003	14,334,161	8,884,634	539,814	199,121	50,535,651	28,823,225
		2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units		
Units on issue at the start of the year		5,960,088	5,852,962	1,597,743	1,133,471	1,072,253	337,426	8,241,925	7,542,244	201,102	-		
Units issued		3,156,624	1,816,555	439,250	723,584	1,677,672	740,737	3,348,646	4,321,071	668,310	201,810		
Units redeemed		(908,680)	(1,709,429)	(639,194)	(259,312)	(65,012)	(5,910)	(1,254,886)	(3,621,390)	(392,158)	(708)		
Units on issue at the end of the year		8,208,032	5,960,088	1,397,799	1,597,743	2,684,913	1,072,253	10,335,685	8,241,925	477,254	201,102		


This statement is to be read in conjunction with the notes to the financial statements.

Statements of net assets

as at 31 March 2021
in New Zealand Dollars

	Note	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurlly Superannuation Scheme	
		2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Current assets													
Cash and cash equivalents	3	95,632	66,390	13,759	42,028	31,970	56,095	956,861	857,070	30,183	49,608	1,128,405	1,071,191
Financial assets at fair value through profit or loss	5	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,844,067	8,153,245	526,154	155,122	50,003,835	27,903,232
Other receivables	6	54,805	74,206	8,221	13,569	20,342	6,271	37,120	265,011	2,013	-	122,501	359,057
PIE tax receivable on behalf of members		-	-	-	-	-	-	-	49,590	-	757	-	50,347
Total current assets		24,242,620	13,982,483	3,488,799	3,532,993	8,126,924	2,337,948	14,838,048	9,324,916	558,350	205,487	51,254,741	29,383,827
Current liabilities													
Related party payables	8	20,813	12,577	2,981	2,607	6,920	1,821	12,465	7,261	464	176	43,643	24,442
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	333,930	433,021	14,773	6,190	348,703	439,211
PIE tax payable on behalf of members		130,399	89,654	6,057	4,171	29,497	3,124	157,492	-	3,299	-	326,744	96,949
Total current liabilities		151,212	102,231	9,038	6,778	36,417	4,945	503,887	440,282	18,536	6,366	719,090	560,602
Net assets available for benefits		24,091,408	13,880,252	3,479,761	3,526,215	8,090,507	2,333,003	14,334,161	8,884,634	539,814	199,121	50,535,651	28,823,225
Represented by:													
Liability for promised benefits		24,091,408	13,880,252	3,479,761	3,526,215	8,090,507	2,333,003	14,334,161	8,884,634	539,814	199,121	50,535,651	28,823,225


These financial statements were authorised for issue by the Manager, Ranfurlly Strategic Limited:



Christopher Wells
Director

29 July 2021

Date



Kenji Stevan
Director

29 July 2021

Date

This statement is to be read in conjunction with the notes to the financial statements.

Statements of cash flows

for the year ended 31 March 2021
in New Zealand Dollars

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	5 months	\$	\$
Cash flows from operating activities												
Sale of investments	2,989,966	4,050,935	1,283,897	505,546	198,212	9,320	3,072,536	4,336,954	518,832	50,430	8,063,443	8,953,185
Interest income	2	-	-	-	-	-	65	197	4	11	71	208
Loans received	-	-	-	-	-	-	-	281,000	-	-	-	281,000
Purchase of investments	(9,227,343)	(4,276,049)	(759,335)	(1,444,027)	(4,840,939)	(1,491,633)	(5,645,692)	(4,393,970)	(831,244)	(201,045)	(21,304,553)	(11,806,724)
Loan repayments	-	-	-	-	-	-	-	(501,000)	-	-	-	(501,000)
Operating expenses	(174,192)	(131,605)	(34,755)	(22,953)	(56,762)	(13,660)	(122,263)	(90,867)	(6,527)	(820)	(394,499)	(259,905)
Net cash (outflow)/inflow from operating activities	9 (6,411,567)	(356,719)	489,807	(961,434)	(4,699,489)	(1,495,973)	(2,695,354)	(367,686)	(318,935)	(151,424)	(13,635,538)	(3,333,236)
Cash flows from financing activities												
Contributions	8,845,871	4,234,792	1,051,929	1,545,753	4,857,563	1,554,654	4,315,285	4,658,619	705,550	201,045	19,776,198	12,194,863
Withdrawals	(2,305,377)	(3,781,260)	(1,556,140)	(543,630)	(166,047)	(9,625)	(1,491,680)	(4,020,580)	(419,973)	(724)	(5,939,217)	(8,355,819)
PIE tax paid	(94,716)	(83,643)	(4,194)	(8,696)	(3,216)	(40)	27,725	(85,695)	728	(3)	(73,673)	(178,077)
Net cash inflow/(outflow) from financing activities	10 6,445,778	369,889	(508,405)	993,427	4,688,300	1,544,989	2,851,330	552,344	286,305	200,318	13,763,308	3,660,967
Net increase in cash and cash equivalents												
Cash and cash equivalents brought forward at the beginning of the year	66,390	43,046	42,028	5,235	56,095	1,790	857,070	598,707	49,608	-	1,071,191	648,778
Foreign exchange (losses)/gains on cash and cash equivalents	(4,969)	10,174	(9,671)	4,800	(12,936)	5,289	(56,185)	73,705	13,205	714	(70,556)	94,682
Cash and cash equivalents at the end of the period	3 95,632	66,390	13,759	42,028	31,970	56,095	956,861	857,070	30,183	49,608	1,128,405	1,071,191

This statement is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

Reporting entity

These financial statements are for the Ranfurlly Superannuation Scheme ("the Scheme") which was registered as a Superannuation Managed Investment Scheme under the Financial Markets Conduct Act 2013 ("FMCA") on 24 November 2016. The Scheme is domiciled in New Zealand.

The Scheme was established by a Trust Deed dated 14 March 2014. The Trust Deed was entered into by Public Trust ("the Supervisor") and Ranfurlly Strategic Limited ("the Manager"). The Trust Deed was amended on 23 November 2016, 16 December 2016 and 26 May 2017. The amendments of the Trust Deed and their impact are fully set out in the Annual Report to members for the year ended 31 March 2018. The Scheme is registered on Disclose SCH11231.

The Scheme is a defined contribution scheme which means that the benefits payable depend on the accumulation of contributions by members, returns on those contributions and tax and fees deducted. Under the Trust Deed, member contributions are made in the manner specified in the member application. Members can choose to make additional contributions on a basis prescribed by the Manager (there is no minimum contribution amount).

The Scheme is a Qualifying Recognised Overseas Pension Scheme ("QROPS") under Her Majesty's Revenue & Customs ("HMRC") regulations (QROPS number 900055), qualifying on 1 July 2014. This means the Scheme is able to accept members qualifying UK pension transfers.

The Scheme comprises a portfolio of investment funds ("the Funds"). Notwithstanding the division of the Scheme into Funds, the Scheme is a single trust with the value of each member's interests in the Scheme, being an individual member's account value, is determined by reference to the value of units they hold in the Funds. The Scheme Funds with funds under management as at 31 March 2021 were as follows:

- Ranfurlly Sterling Balanced Fund - denominated in pounds sterling
- Ranfurlly Sterling Conservative Fund - denominated in pounds sterling
- Ranfurlly Sterling Growth Fund - denominated in pounds sterling
- Ranfurlly New Zealand Dollar Balanced Fund - denominated in New Zealand dollars
- Ranfurlly New Zealand Dollar Conservative Fund - denominated in New Zealand dollars

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the period presented, unless otherwise stated.

The financial statements have been prepared in accordance with the Trust Deed, the FMCA and the Financial Reporting Act 2013. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost method as modified by the fair value of financial assets and liabilities at fair value through profit or loss.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as appropriate to Tier 1 for-profit entities and the requirements of the Trust Deed.

The financial statements have been prepared for the year ended 31 March 2021 with comparatives for the year ended 31 March 2020.

The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities either have a maturity of less than a year or have no fixed maturity are are therefore considered current assets/liabilities (2020: same).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant accounting policies, estimates and judgements	<p>The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Scheme's accounting policies.</p> <p>The Manager has not made any material accounting estimates or judgements in these financial statements.</p>
COVID-19 considerations	<p>As a result of the COVID-19 pandemic, global financial markets have experienced increased volatility. To manage the impact of this volatility, and other investment risks, the unlisted trust's managers continually monitor and assess the investments that the funds have made and make adjustments as required.</p>
Functional and presentation currency	<p>These financial statements are presented in New Zealand dollars. The functional currency of the Scheme is New Zealand Dollars. The currency of the Funds is Great British pounds or New Zealand dollars. All amounts have been rounded to the nearest dollar.</p>
Foreign currency translation	<p>Transactions denominated in foreign currencies are recognised at the exchange rates at the date of the transactions. Assets and liabilities denominated in foreign currencies as at reporting date are translated at the exchange rates at that date.</p> <p>Foreign exchange gains and losses resulting from translation are included in the Statements of Changes in Net Assets. Foreign exchange gains and losses relating to cash and cash equivalents are included in the Statements of Changes in Net Assets within 'Net foreign currency gains/(losses) on cash and cash equivalents' and foreign exchange gains and losses relating to financial assets and liabilities carried at fair value through profit or loss are included in the Statements of Changes in Net Assets within 'Net gains/(losses) on financial assets and liabilities at fair value through profit or loss'.</p> <p>All resulting exchange differences from translating member contributions and withdrawals into the presentation currency are recognised in the Statements of Changes in Net Assets in the 'Foreign currency translation reserve'.</p>
Standards and amendments to existing standards effective in the current year	<p>No new standards or amendments to existing standards and interpretations that have come into effect for the current year have had a material impact on the financial statements of the Scheme.</p>
New accounting standards and interpretations not yet adopted	<p>No standards and amendments to existing standards and interpretations that are not yet in effect and have not been early adopted are expected to have a material impact on the financial statements of the Scheme.</p>
Financial instruments	<p>(a) Classification <i>Financial assets and liabilities at fair value through profit or loss</i></p> <p>The Scheme classifies its investments in unlisted trusts as financial assets at fair value through profit or loss. The Scheme classifies its investment securities based on both the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's investment strategies, policies and guidelines are established by the Manager. The portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Scheme's investment strategies.</p> <p>Derivative instruments, which are predominantly Over The Counter ("OTC") forward foreign exchange contracts, are classified as financial assets or liabilities at fair value through profit or loss. The use of derivatives is governed by investment guidelines which are set by the Manager with the approval of the Trustee. Where derivative instruments are used to economically hedge currency risk, hedge accounting is not applied and derivatives are accounted for on the same basis as those investments being hedged, and are recognised at their fair value.</p>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments - continued

(a) Classification - continued

The Manager is primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Scheme has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

Financial assets and liabilities at amortised cost

The Scheme's cash at bank and receivables are classified as financial assets at amortised cost based on the Scheme's business models for managing those financial assets and the contractual cash flow characteristics.

Financial liabilities at amortised cost comprise related party payables and other payables.

(b) Recognition

The Scheme recognises financial assets and liabilities on the date they become parties to the contractual agreement (trade date). Financial assets and liabilities are initially recognised at fair value.

Gains and losses arising from changes in fair value are recognised in the statements of changes in net assets when they arise. Transaction costs relating to financial assets at fair value through profit or loss are expensed separately in the Statements of Changes in Net Assets as they are incurred.

Interest income is separately recognised in the Statements of Changes in Net Assets.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date in the principal or, in its absence, the most advantageous market to which the Scheme had access to at that date. The fair value of a liability reflects its non-performance risk.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs relating to financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statements of Changes in Net Assets.

Fair value of unlisted trusts

The Scheme's investments in unlisted trusts is determined using the last available redemption unit prices for those trusts at reporting date, as determined by the unlisted trust's administrators. The Scheme reviews the details of the reported information obtained from unlisted trusts and consider: the liquidity of the unlisted trust or its underlying investments; the value date of the net asset value provided; restrictions on redemptions; and the basis of accounting and, in instances where the basis of accounting is other than fair value, fair value information is obtained from the unlisted trust's administrators. The unlisted trusts invest in a mix of international equities, Australasian equities, international fixed interest securities, derivatives and cash and cash equivalents. The assets of the unlisted trusts are predominantly listed on approved exchanges. The asset mix is determined by each unlisted trust's investment objective.

The rights of the Scheme to request redemption of their investments in unlisted trusts may vary in frequency from daily to weekly redemptions. As a result, the carrying values of the unlisted trusts may not be indicative of the values ultimately realised on redemption. In addition, the Scheme may be materially affected by the actions of other investors who have invested in unlisted trusts in which the Scheme has invested. For example, if there were a large number of redemptions from the unlisted trusts then the trust's underlying investments may need to be liquidated at less than optimum prices in order to fund those redemptions.

(d) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair value hierarchy	<p>All items carried at fair value are required to be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:</p> <p><i>Level one - fair value in an active market</i> The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date.</p> <p><i>Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data</i> The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data, either directly (that is, as prices) or indirectly (that is, derived from prices).</p> <p><i>Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data</i> The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.</p>
Offsetting	Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.
Income recognition	<p>(a) Interest income is recognised in the Statements of Changes in Net Assets for all debt instruments using the effective interest rate method. Interest income is earned on short term deposits held at the bank.</p> <p>(b) Any unrealised gains or losses arising from the revaluation of investments at fair value through profit or loss at reporting date, and realised gains or losses on the sale of investments at fair value through profit or loss during the year are recognised in the Statements of Changes in Net Assets.</p>
Expenses	Expenses comprise management fees, commissions, bank fees, establishment costs and interest expenses. All expenses are recognised in the Statements of Changes in Net Assets on an accruals basis. All other expenses of the Scheme are paid by the Manager and not passed through the Scheme.
Cash and cash equivalents	Cash and cash equivalents comprise cash balances with original maturity of 90 days or less and are measured initially at fair value. All cash and cash equivalents are measured at amortised cost.
Other payables	Other payables include liabilities and accrued expenses owing by the Scheme which are unpaid at reporting date and are initially measured at fair value net of transaction costs and subsequently at amortised cost. Trades are recorded on trade date, and normally settled within three business days.
Related party payables	Payables to related parties are accrued expenses owed to related parties which are unpaid at reporting date. Related party payables are initially measured at fair value net of transaction costs and subsequently at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Taxation	<p>The Scheme qualifies as, and has elected to be, a Portfolio Investment Entity ("PIE") for the purposes of the Income Tax Act 2007. Under the PIE regime, income is effectively taxed in the hands of the unit holders and therefore the Scheme has no tax expense.</p> <p>Under the PIE regime, the Manager attributes the taxable income of the Scheme to Members in accordance with the proportion of their interest in the respective Fund. The income attributed to each Member is taxed at the Member's "prescribed investor rate" which is capped at 28%. Notified foreign investors pay a zero rate of tax if all income of the Scheme is derived outside of New Zealand. Any PIE tax payable/refundable on full withdrawals is paid/received by the Manager on behalf of unitholders and deducted from or added to the withdrawal proceeds paid. Units are cancelled/issued to the value of the tax paid/refunded upon determination of the Members' annual PIE tax liabilities/assets at 31 March each year.</p> <p>The PIE tax attributable to unit holders at reporting date is calculated on the basis of the tax laws enacted or substantively enacted at reporting date.</p>
Statements of cash flows	<p>Definitions of the terms used in the Statements of Cash Flows are:</p> <p>(a) 'Operating activities' include all transactions and other events that are not financing activities.</p> <p>(b) 'Financing activities' are those activities that result in changes in the size and composition of Members' funds. This includes elements of Members' funds not falling within the definition of cash.</p> <p>(c) 'Cash' is considered to be cash on hand, current accounts in banks and short term deposits with an original maturity of 90 days or less, net of any bank overdrafts.</p>
Goods and services tax ("GST")	The Scheme is not registered for GST. All components of the financial statements are stated inclusive of GST where appropriate.
Contributions and withdrawals	<p>Contributions received for units in the Scheme are recorded net of any establishment or initial service fees payable (if applicable) prior to the issue of units. Withdrawals from the Scheme are recorded gross of any exit fees payable (if applicable) after the cancellation of units. Units confer an equal interest in the Scheme and are of equal value. The unit price of each of the Funds is determined as the net asset value ("NAV") of the Fund divided by the number of units on issue for the respective Fund.</p> <p>Contributions and withdrawals are accounted for on a cash basis and recognised in the Statements of Changes in Net Assets when they are received/paid.</p>
Net assets available for benefits	All available funds are allocated to members accounts. The Scheme does not have separate employer accounts and does not have any reserve funds.
Liability for promised benefits	<p>The liability for promised benefits is the Scheme's present obligation to pay benefits to Members and has been calculated as the difference between the fair value of the assets and the fair value of the liabilities as at reporting date. All accrued benefits have been allocated or were available for allocation to Members' accounts.</p> <p>No guarantees have been made in respect of any part of the liability for promised benefits.</p>
Related parties	<p>A party is related to the Scheme if:</p> <p>(a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme;</p> <p>(b) it is a parent, subsidiary or fellow subsidiary or a party defined in (a) above;</p> <p>(c) it has an interest in or relationship with the Scheme that gives it significant influence over the Scheme; or</p> <p>(d) it is controlled by or may be significantly influenced by another party which also has control or significant influence over the Scheme; or</p> <p>(e) the Scheme has an interest in or relationship with the party that gives it significant influence over the party; or</p> <p>(f) they are a member of the Scheme's key management personnel.</p>
Changes in accounting policies	The Scheme has consistently applied the accounting policies to all periods presented in these financial statements.

3. CASH AND CASH EQUIVALENTS

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Cash - pounds sterling	95,631	66,390	13,759	42,028	31,970	56,095	350,999	353,600	5,796	28,378	498,155	546,491
Cash - New Zealand dollar	1	-	-	-	-	-	605,862	503,470	24,387	21,230	630,250	524,700
Total cash and cash equivalents	95,632	66,390	13,759	42,028	31,970	56,095	956,861	857,070	30,183	49,608	1,128,405	1,071,191

4. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 5 months \$	2021 \$	2020 \$
Fair value through profit or loss												
Unitised funds	4,607,194	312,712	706,640	102,157	1,176,075	(551)	2,540,467	975,954	53,821	4,506	9,084,197	1,394,778
Forward foreign exchange contracts	-	-	-	-	-	-	469,722	(576,172)	(3,781)	(6,190)	465,941	(582,362)
Total net gains/(losses) on financial assets and liabilities at fair value through profit or loss	4,607,194	312,712	706,640	102,157	1,176,075	(551)	3,010,189	399,782	50,040	(1,684)	9,550,138	812,416

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial assets at fair value through profit or loss												
Unitised funds	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,796,051	8,153,245	521,104	155,122	49,950,769	27,903,232
Forward foreign exchange contracts	-	-	-	-	-	-	48,016	-	5,050	-	53,066	-
Total financial assets at fair value through profit or loss	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,844,067	8,153,245	526,154	155,122	50,003,835	27,903,232
Financial liabilities at fair value through profit or loss												
Forward foreign exchange contracts	-	-	-	-	-	-	333,930	433,021	14,773	6,190	348,703	439,211
Total financial liabilities at fair value through profit or loss	-	-	-	-	-	-	333,930	433,021	14,773	6,190	348,703	439,211

Fair value hierarchy

Unitised funds are valued using published prices established by the underlying trust's manager which are based on the net asset value ("NAV") of the underlying trust. The Manager believes the Funds could have redeemed their investments at the published prices at reporting date and they are therefore included in Level 2 of the fair value hierarchy.

Forward foreign exchange contract values are determined using valuation techniques which include market observable inputs and are therefore included in Level 2 of the fair value hierarchy. The fair values have been calculated from spot exchange rates and forward points supplied by WM/Reuters.

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CONTINUED

Financial assets at fair value through profit or loss exceeding 5% of the net assets available for benefits of each Fund is as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Baillie Gifford Long Term Global Growth Fund	2,265,843	1,419,732	-	-	810,561	237,777	1,350,766	832,026	-	-	4,427,170	2,489,535
Baillie Gifford Managed Fund	14,491,304	8,245,083	1,566,878	1,576,295	7,264,051	2,037,805	8,298,104	4,941,964	234,047	66,095	31,854,384	16,867,242
Baillie Gifford Sterling Aggregate Bond Fund	7,335,036	4,177,072	1,899,941	1,901,101	-	-	4,147,181	2,379,255	287,057	89,027	13,669,215	8,546,455
Total	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,796,051	8,153,245	521,104	155,122	49,950,769	27,903,232

6. OTHER RECEIVABLES

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Unsettled trades	-	-	-	-	-	-	-	208,638	-	-	-	208,638
Prepaid establishment costs	54,805	74,206	8,221	13,569	20,342	6,271	37,120	56,373	2,013	-	122,501	150,419
Total other receivables	54,805	74,206	8,221	13,569	20,342	6,271	37,120	265,011	2,013	-	122,501	359,057

All other receivable balances are current assets. Other receivables are classified as financial assets at amortised cost.

Prepaid establishment fees are amortised over a 60 month period commencing 6 months after the first unitisation of the Fund. The Scheme opened in December 2016. The costs incurred by Ranfurly Strategic Limited to establish the Scheme were reimbursed by the Funds on a cost activity basis. The Scheme has had significant member inflows, however, there is a limited risk there will be insufficient demand for the Scheme to make it economically viable and it will be wound up. If it is wound up the costs of establishing and winding up the Scheme will be expensed and deducted fully from the net funds available for member benefits. The unamortised establishment fees are 0.24% of the total Scheme net assets available for benefits at 31 March 2021 (31 March 2020: 0.52%). The establishment costs are disclosed in the Product Disclosure Statement.

7. CONTRIBUTIONS AND WITHDRAWALS

Contributions are received from members directly or from other superannuation schemes. Contributions for the year were received from the following sources:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Fund switches in	1,730,148	131,347	355,268	-	665,429	53,721	208,614	3,282,784	378,212	201,045		
Transfers from other schemes	7,115,723	4,103,579	696,661	1,545,753	4,192,134	1,500,628	4,106,671	1,375,530	327,337	-	16,438,526	8,525,490
Total contributions	8,845,871	4,234,926	1,051,929	1,545,753	4,857,563	1,554,349	4,315,285	4,658,314	705,549	201,045	16,438,526	8,525,490

Withdrawals from the Scheme are made to pay authorised pension payments (including lump sum withdrawals) and fees. Fees associated with withdrawals from the Scheme are deducted from members accounts as a redemption of units during the period. Withdrawals for the year were as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Fund switches out	1,235,657	3,294,982	877,067	388,549	-	-	808,667	-	416,280	-		
Pension payments to members	916,319	385,294	654,193	143,904	136,982	-	573,885	3,952,670	-	-	2,281,379	4,481,868
Authorised financial adviser fees	152,054	113,688	23,134	13,993	29,044	9,625	109,128	67,910	3,693	724	317,053	205,940
Member attributed taxation	135,461	103,678	6,080	5,790	29,589	3,132	179,357	(46,120)	3,328	(754)	353,815	65,726
Total withdrawals	2,439,491	3,897,642	1,560,474	552,236	195,615	12,757	1,671,037	3,974,460	423,301	(30)	2,952,247	4,753,534

8. RELATED PARTIES

Related parties comprise the Manager, the Supervisor and their related entities.

Management fees

The Manager is entitled to a fee, payable out of the Funds, in relation to the services it provides as the manager of the Scheme. The fee is calculated weekly and paid monthly as a percentage per annum of the NAV of the Funds. The management fee is currently 1% per annum.

Management fees paid for the year are shown in the Statements of Changes in Net Assets under "Management fees".

Exit fees

The Manager is entitled to an exit fee, payable by the unit holder, when more than 25% of a unit holder's funds are withdrawn. The fee is calculated as 3% of the amount withdrawn, less 1% for every complete 12 months the unit holder has been a member of the Scheme. Exit fees are detailed in Note 8. The Manager may waive the exit fee in certain circumstances.

Administration fees

Administration fees including administration, registry, custody, accounting, hedging advisory, legal and regulatory fees are currently met by the Manager from the management fee received from the Scheme.

Supervisor fees

The Supervisor is entitled to a fee, for the services it provides as supervisor of the Scheme, of 0.08% of the gross asset value ("GAV") of the Scheme per annum, subject to a minimum fee of NZ\$43,000 per annum. The Manager pays the supervisor fee out of the management fee. Supervisor fees for the year ending 31 March 2021 were \$45,000 (2020: \$45,000).

Auditor's fees

BDO Christchurch is entitled to a fee for the services they provide as auditor of the Scheme. Fees paid to the auditor for the audit of the financial statements were \$29,900 (2020: \$27,198). The Manager pays the auditor's fees out of the management fee.

8. RELATED PARTIES - CONTINUED

Related party payables

Payables to related parties at reporting date were as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Management fees payable	20,813	12,577	2,981	2,607	6,920	1,821	12,465	7,261	464	176	43,643	24,442
Total related party payables	20,813	12,577	2,981	2,607	6,920	1,821	12,465	7,261	464	176	43,643	24,442

All related party payable balances are current liabilities. Related party payables are classified as financial liabilities at amortised cost.

Directors interests

Holdings and transactions in the Scheme by directors of the Manager, key management personnel of the Manager and their close relatives were as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units		
Opening units	5,119	-	-	-	14,514	-	74,187	-	-	-		
Purchases	25,946	54,877	2,169	-	7,285	14,565	198,341	74,187	4,645	-		
Sales	(80)	(49,758)	(4)	-	(103)	(51)	(54)	-	-	-		
Closing units	30,985	5,119	2,165	-	21,696	14,514	272,474	74,187	4,645	-		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fair value of related party holdings	90,943	11,922	5,391	-	65,377	31,580	377,884	79,972	5,254	-	544,849	123,474

9. Reconciliation of net profit/(loss) to net cash flows from operating activities

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	5 months 2020 \$	2021 \$	2020 \$
Net profit/(loss)	4,407,932	154,066	666,864	73,840	1,128,183	(15,395)	2,805,279	379,617	58,445	(1,954)	9,066,703	590,174
Adjustments for non-cash items												
Net unrealised changes in the fair value of financial assets and liabilities	(3,978,449)	(6,545)	(460,761)	(62,262)	(1,125,559)	1,464	(2,175,067)	(298,031)	(19,110)	3,122	(7,758,946)	(362,252)
Net foreign currency (losses)/gains on operating activities	(2,565)	5,670	(702)	845	101	449	56,185	(74,011)	(13,204)	(714)	39,815	(67,761)
	(3,981,014)	(875)	(461,463)	(61,417)	(1,125,458)	1,913	(2,118,882)	(372,042)	(32,314)	2,408	(7,719,131)	(430,013)
Movements in working capital items												
Decrease in other payables	-	-	-	-	-	-	-	(356)	-	-	-	(356)
Increase in related party payables	8,236	2,738	374	818	5,099	1,408	5,204	662	288	176	19,201	5,802
Decrease in loans	-	-	-	-	-	-	-	(220,000)	-	-	-	(220,000)
Decrease/(increase) in other receivables	19,401	67,149	5,348	2,035	(14,071)	(6,271)	227,891	(191,216)	(2,013)	-	236,556	(128,303)
(Increase)/decrease in cost of investments	(6,866,122)	(579,797)	278,684	(976,710)	(4,693,242)	(1,477,628)	(3,614,846)	35,649	(343,341)	(152,054)	(15,238,867)	(3,150,540)
	(6,838,485)	(509,910)	284,406	(973,857)	(4,702,214)	(1,482,491)	(3,381,751)	(375,261)	(345,066)	(151,878)	(14,983,110)	(3,493,397)
Net cash (outflow)/inflow from operating activities	(6,411,567)	(356,719)	489,807	(961,434)	(4,699,489)	(1,495,973)	(2,695,354)	(367,686)	(318,935)	(151,424)	(13,635,538)	(3,333,236)

10. Reconciliation of net membership activities to net cash flows from financing activities

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	5 months 2020 \$	2021 \$	2020 \$
Net membership activities	6,406,380	337,284	(508,545)	993,517	4,661,948	1,541,592	2,644,248	683,854	282,248	201,075	13,486,279	3,757,322
Movements in working capital items												
Increase in PIE tax payable	40,745	20,035	1,886	(2,906)	26,373	3,092	207,082	(131,815)	4,056	(757)	280,142	(112,351)
Net foreign exchange (losses)/gains on financing activities	(1,347)	12,570	(1,746)	2,816	(21)	305	-	305	1	-	(3,113)	15,996
	40,745	20,035	1,886	(2,906)	26,373	3,092	207,082	(131,815)	4,056	(757)	280,142	(112,351)
Net cash inflow/(outflow) from financing activities	6,445,778	369,889	(508,405)	993,427	4,688,300	1,544,989	2,851,330	552,344	286,305	200,318	13,763,308	3,660,967

11. DERIVATIVES

Forward foreign exchange contracts

The Scheme maintains an active hedging policy designed to economically hedge returns of the underlying funds back to the currency in which the Fund is denominated. The Scheme uses Jarden Securities Limited ("Jarden") (formerly OMFFinancial Limited) to execute margin foreign exchange contracts and deliverable foreign exchange contracts. For margin foreign exchange contracts Jarden can unilaterally reduce the size of the margin foreign exchange contract if the Scheme's margin balance falls below an agreed minimum amount. To date, Jarden has not established a minimum amount for the Scheme and Jarden have not exercised that right. No assets of the Scheme were pledged as collateral or security against the margin account.

Cash receipts from Jarden and payments to Jarden were reported on a net basis in the Statement of Cash Flows because the turnover is quick, the amounts are large and the maturities are short.

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fair value - GBP	-	-	-	-	-	-	(285,914)	(433,021)	(9,723)	(6,190)	(295,637)	(439,211)
Notional value - GBP	-	-	-	-	-	-	13,729,079	7,721,129	518,525	193,483	14,247,604	7,914,612

12. FINANCIAL RISKS

Financial risk factors

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance. The Scheme is indirectly exposed to risk factors such as credit risk and interest rate risk via its investments in unithised funds, however the risk management notes outlined below are not prepared on a look through basis.

All securities investments present a risk of loss of capital. The maximum loss of capital on unithised funds is limited to the fair value of those positions.

12(a). MARKET RISK

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market.

All equity, unit trust, listed and unlisted investments present a risk of capital loss often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate both domestically and internationally. The Manager moderates this risk through careful stock selection and diversification, daily monitoring of the Scheme's market position and adherence to the Scheme's investment policies.

Price risk - sensitivity analysis

The Manager considers the volatility of the fair value of underlying investments in the Funds over a 5 year period to 31 March to be a reasonable movement for the purposes of price sensitivity. At 31 March, the net fair value of financial instruments exposed to price risk and the sensitivity of the Funds' net assets available for benefits and net profit/(loss) attributable to unit holders to an increase or decrease in prices in line with Fund volatility was as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss												
Unithised funds	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,796,051	8,153,245	521,104	155,122	49,950,769	27,903,232
Total	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,796,051	8,153,245	521,104	155,122	49,950,769	27,903,232
Fund volatility	8.87%	8.00%	6.60%	5.82%	11.45%	10.73%	8.47%	7.97%	6.05%	5.59%	8.99%	7.93%
Sensitivity analysis												
Impact of an increase in prices in line with Fund volatility	2,136,977	1,107,351	228,810	202,384	924,543	244,170	1,168,526	649,814	31,527	8,671	4,490,383	2,212,390
Impact of an decrease in prices in line with Fund volatility	(2,136,977)	(1,107,351)	(228,810)	(202,384)	(924,543)	(244,170)	(1,168,526)	(649,814)	(31,527)	(8,671)	(4,490,383)	(2,212,390)

12(a). MARKET RISK - CONTINUED

Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

The Scheme holds financial instruments denominated in currencies other than New Zealand dollar, the functional currency. It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to change in exchange rates. The Scheme may enter into foreign exchange derivatives to hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency.

Currency risk - sensitivity analysis

At 31 March, had the exchange rates between the New Zealand dollar and the Great British Pound increased or decreased by 10% (2020: 10%) (which is the Manager's assessment of a reasonable movement with regard to historical volatility) with all other variables held constant, the impact on net assets available for benefits and net profit/(loss) attributable to unit holders would have been as follows:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount of the Funds' net assets held in foreign currencies												
Cash and cash equivalents	95,631	66,390	13,759	42,028	31,970	56,095	350,999	353,600	5,796	28,378	498,155	546,491
Other receivables	54,805	74,206	8,221	13,569	20,342	6,271	37,120	265,011	2,013	-	122,501	359,057
Related party payables	(20,813)	(12,577)	(2,981)	(2,607)	(6,920)	(1,821)	-	-	-	-	(30,714)	(17,005)
Unitised funds	24,092,183	13,841,887	3,466,819	3,477,396	8,074,612	2,275,582	13,796,051	8,153,245	521,104	155,122	49,950,769	27,903,232
Forward foreign exchange contracts	-	-	-	-	-	-	(285,914)	(433,021)	(9,723)	(6,190)	(295,637)	(439,211)
Total	24,221,806	13,969,906	3,485,818	3,530,386	8,120,004	2,336,127	13,898,256	8,338,835	519,190	177,310	50,245,074	28,352,564
Sensitivity analysis	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
GBP												
Impact of a 10% strengthening of NZD against GBP	(2,201,982)	(1,269,992)	(316,893)	(320,944)	(738,182)	(212,375)	(5,146)	(56,155)	(61)	1,470	(3,262,264)	(1,857,996)
Impact of a 10% weakening of NZD against GBP	2,691,312	1,552,212	387,313	392,265	902,223	259,570	6,290	68,634	74	(1,797)	3,987,212	2,270,884

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme holds cash in accordance within agreed limits specified in the Investment Mandate for each Fund. The Scheme is therefore exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.

Interest rate risk - sensitivity analysis

The following table details the interest rate re-pricing profiles of the financial assets held by the Scheme. The table also details, based on exposures at 31 March, the effect of an interest rate increase or decrease by 1% with all other variables held constant, on the cash flows of cash and cash equivalents, and the related change in net assets available for benefits and net profit/(loss) attributable to unit holders:

	Sterling Balanced Fund		Sterling Conservative Fund		Sterling Growth Fund		New Zealand Dollar Balanced Fund		New Zealand Dollar Conservative Fund		Total Ranfurly Superannuation Scheme	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Re-pricing profiles												
Cash and cash equivalents												
Up to 90 days	95,632	66,390	13,759	42,028	31,970	56,095	956,861	857,070	30,183	49,608	1,128,405	1,071,191
Total	95,632	66,390	13,759	42,028	31,970	56,095	956,861	857,070	30,183	49,608	1,128,405	1,071,191
Sensitivity analysis	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Impact of a 1% increase in interest rates	956	664	138	420	320	561	9,569	8,571	302	496	11,284	10,712
Impact of a 1% decrease in interest rates	(956)	(664)	(138)	(420)	(320)	(561)	(9,569)	(8,571)	(302)	(496)	(11,284)	(10,712)

12(b). LIQUIDITY RISK

Liquidity risk is the risk that the Scheme will not be able to meet their financial obligations associated with financial liabilities as they fall due. The risk arises where there is a mismatch between the maturity profile of investments and the amounts required to pay withdrawals. The Scheme will generally retain sufficient cash and cash equivalent balances to satisfy accrued expenses that may fall due. If required withdrawals from the Scheme Funds are managed by redeeming investments in underlying funds sufficient to meet the liability of the Scheme Fund. The underlying funds invested into by the Scheme Funds are daily dealing and have 3 day settlement terms. Monies received from member applications may be used to offset member withdrawals.

The Scheme's financial liabilities consist of related party payables which are short term in nature and classified as current liabilities at balance date.

12(c). CREDIT RISK

Credit risk represents the risk that counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Scheme to incur a financial loss. Financial instruments that subject the Scheme to credit risk are cash and cash equivalents and other receivables.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statements of Net Assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Settlement risk is the risk of loss due to the failure of an entity to deliver cash, securities or other assets as contractually agreed. The Scheme's activities may give rise to settlement risk at the time of transactions. The majority of transactions are carried out by a broker which mitigates settlement risk by ensuring that the transaction is settled only when both parties have fulfilled their contractual obligations.

The Scheme's cash and cash equivalents balances are held with banks registered in New Zealand which carry a minimum short term credit rating of AA- (Standard & Poor's) (2020: AA-).

The New Zealand Dollar Balanced Fund executes foreign exchange contracts with Jarden. There is a risk that Jarden will fail to deliver when foreign exchange contracts are exercised by the Fund. Margin accounts with Jarden are held by Jarden on trust in one of Jarden's client bank accounts where Jarden acts as a bare trustee. Jarden is subject to regulatory oversight from the FMA. Jarden has no external credit rating. The Manager does not consider this risk to be a material risk.

At 31 March 2021 and 31 March 2020, all cash and cash equivalents are held with counterparties with high credit ratings and all financial instruments measured at amortised cost are short-term in nature (i.e. no longer than 12 months) and of high credit quality. The Manager considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECLs as any such impairment would be wholly insignificant to the Scheme.

As at 31 March 2021 there were no financial assets past due or impaired (31 March 2020: nil).

12(d). CAPITAL RISK MANAGEMENT

The Scheme's capital is represented by net assets attributable to unit holders. The Manager's objectives when managing capital are to provide returns for unit holders through capital growth and to safeguard its ability to continue as a going concern in order to ensure its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Manager monitors the Scheme's performance on a regular basis, with oversight from the Supervisor.

The Scheme strives to invest the subscriptions of unit holder funds in investments that meet the Scheme's objectives while maintaining sufficient liquidity to meet weekly unit holder redemptions.

The Scheme does not have any externally imposed capital requirements. Units may be redeemed on a weekly basis, or such other date as the Manager shall from time to time determine.

13. CONTINGENT LIABILITIES & COMMITMENTS

The Scheme has no material commitments or material contingencies at 31 March 2021 (31 March 2020: nil).

14. EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant events that have occurred after the Statements of Net Assets date that require recognition or additional disclosure in these financial statements.