

**COOK ISLANDS NATIONAL
SUPERANNUATION FUND**

Financial Statements

For the year ended 31 December 2024

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Financial Statements
for the year ended 31 December 2024

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Independent Auditor's Report

To the Shareholders of Cook Islands National Superannuation Fund

Opinion

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

In our opinion, the accompanying financial statements, on pages 5 to 18, present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') and International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

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

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

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

Trustees' responsibilities for the financial statements

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

In preparing the financial statements, the Trustees are responsible on behalf of the Fund for assessing the Fund'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 Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Fund's members, as a body. Our audit has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte Limited
Auckland, New Zealand
6 August 2025

This audit report relates to the financial statements of Cook Islands National Superannuation Fund (the 'Fund') for the year ended 31 December 2024 included on the Fund's website. The Directors are responsible for the maintenance and integrity of the Fund's website. We have not been engaged to report on the integrity of the Fund's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these 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 financial statements and related audit report dated 6 August 2025 to confirm the information included in the audited financial statements presented on this website.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Statement of Net Assets
As at 31 December 2024

	Note	December 2024 NZ\$	December 2023 NZ\$
ASSETS			
Cash at Bank		2,109,691	856,953
Cash at Cook Islands Bank		417,265	415,479
Cash in Transit		-	870,260
Sundry Debtors		-	1,224
Contributions Receivable - Member	18	1,172,358	1,026,929
Contributions Receivable - Employer	18	1,068,306	967,654
Investments at Fair Value Through Profit or Loss	4	285,495,955	235,426,448
Prepayments		35,081	25,190
Property, Plant and Equipment	16	126,290	74,786
Intangible Assets	17	660,450	914,989
Right-of-Use Asset		327,199	21,286
Total Assets		291,412,595	240,601,198
Less LIABILITIES			
Accounts Payable		(249,033)	(395,059)
Benefits Payable		-	(26,163)
Lease Liabilities		(345,800)	(21,177)
Total Liabilities		(594,833)	(442,399)
Assets allocated to Reserve		-	-
NET ASSETS AVAILABLE FOR BENEFITS		290,817,762	240,158,799
LIABILITY FOR ACCRUED BENEFITS			
<i>Represented by:</i>			
Compulsory Accounts		289,210,538	238,748,706
Reserve Account		1,318,714	1,156,970
Pension Accounts		288,510	253,123
	9	290,817,762	240,158,799

For and on behalf of the Trustee, Public Trust, who authorised the issue of these financial statements on 6 August 2025.

Date: 6 August 2025

The notes and accounting policies on pages 9 to 18 form an integral part of these financial statements.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Statement of Changes in Net Assets
For the year ended 31 December 2024

	Note	December 2024 NZ\$	December 2023 NZ\$
INVESTMENT ACTIVITIES			
Investment Revenue			
Gains/(Losses) on Investments at Fair Value Through Profit or Loss	5	39,279,186	24,367,937
Lease Revenue		34,553	28,050
Interest Received		3,727	25,293
		<u>39,317,466</u>	<u>24,421,280</u>
Investment Expenses			
Investment Management Fees (Net of Rebates)		(495,344)	(676,556)
Investment Team Expenses		(327,952)	(421,610)
Net Investment Revenue		<u>38,494,170</u>	<u>23,323,114</u>
OTHER INCOME			
Insurance Proceeds Received		379,193	129,475
		<u>379,193</u>	<u>129,475</u>
OTHER EXPENSES			
Cook Islands Office Expenses	11	(1,510,936)	(1,342,751)
Administration Fees		(409,014)	(553,701)
Fees Paid to Auditor - Audit Fees		(56,749)	(56,065)
Fees Paid to Auditor - Non Audit Fees		(12,900)	-
Group Insurance Premiums		(724,614)	(836,751)
Bank Fees		(4,785)	(3,611)
Trustee Fees		(77,560)	(99,857)
Consulting & Professional Fees		(373,637)	(169,696)
General Expenses		(11,687)	(19,267)
Depreciation Expense on Property, Plant and Equipment	16	(32,917)	(33,349)
Amortisation of Intangible Assets	17	(458,167)	(404,418)
Interest Expense on Lease Liabilities		(38,785)	(12,434)
Depreciation Expense for the Right-of-Use Asset		(96,793)	(70,827)
Total Other Expenses		<u>(3,808,544)</u>	<u>(3,602,727)</u>
Surplus before Taxation and Membership Activities		35,064,819	19,849,862
Income Tax Expense	3	-	(3,194)
Surplus after Taxation and before Membership Activities		35,064,819	19,846,668

The notes and accounting policies on pages 9 to 18 form an integral part of these financial statements.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Statement of Changes in Net Assets (Continued)
For the year ended 31 December 2024

	Note	December 2024 NZ\$	December 2023 NZ\$
MEMBERSHIP ACTIVITIES			
Contributions			
Member Contributions		11,493,514	10,345,152
Member Voluntary Contributions		2,065,815	1,023,011
Employer Contributions		11,552,789	10,353,952
Penalty Fees		69,095	77,457
Transfer In		-	2,131,340
Unallocated Contributions	22	68,058	846,154
Total Contributions		25,249,271	24,777,066
Benefits Paid			
Retirement		(3,958,128)	(3,699,080)
Death		(706,516)	(434,598)
Insurance Proceeds Paid		(278,665)	(129,475)
Pensions Paid		(1,049,864)	(969,565)
Total Permanent Disablement		(450,556)	(505,758)
Expatriate Withdrawal Benefit		(1,232,244)	(2,010,492)
Voluntary Contribution Withdrawals		(776,031)	(185,835)
Transfer Out		(1,367,789)	(2,296,126)
Total Benefits Paid		(9,819,793)	(10,230,929)
Switches In		7,135,116	9,296,295
Default Switches In	23		163,937,022
Total Switches In		7,135,116	173,233,317
Switches Out		(7,135,116)	(9,295,371)
Default Switches Out	23		(163,937,022)
Total Switches Out		(7,135,116)	(173,232,393)
Switches Fee		-	-
Net Membership Activities		15,429,478	14,547,061
Increase/(Decrease) in Net Assets During the Year		50,494,297	34,393,729
Increase/(Decrease) in Net Assets Allocated to Reserve		-	-
Increase/(Decrease) in Net Assets During the Year		50,494,297	34,393,729
Benefits Accrued			
Allocated to:			
Compulsory Accounts		50,297,166	34,234,828
Reserve Account		161,744	130,377
Pension Accounts		35,387	28,524
		50,494,297	34,393,729

The notes and accounting policies on pages 9 to 18 form an integral part of these financial statements.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Statement of Cash Flows
For the year ended 31 December 2024

	Note	December 2024 NZ\$	December 2023 NZ\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash provided from</i>			
Member Contributions		11,348,085	10,289,607
Member Voluntary Contributions		2,065,815	1,023,011
Employer Contributions		11,452,137	10,287,382
Penalty Fees		69,095	77,457
Transfer In		-	2,131,340
Unallocated Contributions	22	68,058	846,154
Switches In	23	7,135,116	173,233,317
Interbank transfer		870,260	(870,260)
Interest Received		3,727	25,293
Insurance Proceeds Received		379,193	129,475
Lease Revenue		34,553	28,050
		33,426,039	197,200,826
<i>Cash applied to</i>			
Retirement		(3,984,291)	(3,673,202)
Death		(706,516)	(434,598)
Insurance Proceeds Paid		(278,665)	(129,475)
Pensions Paid		(1,049,864)	(969,565)
Temporary Permanent Disablement		(450,556)	(505,758)
Expatriate Withdrawal Benefit		(1,232,244)	(2,010,492)
Voluntarily Contribution Withdrawals		(776,031)	(185,835)
Transfer Out		(1,367,789)	(2,296,126)
Switches Out	23	(7,135,116)	(173,232,393)
Investment Team Expenses		(327,952)	(421,610)
General and Other Expenses		(3,331,788)	(2,874,255)
Bank Fees		(4,785)	(3,611)
Income Tax Paid		-	(3,194)
Principal Portion of Lease Liabilities		(78,083)	(82,442)
Interest Expense on Lease Liabilities		(38,785)	(12,434)
Switches Fee		-	-
		(20,762,465)	(186,834,990)
Net Cash Flows from Operating Activities	10	12,663,574	10,365,836
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash provided from</i>			
Sale of Investments		27,176,000	6,938,140
<i>Cash applied to</i>			
Purchase of Investments		(38,297,000)	(17,728,331)
Purchase of Property, Plant & Equipment		(84,421)	(24,348)
Purchase of Intangible Assets		(203,628)	(800,101)
Net Cash Flows used in Investing Activities		(11,409,049)	(11,614,640)
Net Increase/(Decrease) in Cash Held		1,254,525	(1,248,804)
Cash at Beginning of the Year		1,272,431	2,521,235
Cash at End of the Year		2,526,956	1,272,431

The notes and accounting policies on pages 9 to 18 form an integral part of these financial statements.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Notes to the Financial Statements
For the year ended 31 December 2024

1. Scheme Description

The Cook Islands National Superannuation Fund (the "Fund") commenced operations on 19th September 2001 on the signing of the Trust Deed by the Board of the Cook Islands National Superannuation Fund and Public Trust, a New Zealand crown entity established under the Public Trust Act 2001.

The Fund is a defined contribution superannuation scheme. Upon retirement, most contributing member accounts are transferred to pensioner accounts. The pension paid to a retired member (or their surviving spouse) is based on the account balance at retirement and a rate of pension conversion applied by the Trustee. The rate of conversion is set by the Trustee based on actuarial advice. The Fund does not have the actuarial risks associated with defined benefit schemes because the conversion rate can be altered by the Trustee.

The Fund is domiciled in the Cook Islands and the registered office is located in the ANZ House, Avarua, Rarotonga, Cook Islands.

Termination Terms

The Trust Deed sets out the basis on which the Fund can be terminated. Clause 145 of the Trust Deed also covers the situation where the Fund can be wound-up, upon the date determined by the Fund's National Superannuation Board in consultation with the Trustee and the Cook Islands Government.

2. Basis of Preparation

Statement of Compliance

The financial statements of the Fund have been prepared in accordance with the Trust Deed governing the Fund and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZ IFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards Reduced Disclosure Regime ("IFRS RDR") as issued by the External Reporting Board, and has applied disclosure concessions. The Fund qualifies for NZ IFRS RDR as it does not have public accountability and it is not a large for-profit public sector entity.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of financial assets which are measured at fair value through profit or loss.

Functional and Presentation Currency

These financial statements are rounded to the nearest dollar and presented in New Zealand dollars because that is the currency of the primary economic environment in which the Fund operates.

3. Summary of Significant Accounting Policies

Classification of Assets and Liabilities

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

Classification of Expenditure

Expenditure in the Statement of Changes in Net Assets and Statement of Cash Flows is allocated to the investment funds on a basis according to member registry balances. This methodology is consistent with the prior year.

Standards, amendments and interpretations to existing standards that are effective and have been adopted by the Fund

After due enquiry, there were no new standards, amendments and interpretations to existing standards that were effective and adopted by the Fund during the year.

Interest Income

Interest income is recognised in the Statement of Changes in Net Assets using the effective interest method.

Investment Income

Distribution income and other income from unitised investments are recognised in the Statement of Changes in Net Assets to the extent that it is probable that the economic benefits will flow to the Fund and the income can be readily measured.

Income and Expenses

Income and expenses are accounted for on an accruals basis.

Receivables

Receivables do not carry any interest, and are short-term in nature and are stated at their amortised cost.

Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at balance date. These amounts are unsecured and are usually paid within 30 days of recognition. These amounts are stated at amortised cost.

Goods and Services Tax ("GST")

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Notes to the Financial Statements
For the year ended 31 December 2024

3. Summary of Significant Accounting Policies (Continued)

Accrued Benefits

Accrued benefits (also known as promised retirement benefits) are the benefits which the Fund is presently obliged to transfer in the future to employees and participants, as a result of membership of the Fund, up to the date at which the actuarial valuation of accrued benefits is determined.

Taxation

The Fund is an overseas superannuation scheme which has no liability for New Zealand taxation other than Non Resident Withholding Tax. The Fund is exempt from tax in the Cook Islands under the CINS Act 2000.

The Fund invests into various Portfolio Investment Entities ("PIE"). The PIR rate was 0% from 1st January 2024 to 31st December 2024.

The income tax expense represents PIE tax and Non Resident Withholding Tax.

Statement of Cash Flows

The following are definitions of the terms used in the Statement of Cash Flows:

Cash includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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

Contributions and Benefits

Contributions and benefits are accounted for on an accrual basis. Contributions are recognised in the Statement of Changes in Net Assets when they become receivable, or are received.

Benefits are recognised in Statement of Changes in Net Assets when they become payable or are paid.

Financial instruments

Classification

The Fund classifies its investments as financial assets at fair value through profit or loss.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information. The Trustee has determined that all financial assets and liabilities of the Fund are designated at fair value through profit or loss with the exception of receivables and payables which are measured at amortised cost.

Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. All realised and unrealised gains or losses on financial assets and financial liabilities held at fair value through profit or loss are recognised in the Statement of Changes in Net Assets.

Measurement

Financial assets and liabilities held 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 financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Changes in Net Assets.

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 the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer a liability takes place either:

- In the principal market of the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or most advantageous market must be accessible by the Fund.

The fair value of financial assets at fair value through profit or loss is based on the prices provided by the investment manager. For further details please refer to Note 15.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Notes to the Financial Statements
For the year ended 31 December 2024

3. Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight line basis at rates that will write off the cost of assets over their estimated useful lives.

The following depreciation rates have been applied:

Furniture and Fittings	10%
Equipment	25%
Motor Vehicle	20%

Intangible Assets

Intangible assets include costs incurred in acquiring and building software and computer systems. Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised using the straight line method over the expected useful life.

The following amortisation rates have been applied:

IT System	33%
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In 2024, Intangible assets have been separately disclosed from property, plant and equipment. The comparative has been restated to reflect this change in disclosure presentation.

Capital Risk Management

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

The Fund achieves this through obtaining contributions from members and members' employers. These are then invested into financial assets.

Critical Judgement and Accounting Estimates

The Trustee discussed the development, selection and disclosure of the Fund's critical accounting policies and estimates and the application of these policies and estimates. The Trustee has applied judgement in selecting the accounting policy to designate financial assets held at fair value through profit or loss at inception. However it is possible to determine the fair values of all financial assets as quoted unit prices from the Investment Managers which are readily available and therefore there are no material sources of estimation uncertainty in the preparation of the Fund's financial statements. However as with all investments their value is subject to variation due to market fluctuations. For the purposes of the fair value hierarchy of financial assets at fair value through profit or loss, the Trustee has to apply their judgement as to what constitutes "directly observable prices". For further details please refer to note 15 (Fair Value).

Changes in Accounting Policies

There have been no changes to accounting policies during the year (2023: None).

4. Financial Assets Held at Fair Value Through Profit or Loss

	Total	Conservative	Balanced Fund	Growth Fund
	2024	Fund		
	NZ\$	2024	2024	2024
		NZ\$	NZ\$	NZ\$
SuperLife Invest Global Aggregate Bond Fund	109,905,414	76,933,790	10,990,541	21,981,083
SuperLife Invest Total World (NZD Hedged) Fund	86,186,534	12,927,980	38,783,940	34,474,614
SuperLife Invest Total World Fund	89,195,785	13,379,368	40,138,103	35,678,314
Accrued rebates - unallocated	208,222			
Total Investments	285,495,955	103,241,138	89,912,585	92,134,011
	Total	Conservative	Balanced Fund	Growth Fund
	2023	Fund		
	NZ\$	2023	2023	2023
		NZ\$	NZ\$	NZ\$
SuperLife Invest Global Aggregate Bond Fund	91,612,936	64,129,055	9,161,294	18,322,587
SuperLife Invest Total World (NZD Hedged) Fund	75,161,972	11,274,296	33,822,887	30,064,789
SuperLife Invest Total World Fund	68,651,540	10,297,731	30,893,193	27,460,616
Total Investments	235,426,448	85,701,082	73,877,374	75,847,992

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Notes to the Financial Statements
For the year ended 31 December 2024

5. (Losses)/Gains on Investments at Fair Value Through Profit or Loss

	Total 2024 NZ\$	Conservative Fund 2024 NZ\$	Balanced Fund 2024 NZ\$	Growth Fund 2024 NZ\$
SuperLife Invest Global Aggregate Bond Fund	2,358,901	1,651,231	235,890	471,780
SuperLife Invest Total World (NZD Hedged) Fund	14,211,841	2,131,776	6,395,328	5,684,736
SuperLife Invest Total World Fund	22,708,444	3,406,267	10,218,800	9,083,378
Total (Losses)/Gains on Investments at Fair Value Through Profit or Loss	39,279,186	7,189,273	16,850,018	15,239,894

	Total 2023 NZ\$	Conservative Fund 2023 NZ\$	Balanced Fund 2023 NZ\$	Growth Fund 2023 NZ\$
SuperLife Invest Global Aggregate Bond Fund	(40,875,777)	(38,341,654)	(1,825,431)	(708,691)
SuperLife Invest Total World (NZD Hedged) Fund	35,602,846	14,632,450	8,226,027	12,744,369
SuperLife Invest Total World Fund	29,640,868	15,294,492	4,756,395	9,589,981
Total Gains/(Losses) on Investments at Fair Value Through Profit or Loss	24,367,937	(8,414,713)	11,156,991	21,625,659

6. Distribution Income

The SuperLife PIE funds contain three ETFs (Exchange Traded Funds). The ETFs track Total Return indices for Equities and Bonds. The total returns on the ETFs, recognises all returns as if all dividends and fixed interest coupons have been reinvested. No physical dividend or coupon distributions were collected in 2024.

7. Vested Benefits

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

	Total 2024 NZ\$	Total 2023 NZ\$
Vested Benefits	289,499,048	239,001,829

8. Guaranteed Benefits

No guarantees have been made in respect of any part of the liability for promised benefits (2023: Nil).

9. Liability for Accrued Benefits

a) Changes in Accrued Benefits allocated to Compulsory Accounts

	Total 2024 NZ\$	Total 2023 NZ\$
Opening Balance	238,748,706	204,513,878
Contributions	25,817,945	24,777,066
Withdrawals	(9,535,836)	(10,230,929)
Switches In	7,126,629	9,296,295
Switches Out	(7,125,629)	(9,295,371)
Insurance Proceeds	(12,578)	129,475
Group Insurance Expense	(850,724)	(836,751)
Interest Allocation - Member and Employer	34,117,615	20,395,043
Transfer In	52,256	52,244
Transfer Out	(52,105)	(52,105)
Closing Balance	288,286,281	238,748,706

COOK ISLANDS NATIONAL SUPERANNUATION FUND
Notes to the Financial Statements
For the year ended 31 December 2024

924,258
1,360,549

9. Liability for Accrued Benefits (Continued)

b) Changes in Accrued Benefits allocated to the General Reserve Account

	Total 2024 NZ\$	Total 2023 NZ\$
Opening Balance	1,156,970	1,026,593
Interest Allocation - General Reserve	161,744	130,377
Closing Balance	1,318,714	1,156,970

c) Changes in Accrued Benefits allocated to the Pension Reserve Account

	Total 2024 NZ\$	Total 2023 NZ\$
Opening Balance	253,123	224,599
Interest Allocation - Pension Reserve	35,387	28,524
Closing Balance	288,510	253,123

Total Liability for Accrued Benefits

290,817,762	240,158,799
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10. Reconciliation of (Decrease)/ Increase in Net Assets to Net Cash Flows from Operating Activities

	Total 2024 NZ\$	Total 2023 NZ\$
(Decrease)/Increase in Net Assets During the Year	50,658,963	34,393,729
(Less)/Add Non Cash Items:		
(Gains)/Losses on Investments at Fair Value Through Profit or Loss	(39,279,186)	(24,367,937)
Investment Management Fees	330,680	676,556
Depreciation Expense on Property, Plant and Equipment	32,917	33,348
Amortisation of Intangible Assets	458,167	404,418
Depreciation Expense for the Right-of-Use Asset	96,793	70,827
(Less)/Add Movements in Other Working Capital Items:		
Increase in Sundry Debtors	(8,667)	(24,076)
Decrease in Cash in Transit	870,260	(870,260)
Increase in Contributions Receivable	(246,081)	(122,115)
Decrease in Accounts Payable	(146,026)	227,910
Decrease in Benefits Payable	(26,163)	25,878
Increase in Net Lease Liabilities	(78,083)	(82,442)
Net Cash Flows from Operating Activities	12,663,574	10,365,836

11. Cook Islands Office Expenses

The Fund's Cook Islands Office expenses are set out below:

	Total 2024 NZ\$	Total 2023 NZ\$
Legal and Professional Fees	(50,469)	(23,268)
Salaries and Personnel Costs	(884,513)	(730,779)
Other Expenses	(575,954)	(588,704)
Cook Islands Office Expenses	(1,510,936)	(1,342,751)

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12. Financial Instruments

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

The Trustee has approved a Statement of Investment Policies and Objectives which establishes investment objectives and target asset allocations for the Fund. Performance against these targets is reviewed at least quarterly by the Trustee and asset reallocations undertaken as required.

	Total 2024 NZ\$	Total 2023 NZ\$
Financial instruments by category		
Financial assets at fair value through profit or loss		
Investments at Fair Value Through Profit or Loss	285,495,955	235,426,448
Financial assets at amortised cost		
Cash at Bank	2,526,956	1,272,432
Cash in Transit	-	870,260
Receivables	2,240,664	1,995,807
Total financial assets	290,263,575	239,564,947
Financial liabilities at amortised cost		
Accounts Payable	249,033	395,059
Benefits Payable	-	26,163
Lease Liabilities	345,800	21,177
Total financial liabilities	594,833	442,399

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially expose the Fund to credit risk consist of cash, receivables, and investments in unitised funds. The maximum credit exposure to credit risk is the carrying value of these financial assets.

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

Liquidity Risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligation to pay members. However, to control liquidity risk, the Fund invests in financial assets, which are readily redeemable. In addition, the Fund invests within established limits to ensure there is no concentration of risk. There are no significant financial liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Due to the unitised nature of the investments it is not practical to determine the sensitivity of the unit price to changes in foreign exchange rates, interest rates, or other market factors of the underlying investments. Risk management activities are undertaken by the Fund's investment manager to operate within the guidelines provided by the Trustee.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund has an indirect exposure to currency risk through its investments in the Superlife Global Aggregate Bond Fund, Superlife Total World (NZD Hedged) Fund and Superlife Total World Fund. Currency hedging is used by the Investment Manager to hedge the exposure back to New Zealand dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate because of changes in market interest rates. The Fund is indirectly exposed to interest rate risk in that future interest rate movements will indirectly affect the valuation of investments in unitised funds which invest in cash and fixed interest investments. There is no maturity period for unitised investments.

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

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12. Financial Instruments (Continued)

Other Price Risk
Other price risk is the risk that the value of the Fund's investments will decrease due to a change in the unit prices of the Fund's unitised funds.

As at 31st December 2024 the Fund is exposed to other price risk through its investments in Funds managed by Superlife.

A ten percent decrease/increase in the unit prices of the Fund's investments in the unitised funds would have an adverse/positive impact on the value of the Funds assets of:

	Total 2024 NZ\$	Total 2023 NZ\$
+ / (-) 10% increase/decrease	28,549,596	23,542,645

Capital Management
Net assets available to pay benefits are considered to be the Fund's capital for the purposes of capital management. The Fund does not have to comply with externally imposed capital requirements.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its members and maximise the Fund members' value.

Investment Strategy

To meet these investment objectives, net contributions per investment fund choice are invested into the following asset mixes:

	Conservative	Balanced	Growth
Growth Assets (Equities)	30%	60%	80%
Defensive Assets (Bonds)	70%	40%	20%

Trust Name	Sector	Domiciled
SuperLife Invest Global Aggregate Bond Fund	Defensive Assets	New Zealand
SuperLife Invest Total World (NZD Hedged) Fund	Growth Assets	New Zealand
SuperLife Invest Total World Fund	Growth Assets	New Zealand

13. Actuarial Valuation

The most recent actuarial review dated 24th May 2025 was undertaken by Siva Thambrian (Actuarial Consultant), of Aon New Zealand. The review was based on the Fund's financial and membership information as at 31st December 2024.

The results of the 2024 actuarial valuation show that the Fund has a small excess of assets over liabilities as follows:
Value of Accrued Benefits

	NZ\$
Members' Accounts	265,900,000
Pensioners' Liabilities	17,650,000
Total Accrued Benefits (A)	283,550,000
Value of Assets (B)	285,130,000
Surplus (B - A)	1,580,000

The Fund's Actuary calculated the Pensioners' Liabilities of \$17,650,000 as the present value of the expected future pension payments to existing pensioners and their spouses (if applicable).

The Accrued Benefits include a Pension Reserve of \$288,510 and a General Reserve of \$1,318,714.

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14. Reserve Account Policy

Amounts in the Reserve Account may be applied by the Trustee:

- (a) to the credit of one or more member accounts, pension accounts, or the pension reserve account;
- (b) to make a payment under clause 76 of the Trust Deed;
- (c) to pay particular fund expenses;
- (d) to meet general fund expenses; or
- (e) to pay insurance premiums under clause 72 of the Trust Deed.

15. Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Fund's accounting policies.

•Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

•Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

•Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Trustee. The Trustee considers 'observable' data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value:

Financial Assets at 31 December 2024	Level 1 NZ\$	Level 2 NZ\$	Level 3 NZ\$	Total NZ\$
Fair Value Measurements				
Unitised Investment Funds				
SuperLife Invest Global Aggregate Bond Fund	-	109,905,414	-	109,905,414
SuperLife Invest Total World (NZD Hedged) Fund	-	86,186,534	-	86,186,534
SuperLife Invest Total World Fund	-	89,195,785	-	89,195,785
Accrued rebates - unallocated	-	208,222	-	208,222
Total Financial Assets	-	285,495,955	-	285,495,955
Financial Assets at 31 December 2023	Level 1 NZ\$	Level 2 NZ\$	Level 3 NZ\$	Total NZ\$
Fair Value Measurements				
Unitised Investment Funds				
SuperLife Invest Global Aggregate Bond Fund	-	91,612,936	-	91,612,936
SuperLife Invest Total World (NZD Hedged) Fund	-	75,161,972	-	75,161,972
SuperLife Invest Total World Fund	-	68,651,540	-	68,651,540
Total Financial Assets	-	235,426,448	-	235,426,448

As the investments are unlisted and fair value is based on prices determined by the investment manager, they have been classified in both 2024 and 2023 financial periods as level 2.

There were no transfers between levels during the year.

COOK ISLANDS NATIONAL SUPERANNUATION FUND
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16. Property, Plant and Equipment

The following property, plant and equipment are held at year end:

	Total 2024 NZ\$	Total 2023 NZ\$
Buildings		
At Cost	74,328	
Accumulated Depreciation	(1,208)	
	<u>73,120</u>	<u>-</u>
Furniture and Fittings		
At Cost	44,585	43,280
Accumulated Depreciation	(26,245)	(22,215)
	<u>18,340</u>	<u>21,065</u>
Equipment		
At Cost	131,487	125,008
Accumulated Depreciation	(105,078)	(88,370)
	<u>26,409</u>	<u>36,638</u>
Motor Vehicle		
At Cost	68,613	68,612
Accumulated Depreciation	(60,192)	(51,529)
	<u>8,421</u>	<u>17,083</u>
Net Book Value	<u>126,290</u>	<u>74,786</u>
Depreciation Expense		
Buildings	1,208	-
Furniture and Fittings	4,030	3,862
Equipment	16,709	18,691
Motor Vehicle	10,970	10,796
	<u>32,917</u>	<u>33,349</u>

17. Intangible Assets

The following intangible assets are held at year end:

	Total 2024 NZ\$	Total 2023 NZ\$
Software		
At Cost	2,703,065	2,499,438
Accumulated Amortisation	(2,042,615)	(1,584,449)
Net Book Value	<u>660,450</u>	<u>914,989</u>
Amortisation Expense		
Software	<u>458,167</u>	<u>404,418</u>

18. Contributions Receivable

	Total 2024 NZ\$	Total 2023 NZ\$
Contributions Receivable - Member		
Gross Contributions Receivable - Member	1,172,358	1,026,929
Provision for non-recovery of contributions - Member	-	-
Net Contributions Receivable - Member	<u>1,172,358</u>	<u>1,026,929</u>
Contributions Receivable - Employer		
Gross Contributions Receivable - Employer	1,068,306	967,654
Provision for non-recovery of contributions - Employer	-	-
Net Contributions Receivable - Employer	<u>1,068,306</u>	<u>967,654</u>

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19. Related Parties

The Fund comes under the responsibility of the Cook Islands Government's Minister for Superannuation. Government Ministries, Departments and Agencies contribute to the Fund as employers, and Fund members include Government employees. Government and its employees are subject to the same provisions and terms as all Fund members. The Fund holds no investments in any of the employer companies or any of their related parties and during the period had no related party transactions.

20. Fees Paid to Auditor - Non Audit Fees

Non-audit fees paid to auditors comprise of \$10,400 for work in relation to FATCA and CRS obligations, and \$2,500 for the 2021 income tax return.

21. Contingent Liabilities

In 2014 an amendment to the Value Added Tax Act required that entities not registered for value added tax ("VAT") in the Cook Island become liable for VAT on imported services. The VAT liability applies to professional and investment management fees from offshore service providers from 1st April 2014. The value of the Fund's VAT liability from 2015 -2019 is estimated at \$325,000. Amounts related to 2020-2024 have not been estimated and are not considered material due to changes in the Fund's operations. The Board has been in discussions with the Ministry of Finance and Economic Management ("MFEM"), as it is the Trustee's and the Board's view based on discussions to date, that the Fund was not intended to be caught by these amendments.

MFEM has advised that as no legislation has been passed to date to exempt the Fund from VAT, the liability remains.

On 5 April 2024, the Minister of the Cook Islands National Superannuation, Hon. Vainetutai Rose Toki-Brown, submitted to the Cook Island Government a memorandum seeking a review of the Cook Island National Superannuation Act, which included amongst other items, clarification on the intention of the Fund to be exempted from VAT. On the 10th April 2024, the Office of Cabinet Services receipted and approved the submission of the memorandum.

22. Unallocated Contributions

Unallocated contributions relate to contributions received that are transferred from our bank to the registry but are not yet designated to the member's registry in the same year.

	Total 2024 NZ\$	Total 2023 NZ\$
Balance prior year	846,154	(362,261)
Balance current year	(778,096)	1,208,415
Unallocated	68,058	846,154

23. Default Transfer

From the 1st of January 2022, all new members joining the Fund as "Default" members were automatically invested into the Balanced option, the existing members remained in the Conservative option until the Fund Administration platform transition and upgrades allowed for the \$164m of funds under management to update their investment strategy. This was achieved on 8th November 2023.

24. Three Investment Accounts into a single Investment Account

Prior to using the new Fund Administration platform, it was a necessary approach to having three separate investment accounts, one for each member option (Growth, Balanced and Conservative). Since transitioning from Link Market Services NZ (LMS) to NZX WealthTech on the 1st October 2023, it was possible to collapse the three holdings with the investment manager SuperLife into one account.

25. Events after Balance Date

There have been no other material events after balance date that require adjustment to or disclosure in the financial statements.