



SUMMARISED ANNUAL REPORTS

FOR THE YEAR ENDED 31 MARCH 2009

LEVEL PREMIUM SCHEME

Deloitte.

This audit report relates to the summary financial statements of the Level Premium Scheme for the year ended 31 March 2009 included on this website. The Board is responsible for the maintenance and integrity of this website. We have not been engaged to report on the integrity of this website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on this website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 24 June 2009 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.



NATIONAL
PROVIDENT

In Safe Hands



LEVEL PREMIUM SCHEME

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

On behalf of the Board of Trustees of the National Provident Fund, set out below is a report on the performance and activities of your Scheme for the year ended 31 March 2009. Further information on the National Provident Fund's activities and commentary on the Scheme's investments are set out in the Review.

YOUR SCHEME AT A GLANCE

CROWN GUARANTEE

The Level Premium Scheme is a defined benefit scheme. The benefits payable by your Scheme are guaranteed by the Crown.

INVESTMENT PERFORMANCE

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2009 was -14.0%.

The asset class returns (before tax and expenses) and comparative performance of the benchmark indices are shown in the table below.

	Return	Index
Fixed interest	5.2%	9.5%
Property	-52.7%	-54.5%
New Zealand shares	-20.2%	-24.1%
Overseas shares	-37.5%	-35.1%
Commodities	-19.9%	-20.7%

See the comparison over the page for the key statistics of your Scheme over the last 10 years. For an overview of the financial performance of the Scheme, refer to the tables on the following pages.



**NATIONAL
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The summary financial statements included in this Annual Report have been extracted from the full financial statements for the year ended 31 March 2009.

The summary financial statements cannot be expected to provide as complete an understanding as the full financial statements.

Members are welcome to contact the Scheme administrator, Jacques Martin (see details on back page), for a free copy of the Scheme's full financial statements.

YOUR SCHEME AT A GLANCE

LEVEL PREMIUM SCHEME

SOLVENCY POSITION

A summary of the solvency position (funding level) of the Scheme, as at 31 March, was:

	2009	2008
	(\$000)	(\$000)
Net assets	4,755	6,280
Actuarial liabilities	(4,704)	(6,107)
Funding level	101.1%	102.8%

PENSIONS REMAIN THE SAME

The Board has determined, based on the advice of the Actuary, that pensions will remain the same. The Actuary has advised that the solvency position of the Scheme is not at a level that can support an increase in pension payments.

WHO INVESTS YOUR MONEY

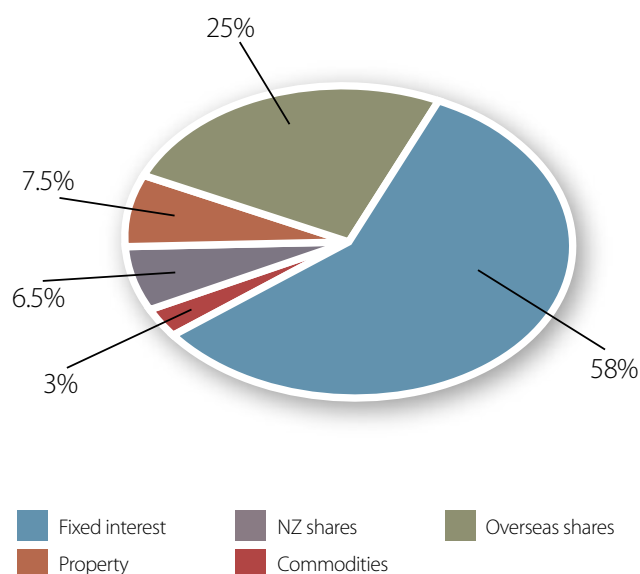
- AllianceBernstein New Zealand Limited (New Zealand shares)
- AMP Capital Investors Limited (overseas shares)
- AMP Capital Investors (NZ) Limited (New Zealand property)
- ANZ National Bank Limited (foreign exchange hedging)
- Bank of New Zealand (foreign exchange hedging)
- Barclays Global Investors, N.A. (overseas shares and foreign exchange hedging)
- Cohen & Steers Capital Management, Inc. (global listed property)
- ING (NZ) Limited (New Zealand shares)
- LaSalle Investment Management (Securities) L.P. (global listed property)
- Mercer Investment Nominees Limited (overseas shares)
- Pacific Investment Management Company, LLC (PIMCO) (overseas fixed interest)
- Wellington Management Company LLP (overseas fixed interest)

AllianceBernstein New Zealand Limited and AMP Capital Investors (NZ) Limited were terminated as fixed interest managers in December 2008. Goldman Sachs International was appointed as commodities manager in December 2008 but terminated in February 2009.

As at the date of this report the allocation to commodities is being held in cash with the Bank of New Zealand pending the appointment of a new commodities manager.

HOW YOUR MONEY IS INVESTED

The Scheme's asset allocation benchmarks are set by the Board and reviewed regularly. The pie chart shows the Scheme's current asset allocation benchmarks.



See our website and the Scheme trust deed for more information about your Scheme – www.npf.co.nz

SUMMARY FINANCIAL STATEMENTS

LEVEL PREMIUM SCHEME

<p>This is a summary of the Scheme's income and expenses, and membership contributions and payments during the year.</p>	INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009		
		2009	2008
		(\$000)	(\$000)
	Investment loss	(759)	(57)
	Less operating expenses	(99)	(95)
	Net loss before tax	(858)	(152)
	Add income tax credit	28	28
	Net loss after tax	(830)	(124)
	Net reinsurance	3	1
	Net loss	(827)	(123)
	Contributions	-	-
	Less benefit payments	(698)	(781)
	Net membership activities	(698)	(781)
Decrease in net assets for the year	(1,525)	(904)	
Net assets available to pay benefits at beginning of year	6,280	7,184	
Net assets available to pay benefits at end of year	4,755	6,280	

<p>This is a summary of the cash flows through the Scheme during the year.</p> <p>Cash was received from:</p> <ul style="list-style-type: none"> • operating activities (being contributions less benefit payments and operating expenses), and • investing activities. <p>The difference between the two cash flows is recorded as an increase or decrease in cash held.</p>	CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2009		
		2009	2008
		(\$000)	(\$000)
	Opening cash brought forward	71	35
	Net cash flows from operating activities	(798)	(829)
	Net cash flows from investing activities	767	865
	Net (decrease)/ increase in cash held	(31)	36
	Closing cash carried forward	40	71

<p>This is a summary of the Scheme's assets and liabilities, as at 31 March 2009.</p> <p>Assets include the Scheme's investments in fixed interest, property, New Zealand shares, overseas shares and commodities plus what the Scheme had in the bank and was owed by others.</p> <p>Liabilities are what the Scheme owed to others.</p>	BALANCE SHEET AS AT 31 MARCH 2009		
		2009	2008
		(\$000)	(\$000)
	Investment assets		
	Fixed Interest Unit Fund	2,738	3,678
	Property Unit Fund	295	464
	New Zealand Equity Unit Fund	285	556
	Overseas Equity Unit Fund	1,083	1,348
	Commodities Fund	113	-
	Life Insurance Unit Fund	163	163
		4,677	6,209
	Other assets	83	103
Total assets	4,760	6,312	
Less liabilities	(5)	(32)	
Net assets available to pay benefits	4,755	6,280	

NOTES AND REPORTS

LEVEL PREMIUM SCHEME

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS

The summarised financial statements:

- have been extracted from the final full financial statements which were:
 - prepared in accordance with, and comply with, NZ IFRS and NZ GAAP;
 - authorised for issue by the Board on 24 June 2009; and
 - audited and received an unqualified opinion;
- cannot be expected to provide as complete an understanding as provided by the full financial statements;
- are reported in New Zealand dollars;
- are for a profit oriented entity; and
- comply with Financial Reporting Standard 43.

BOARD OF TRUSTEES' REPORT

For the year ended 31 March 2009

The Board of Trustees of the National Provident Fund, as trustee of the Scheme, provides members with the following information, as required by the Second Schedule to the Superannuation Schemes Act 1989.

Changes in the Scheme membership numbers during the year were as follows:

	Contributors	Pensioners	Total
Opening membership as at 1 April 2008	49	303	352
Pensioner change of beneficiary			
Deaths and disablements	(1)	(33)	(34)
Retirements	(5)		(5)
Transfers from contributors to pensioners	(1)	1	-
Transfers to other schemes	(1)		(1)
Extinguished liabilities ⁺	(21)		(21)
Closing membership as at 31 March 2009	20	271	291

⁺ Following a trust deed amendment on 1 April 2001, once reasonable efforts have been made to locate a member who has been missing for at least five years, the Board may extinguish the liabilities of that member.

On the basis of the evidence available, the Board believes all contributions required to be made to the Scheme, in accordance with the terms of the Scheme trust deed, have been made.

The Board certifies that, to the best of its knowledge, all benefits required to be paid from the Scheme were paid in accordance with the terms of the scheme trust deed.

The Board certifies, based on the advice of the Actuary, that the net market value of the Scheme's assets exceeded the total value of the vested benefits of the Scheme, as at 31 March 2009.

TRUST DEED AMENDMENT

The Scheme trust deed has been amended since the date of the last report to allow pensioner members, the liability to pay their pensions,

and the assets held to meet those liabilities to be transferred to the National Provident Pension Scheme, another NPF scheme. A copy of the trust deed is available on www.npf.co.nz.

AUDITOR-GENERAL'S REPORT

To the members of the Level Premium Scheme

We have audited the summary financial statements of the Level Premium Scheme (the Scheme) for the year ended 31 March 2009 as set out in this annual report. The Auditor-General has appointed me, Ian C Marshall, using the staff and resources of Deloitte, to carry out the audit of the summary financial statements of the Scheme, on his behalf, for the year ended 31 March 2009.

Board of Trustees' Responsibilities

The Board of Trustees is responsible for the preparation of summary financial statements, in accordance with New Zealand law and generally accepted accounting practice.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the summary financial statements.

Basis of Opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We planned and performed procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary financial statements are based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of FRS-43: *Summary Financial Statements*.

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

Unqualified Opinion

In our opinion, the information reported in the summary financial statements complies with FRS-43: *Summary Financial Statements* and is consistent with the full financial statements from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 24 June 2009.

For a better understanding of the scope of our audit of the Scheme's financial statements and of the Scheme's balance sheet, income statement and cash flows for the year ended 31 March 2009, this report should be read in conjunction with the Scheme's audited financial statements for that year.

Our examination of the summary financial statements was completed on 24 June 2009 and our unqualified opinion is expressed as at that date.

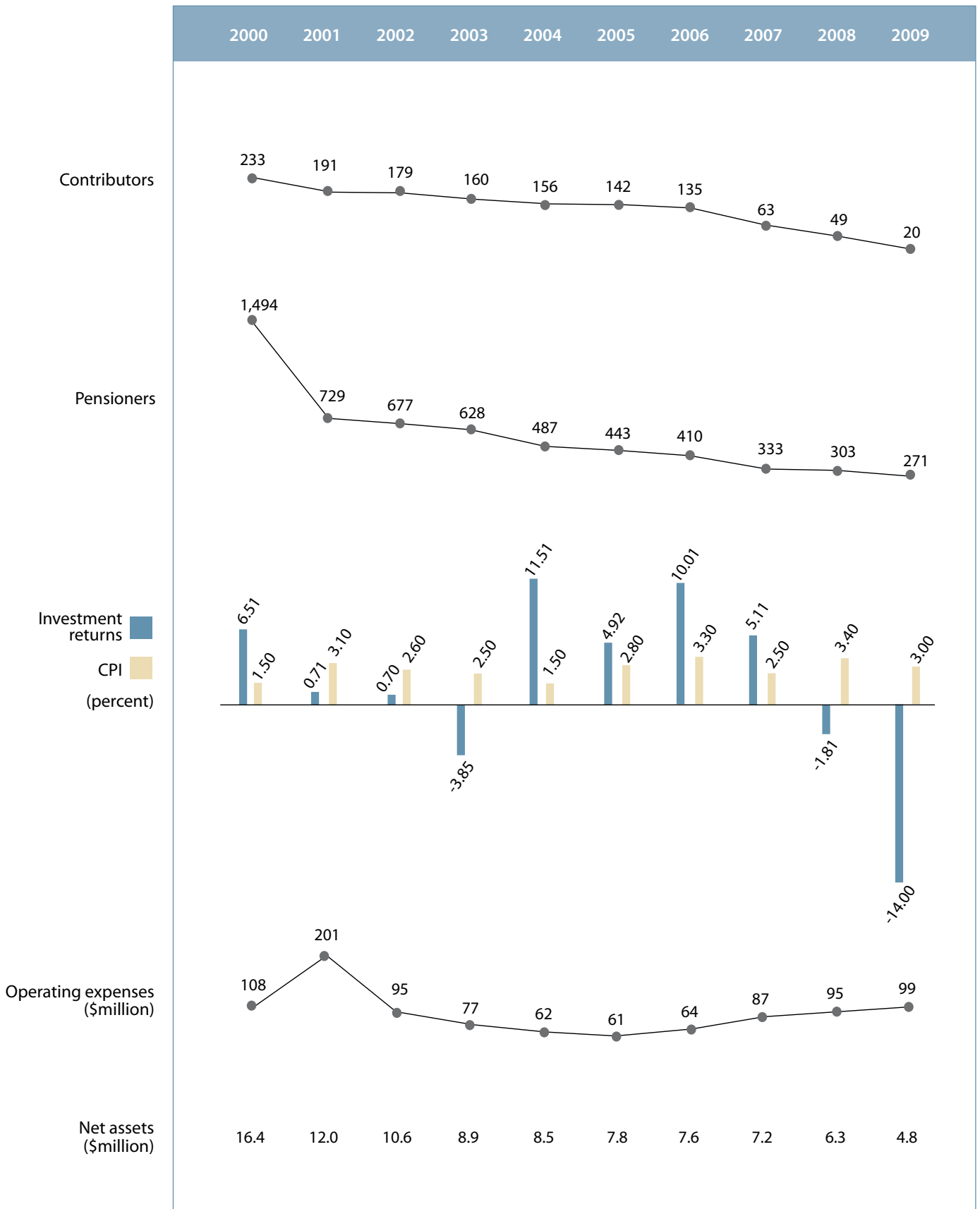


I C Marshall
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand
24 June 2009

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10 YEAR COMPARISON

LEVEL PREMIUM SCHEME



DIRECTORY AS AT 24 JUNE 2009

LEVEL PREMIUM SCHEME

BOARD MEMBERS



SUE SHELDON CNZM, BCOM, FCA

Sue Sheldon (appointed to the Board in 2001 and as Chairman in 2003) is a professional company director. She is a director of listed companies Freightways, Smiths City Group and Contact Energy, Chairman of Wool Industry Network, Deputy Chairman of Christchurch International Airport and a director of Electronic Transaction Services and the Reserve Bank. Sue is a former President of the Institute of Chartered Accountants of New Zealand.



PAUL FOLEY LLB, BCA

Paul Foley (appointed August 2008) is a partner of Minter Ellison Rudd Watts with over 20 years' experience in the corporate, securities and financial services areas and a member of that firm's Board of Management. He is a director of the listed oil exploration and production company New Zealand Oil & Gas Limited and a board member of Queen Margaret College, Wellington.



ROGER KERR BCOM CA, FNZIM, FCTP

Roger Kerr (appointed 2003) is a director of, and shareholder in, Asia-Pacific Risk Management Limited, an advisory firm specialising in interest rates, debt, foreign exchange and corporate treasury management, and ETOS Limited, a company which manages outsourced treasury services. Roger has 25 years' investment banking and financial markets experience. He is an advisory board member of the New Zealand Government Debt Management Office, Chairman of Trust Investments Management Limited, Chairman of PIE Funds Management Limited, a director of Select Access New Zealand Limited (Deutsche Bank) and a Trustee of Auckland City Mission Foundation.



NOELINE MUNRO DIPNZSE, FNZIM

Noeline Munro (appointed 2001) is an Investment Adviser with ABN AMRO Craigs Limited. She is an NZX Adviser, Fellow of the Institute of Directors, Fellow of NZ Institute of Management Inc, a director of St James Multiplex Limited and Trustee to the NZ Institute for Cancer Research Trust and the Otago Community Trust.



CATHERINE SAVAGE BCA, CA

Catherine Savage (appointed April 2009) is a director of, and shareholder in, CMS Capital Limited and NZX Incognito Limited, and a director of Savage Group Limited, The Griffin Savage Co Ltd, Pathfinder Asset Management Limited and SAFCO Limited. She is also the Chairman of the Management Board of Samuel Marsden Collegiate School.



ROY TIFFIN BA (HONS IND ECON), FCA

Roy Tiffin (appointed 2004) is a Wellington Chartered Accountant with over 40 years' private and public sector audit experience, and is a past President of the Institute of Chartered Accountants of New Zealand. Roy is a Trustee of the Auckland University of Technology Millennium Ownership Trust and the General Manager of the Accounting Standards Review Board. He is also Chair of the Audit Committees of the Treasury and the Department of Labour, and an external member of the Audit Committee of Auckland City Council.



MARY WATSON PHD, MA (HONS)

Mary Watson (appointed 2005) is currently employed as a Portfolio Manager on the Poutama Maori Business Trust. Previously she was a member of the Public Trust Investment Board and has worked in research and analytical roles for broking firms.

MANAGEMENT



ALAN LANGFORD
Chief Executive



EUAN WRIGHT
Board Secretary and
Chief Financial Officer



PHILIPPA DRURY
General Manager, Schemes



PAUL BEVIN
General Manager,
Investments



PETER MCCAFFREY
Manager, Special Projects



NICKY RUMSEY
Manager, Investments



JANET SHIRLEY
Manager, Schemes



Jacques Martin New Zealand Limited is the administrator of the NPF Schemes.

Contact details

You are welcome to contact Jacques Martin if you have any specific questions about the information in this package, if you would like to receive a free copy of the full financial statements in the mail, to purchase a copy of the trust deed (\$10) or the actuarial valuation (\$10), or to enquire about your Scheme membership in general.

Please quote your identity number when contacting Jacques Martin.

Free phone: 0800 628 776
between 8.00am and 5.15pm
Monday to Friday

Phone: (04) 381 0500
Fax: (04) 381 0501

Post:

The Manager
National Provident Fund Administration
Jacques Martin New Zealand Limited
PO Box 606
Wellington 6140

Email: enquiries@jacquesmartin.co.nz

If you would like to know more about NPF in general, or if you would like to view or download a copy of the Scheme's full financial statements rather than receive a copy in the mail, please visit the NPF website – www.npf.co.nz.

To contact the Board of Trustees write to:

The Board Secretary
Board of Trustees of the
National Provident Fund
Level 12
The Todd Building
95 Customhouse Quay
Wellington 6011

Actuary: Christine D Ormrod,
PricewaterhouseCoopers

Bank: Bank of New Zealand

Custodian: JP Morgan Chase Bank, N.A.

Solicitors: Chapman Tripp