

Aircrew Scheme

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 2025. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Chair's letter.

Your Scheme

CROWN GUARANTEE

The Aircrew Superannuation 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 2025 was 3.51% (2024: 6.54%). In dollar terms, this represents investment gain of \$1,351,000 (2024 investment gain: \$2,360,000).

The asset class return (after investment manager fees, but before tax and other expenses) and the comparative performance of the benchmark index is shown in the table below.

Asset Class	Return	Index
Cash	5.32%	5.16%

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.

Annual Report for the year ended 31 March 2025

SUMMARY FINANCIAL STATEMENTS

The summary financial statements included in this Annual Report have been extracted from the full financial statements for the year ended 31 March 2025.

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

Members are welcome to view the full financial statements on our website – www.npf.co.nz/members/schemes – or contact the Scheme administrator, Datacom (see details on back page), for a free copy of the Scheme's full financial statements.



EMPLOYER CONTRIBUTION RATE

Each year the Board’s Actuary carries out a review of the Scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the Scheme.

In the actuarial review, completed as at 31 March 2024, the Actuary recommended the employer contribution rate is changed to 6.5 times members’ contributions and an additional contribution of \$236,002 p.a. to meet expected administration expenses for the year ending 31 March 2026. Taking into account changes in the investment markets and Scheme membership the Board recommended, and the Minister of Finance accepted the new employer contribution rate. The changes took effect from 1 April 2025.

Changes taking effect from 1 April 2026 will be published on the NPF website once they have been approved: www.npf.co.nz/members/schemes/aircrew.

TA/TB RATIO AND FUNDING LEVEL

The most relevant measure of the financial health of the Scheme for members is the **TA/TB Ratio** (total assets (TA) as a percentage of accrued retirement benefits (TB)), because members generally elect to receive a transfer value from the Scheme rather than a pension payable from the National Provident Pension Scheme. A member’s transfer benefit is the TA/ TB Ratio times the member’s accrued retirement benefit. The TA/TB Ratio calculated at 31 March 2025 was 100.7% (2024: 101.0%).

The **funding level** of the Scheme is used to determine the employer contribution rate. The funding level is the net assets of the Scheme divided by the past service liabilities. The funding level has been calculated on two bases: an expected return basis (Funding Basis) and on a Sovereign bond curve basis (Sovereign Basis). The Funding Basis used an expected discount rate, being the expected investment return on the assets of the Scheme. The rate ranged from 2.9% to 2.2% over the years 2026 to 2034, net of tax and investment related expenses. The Sovereign Basis, uses Sovereign bond yields net of tax and investment expenses.

The funding levels differ to the TA/TB ratio as the funding levels allow for assumed future increases in salaries and discounting from when the member entitlement is expected to be paid. Neither the funding levels nor the TA/TB ratio allow for the possibility of members electing a pension benefit.

FUNDING POSITION

The Actuary has advised the funding level of the Scheme, as at 31 March, was:

	2025 Sovereign Basis (\$000)	2024 Sovereign Basis (\$000)	2025 Funding Basis (\$000)	2024 Funding Basis (\$000)
Net assets	30,185	34,785	30,185	34,785
Past service liabilities	(33,208)	(38,598)	(33,407)	(38,722)
Funding level	90.9%	90.1%	90.4%	89.8%

WHO INVESTS YOUR MONEY

Cash Manager
Bank of New Zealand Limited (terminated 27 September 2024)
Nikko Asset Management New Zealand Limited (appointed 27 September 2024)

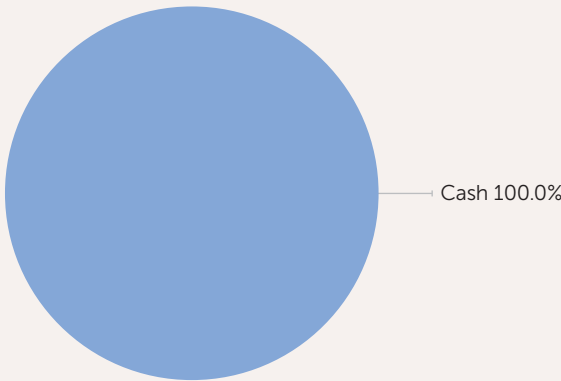
Asset Allocation Strategy as at
31 March 2024 & 31 March 2025

HOW YOUR MONEY IS INVESTED

The Scheme’s asset allocation strategy is set by the Board and reviewed regularly. There was no change to Scheme’s asset allocation strategy during the year. The pie chart shows the Scheme’s asset allocation as at 31 March 2024 and 31 March 2025.

The Board’s Statement of Investment Policies, Standards and Procedures (SIPSP) is reviewed regularly by the Board. During the year the SIPSP was updated and there were no significant changes to the SIPSP relating to the Scheme.

See our website, www.npf.co.nz, for more information about your Scheme, including the Board’s SIPSP and the Scheme Trust Deed.



SUMMARY STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

<p>This is a summary of the Scheme's income and expenses, and membership contributions and payments during the year.</p>		2025 (\$000)	2024 (\$000)
	Investment income	1,351	2,360
	Less operating expenses	(207)	(200)
	Net income before tax and membership activities	1,144	2,160
	Income tax (expense)	(25)	(31)
	Net income after tax and before membership activities	1,119	2,129
	Contributions	1,603	2,168
	Less pension and transfer payments	(7,322)	(1,970)
	Net membership activities	(5,719)	198
	(Decrease)/Increase in net assets for the year	(4,600)	2,327
	Net assets available to pay benefits at beginning of year	34,785	32,458
	Net assets available to pay benefits at end of year	30,185	34,785

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2025

<p>This is a summary of the Scheme's assets and liabilities, as at 31 March 2025.</p> <p>Assets include the Scheme's investments in the Cash Unit Fund plus what the Scheme had in the bank and was owed by others.</p> <p>Liabilities are what the Scheme owed to others.</p> <p>Net assets is the money available to pay future entitlements.</p>		2025 (\$000)	2024 (\$000)
	Investment assets		
	Cash Unit Fund	25,209	29,498
	Total investments assets	25,209	29,498
	Other assets	5,033	5,378
	Total assets	30,242	34,876
	Less liabilities	(57)	(91)
	Net assets available to pay benefits	30,185	34,785

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

<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 pension and transfer 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>		2025 (\$000)	2024 (\$000)
	Opening cash brought forward	5,364	5,304
	Net cash flows from operating activities	(5,690)	263
	Net cash flows from investing activities	5,343	(203)
	Net decrease in cash held	(347)	60
	Closing cash carried forward	5,017	5,364

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements:

- have been extracted from the full financial statements which were:
 - prepared in accordance with, and comply with, the New Zealand Equivalents to International Financial Reporting Standards;
 - authorised for issue by the Board on 26 June 2025; and
 - audited and received an unmodified opinion;
- cannot be expected to provide as complete an understanding as provided by the full financial statements;
- are reported in New Zealand dollars, rounded to the nearest thousand;
- are for a profit-oriented entity; and
- comply with Financial Reporting Standard 43: Summary Financial Statements.

SUBSEQUENT EVENTS

There were no material events subsequent to balance date requiring amendments to these financial statements.

TRUSTEE’S REPORT

For the year ended 31 March 2025

The Board of Trustees of the National Provident Fund, as trustee of the Scheme, provides members with the following information in respect of the Scheme.

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

	Contributors
Opening membership as at 1 April 2024	17
Deaths and disablements	-
Retirement	-
Transfer to another scheme	-
Transfers to another NPF scheme	(3)
Extinguished liabilities	1
Closing membership as at 31 March 2025	15

On the basis of evidence available, the Board believes that 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 based on the advice of the Actuary certifies that, as at 31 March 2025, the net market value of the Scheme’s assets was less than the total value of the vested benefits of the Scheme.

FEES

Scheme administration fees are apportioned on fee per member and fee per transaction bases and are charged to the Scheme as a whole. As at 1 April 2024 and 2025 the scheme administration fees were increased for inflation. The Board certifies it is satisfied the increase in the administration fees for the Scheme is not unreasonable. The Board is satisfied the total management fees charged to the Scheme are not unreasonable.

TRUST DEED AMENDMENT

There have been no amendments to the Scheme Trust Deed since 25 June 2024, being the date of the Scheme’s last annual report. A copy of the Trust Deed is available on request.

INDEPENDENT AUDITOR’S REPORT

To the readers of Aircrew Superannuation Scheme’s summary financial statements for the year ended 31 March 2025.

The Auditor-General is the auditor of Aircrew Superannuation Scheme (the Scheme). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the summary financial statements of the Scheme on his behalf.

OPINION

The summary financial statements of the Scheme that comprise the summary statement of net assets as at 31 March 2025, the summary statement of changes in net assets, and the summary statement of cash flows for the year ended on that date, and related notes, are derived from the full financial statements for the year ended 31 March 2025 that we have audited.

In our opinion, the summary financial statements are consistent, in all material respects, with the full financial statements for the year ended 31 March 2025, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the full financial statements and the auditor’s report thereon.

The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor’s report on the full financial statements.

THE FULL FINANCIAL STATEMENTS AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the full financial statements for the year ended 31 March 2025 in our auditor’s report dated 26 June 2025. That report also includes the communication of key audit matters.

BOARD OF TRUSTEES’ RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Trustees is responsible on behalf of the Scheme for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the full audited financial statements of the Scheme, based on our procedures, which were carried out in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We did not evaluate the security and controls over the electronic publication of the summary financial statements.

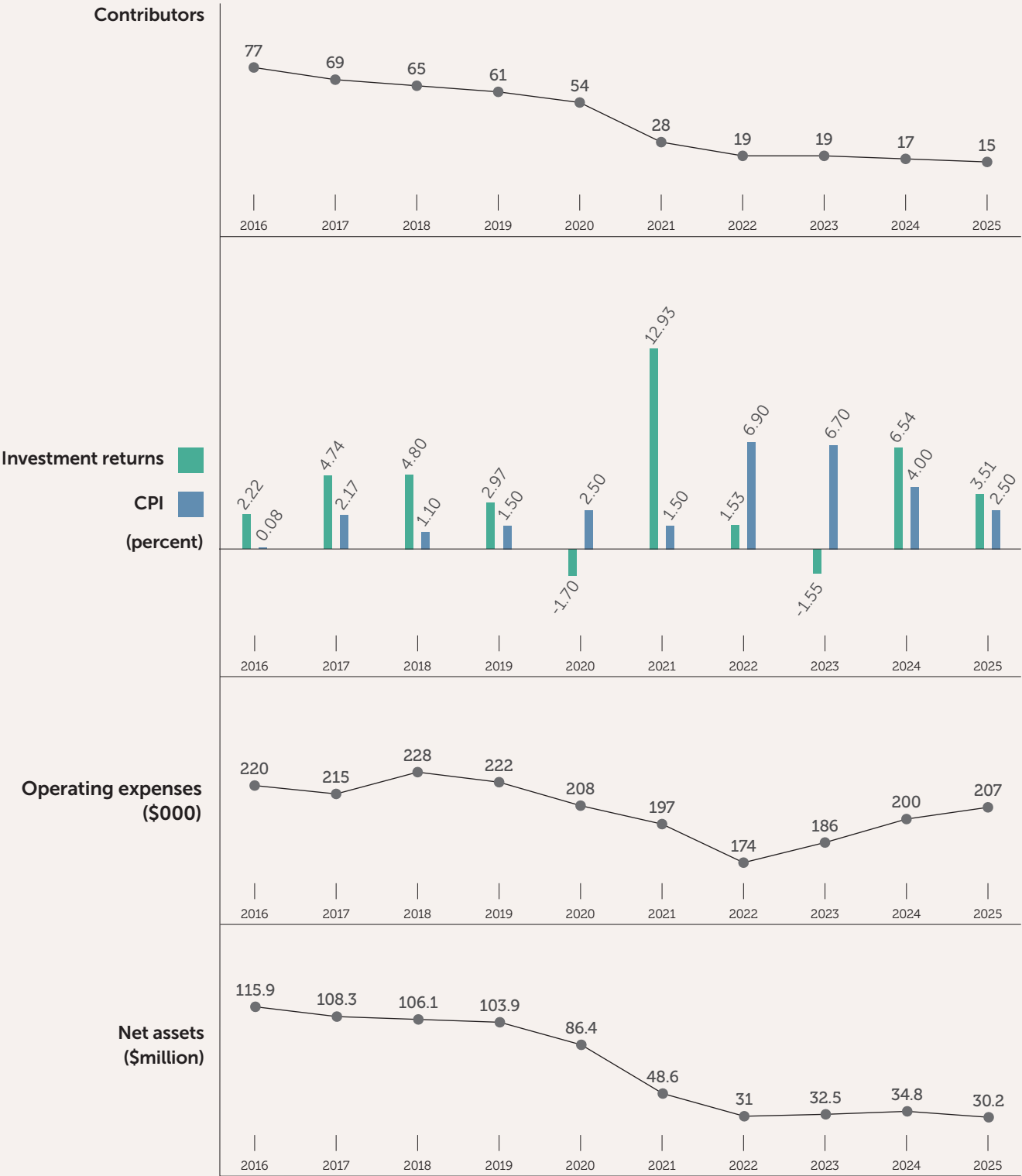
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

Pam Thompson
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

9 July 2025

10 YEAR COMPARISON



Aircrew Superannuation Scheme (the Scheme)
Statement of Changes in Net Assets
for the year ended 31 March 2025

	Note	2025 (\$'000)	2024 (\$'000)
Investment income			
Income from unit funds	4	1,054	2,051
Interest received		297	309
Total investment income		1,351	2,360
Operating expenses			
Actuarial fees		72	77
Audit fees	6	23	23
Board member expenses	5	40	37
Interest Paid		9	-
Management expenses	5	63	61
Stationery and Printing		-	2
Total operating expenses		207	200
Net income before tax and membership activities		1,144	2,160
Income tax (expense)	7	(25)	(31)
Net income after tax and before membership activities		1,119	2,129
Contributions	1		
Contributor contributions		478	600
Employer contributions		1,125	1,568
Total contributions		1,603	2,168
Scheme payments			
Benefits paid		-	1,970
Transfers paid to other Schemes		7,322	-
Total scheme payments		7,322	1,970
Net membership activities		(5,719)	198
(Decrease)/increase in net assets for the year	10	(4,600)	2,327
Net assets available to pay benefits at beginning of year		34,785	32,458
Net assets available to pay benefits at end of year		30,185	34,785

The notes to the financial statements on pages 4 to 13 form an integral part of these financial statements.

Aircrew Superannuation Scheme (the Scheme)
Statement of Net Assets
as at 31 March 2025

	Note	2025 (\$'000)	2024 (\$'000)
Investment assets at fair value through profit or loss	3		
Units held in:			
Cash unit Fund		<u>25,209</u>	<u>29,498</u>
		25,209	29,498
Financial assets at amortised cost			
Cash		5,017	5,364
Other receivables	9	<u>16</u>	<u>14</u>
		5,033	5,378
Total assets		<u>30,242</u>	<u>34,876</u>
Current liabilities at amortised cost			
Accounts payable		1	60
Income tax payable		<u>56</u>	<u>31</u>
Total liabilities		57	91
Net assets available to pay benefits		<u>30,185</u>	<u>34,785</u>

Authorised for issue on 26 June 2025

On behalf of the Board of Trustees of the National Provident Fund.



Louise Edwards
Board Chair



Michelle Tsui
Chair
Audit and Risk Review Committee

Aircrew Superannuation Scheme (the Scheme)
Statement of Cash Flows
for the year ended 31 March 2025

	Note	2025 (\$000)	2024 (\$000)
Cash flows from operating activities¹			
Cash was provided from:			
Contributor contributions		478	600
Employer contributions		1,125	1,568
Interest received		297	309
		<u>1,900</u>	<u>2,477</u>
Cash was applied to:			
Benefits paid		-	1,971
Operating expenses		258	243
Transfers paid to other Schemes		7,332	-
		<u>7,590</u>	<u>2,214</u>
Net (outflows)/inflows from operating activities	10	<u>(5,690)</u>	<u>263</u>
Cash flows from investing activities²			
Cash was provided from sale of units in:			
Cash unit fund		7,199	95
Fixed Interest unit fund		-	18,565
New Zealand Equity unit fund		-	2,549
Overseas Equity unit fund		-	10,521
		<u>7,199</u>	<u>31,730</u>
Cash was applied to purchase units in:			
Cash unit fund		1,856	29,456
Fixed Interest unit fund		-	1,925
New Zealand Equity unit fund		-	373
Overseas Equity unit fund		-	179
		<u>1,856</u>	<u>31,933</u>
Net inflows/(outflows) in investing activities		<u>5,343</u>	<u>(203)</u>
Net (decrease)/increase in cash held		(347)	60
Add opening cash brought forward		<u>5,364</u>	<u>5,304</u>
Closing cash carried forward³		<u><u>5,017</u></u>	<u><u>5,364</u></u>

- 1 Operating Activities: Includes any activities that are the result of normal business activities not classified as investing activities.
- 2 Investing Activities: Comprises acquisition and disposal of units in the GAT.
- 3 Cash: Comprises cash balances held with banks in New Zealand.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

1 DESCRIPTION OF THE SCHEME AND FUNDING ARRANGEMENTS

The Scheme is a defined benefit scheme, governed by a Trust Deed. The Scheme is deemed to be registered on the register of managed investment schemes under the Financial Markets Conduct Act 2013 (FMCA).

The Scheme is funded on the principle of aggregate funding. Under this principle, the value of the employer's future contributions is the balancing item between the actuarial value of the contributors' entitlements, and the value of contributors' future contributions and the market value of the Scheme's net assets.

The rate of contribution for contributors is set out in the Scheme Trust Deed and ranges from 8.75% to 10% of the contributor's salary (as defined in the Trust Deed), depending on the age of the contributor at commencement of his/her contributory service.

The Actuary, in her actuarial review at 31 March 2024, recommended that the employer contribution rate is changed to 6.5 times members' contributions and an additional contribution of \$236,002 p.a. to meet expected administration expenses for the year ending 31 March 2026. Taking into account performance of investment markets and Scheme membership, the Board recommended, and the Minister of Finance accepted, the new employer contribution rate. The changes took effect from 1 April 2025.

2 RELATED PARTIES

Under the terms of the National Provident Fund Restructuring Act 1990 (the Act), the Board of Trustees of the National Provident Fund (the Board) is Trustee of the Scheme. Members of the Board are appointed by the Minister of Finance.

The Board and the Government Superannuation Fund Authority (the Authority) have formed a joint venture company, Annuitas Management Limited (Annuitas). Each organisation has entered into a management services agreement with Annuitas. The costs of running Annuitas are shared between the Board and the Authority on an equitable basis, as agreed between the organisations.

Louise Edwards and Sarah Park are the two Board appointed directors of Annuitas.

The Board is also the Trustee of the Global Asset Trust (the GAT), which holds the assets of all the National Provident Fund Schemes. The GAT is divided into separate unit funds, representing various asset classes, which have issued units to the Board, as Trustee of the Scheme, according to the Strategic Asset Allocation (refer note 3).

There were no transactions between the Board or management, as individuals, and the Scheme.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

3 STRATEGIC ASSET ALLOCATION (SAA) - INVESTMENT

The Scheme is authorised to invest only in the GAT or in bank deposits. The GAT is divided into separate unit funds representing various asset classes.

Investment assets have been designated at fair value through profit or loss upon initial recognition. These are managed and their performance evaluated, on a fair value basis. This is consistent with the Scheme's documented investment strategy. The assets are investments in units in the GAT which, in turn, invests in cash.

The fair value of the units held by the Scheme in the GAT is based on the valuation of the financial instruments held by the GAT. The fair value of these financial instruments is based on exit prices at balance date without any deduction for future selling costs. If the exit price for an instrument is not available on a recognised exchange the fair value is estimated taking into account comparable markets and specialist advice.

The benchmark asset allocations as at 31 March 2025 and 31 March 2024 are the same with 100% investment in the cash unit fund.

4 INCOME FROM UNIT FUNDS

Income from unit funds is derived from the changes in fair value of units held by the GAT and reflects both realised and unrealised gains and losses. The income stated is net of expenses (including investment management and custodial fees) directly related to investment activities. The income per unit fund is as follows:

	2025 (\$000)	2024 (\$000)
Cash unit fund	1,054	137
Fixed Interest unit fund	-	439
New Zealand Equity unit fund	-	35
Overseas Equity unit fund	-	1,440
Income from unit funds	1,054	2,051

5 MANAGEMENT AND BOARD MEMBER EXPENSES

Management expenses comprise administration fees charged by Datacom Connect Limited and a share of the expenses of the Board. The Board member expenses are split evenly between the schemes.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

6 FEES PAID TO AUDITOR

	2025 (\$000)	2024 (\$000)
Audit of financial statements	21	21
Other assurance engagement – members register	2	2
	23	23

7 INCOME TAX

Income specific to the Scheme is subject to tax at 28%, after allowing for deductible expenses.

The income tax reconciliation is as follows:

	2025 (\$000)	2024 (\$000)
Scheme specific income	297	309
Deductible expenses	(207)	(200)
Taxable income	90	109
Net income before tax and membership activities	1,144	2,160
Tax at 28%	320	605
Less (Non-assessable income)	(295)	(574)
Income tax expense	25	31
Represented by:		
Income tax credit on current year income	25	31
Income tax expense	25	31

As the Scheme has taxable income for 2025, no surplus deductible expenses are available to transfer to the GAT for 2025.

8 RECEIVABLE FROM THE GAT

There is no receivable from the GAT as the Scheme has taxable income for the year (consistent with 2024).

9 OTHER RECEIVABLES

Other receivables consist of:

	2025 (\$000)	2024 (\$000)
Employer Contributions Receivable	2	-
Management fee refund	14	14
Total other receivables	16	14

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

**10 RECONCILIATION OF (DECREASE)/INCREASE IN NET ASSETS FOR THE YEAR
TO NET CASH INFLOWS FROM OPERATING ACTIVITIES**

	2025 (\$000)	2024 (\$000)
Change in net assets for the year	(4,600)	2,327
Movement in working capital		
Change in accounts payable	(59)	(36)
Change in income tax payable	25	30
Change in other receivables	(2)	(7)
	(36)	(13)
Items classified as investing activities		
Income from unit funds	(1,054)	(2,051)
	(1,054)	(2,051)
Net cash (outflows)/inflows from operating activities	(5,690)	263

11 GUARANTEED BENEFITS

Under section 60 of the Act, the benefits payable by the Scheme are guaranteed by the Crown.

**12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED
BENEFITS RATIO – 31 MARCH 2025**

12.1 ACTUARIAL EXAMINATION AND REVIEW

Every three years, a statutory actuarial examination of the Scheme is prepared in accordance with the National Provident Fund Restructuring Act 1990 and the Financial Markets Conduct Act 2013 (refer note 13). The most recent actuarial examination was carried out as at 31 March 2024 and the results of that examination are summarised in note 13. This examination showed the funding level of the Scheme was 89.8% at 31 March 2024. The funding level is the ratio of the net assets to the value of past service liabilities.

There is a review each year, which takes into account updated membership information and updated assumptions. The review at 31 March 2025 showed the funding level, using the expected investment returns, had increased to 90.4%. The funding level is also calculated as if the assets were invested in Government bonds. On that basis the funding levels were 90.9% at 31 March 2025 and 90.1% at 31 March 2024.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

12 ACTUARIAL EXAMINATION AND REVIEW, FUNDING LEVEL AND VESTED BENEFITS RATIO – 31 MARCH 2025 (CONTINUED)

12.1 ACTUARIAL EXAMINATION AND REVIEW (CONTINUED)

The most financially significant assumptions are:

- the rate of future salary increases assumed for pilots. Salaries of pilots are assumed to increase with promotional increases plus general inflation of 3.0% in the first year at 31 March 2025 and 5.0% for the first year at 31 March 2024 and 2.0% per annum thereafter in each case plus a promotion adjustment
- the future investment return assumed. At 31 March 2025 future investment returns assumed are 2.3% for the first year, increasing to 2.9% and then reducing to 2.2% by 2034 and at 31 March 2024 future investment returns assumed were 3.7% for the first year, reducing to 1.8% per annum over the next nine years.
- that all contributors elect a lump sum benefit.

12.2 VESTED BENEFITS RATIO – 31 MARCH 2025

The value of vested benefits is the value of the benefits contributors would be entitled to if they left the Scheme on the valuation date. As all contributors in this Scheme are now over 50 years of age, the value of vested benefits of the Scheme is determined by the Actuary as the greater of:

- the lump sum retirement benefit the contributor would have been entitled to, if the contributor had retired.
- the value of the retirement pension the contributor would have been entitled to, if the contributor retired, assuming this pension were purchased from the National Provident Pension Scheme on 31 March 2025.
- the transfer value the contributor would have been entitled to, if the contributor had transferred out of the Scheme.

The vested benefits ratio of the Scheme is the ratio of the net assets available to pay benefits to the value of vested benefits. The vested benefits ratio, as at 31 March, is shown below:

Vested benefits	2025 (\$000)	2024 (\$000)
Present value of -		
Vested benefits	(31,593)	(35,907)
Net assets	30,185	34,785
Deficit	(1,408)	(1,122)
Vested benefits ratio	95.5%	96.9%

This table should be read in conjunction with note 11.

For this calculation, all contributors are assumed to be married. This impacts the value of the retirement pension used and potentially leads to the value of vested benefits being over-estimated.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

13 STATUTORY ACTUARIAL EXAMINATION – 31 MARCH 2024

Under the National Provident Fund Restructuring Act 1990 and the Financial Markets Conduct Act 2013, a statutory actuarial examination of the Scheme is required every three years.

The most recent statutory actuarial examination was prepared, as at 31 March 2024, by Christine Ormrod FNZSA, the Actuary to the Scheme, and is dated 15 August 2024. It covers the three years 31 March 2021 to 31 March 2024.

The following table shows the summary results of the valuation on the funding basis:

Valuation date	2024 (\$000)	2021 (\$000)
Present Value of -		
Past service liabilities	(38,722)	(46,133)
Net assets	34,785	48,630
Past service (deficit)/surplus	(3,937)	2,497
Future service liabilities	(2,989)	(5,272)
Contributors' future contributions	1,569	2,617
Net future service liability	(1,420)	(2,655)
Total service (deficit)	(5,357)	(158)
Funding level (net assets divided by past service liabilities)	89.8%	105.4%

This table should be read in conjunction with note 11.

The total service deficit is the amount the Scheme is expected to require to meet its liabilities, in addition to contributors' future contributions. It is calculated on the basis future experience is as assumed and the assumptions do not change in the future. Employer Superannuation Contribution Tax would need to be paid in addition.

In the report on the examination the Actuary recommended:

- the employer contribution rate is increased to 6.5 times members' contributions plus \$236,002 pa or \$9,077 per fortnight from 1 April 2025, inclusive of Employer Contribution Withholding Tax.
- there is an actuarial review, with the next actuarial review as at 31 March 2025, to determine the employer contribution rate from 1 April 2026.
- the Board does not amend the trust deed to increase the benefits payable from the Scheme.

The next statutory actuarial examination is due as at 31 March 2027.

The ratio of the net assets to the value of past service liabilities is known as the funding level. A funding level of 100% indicates a balance between the net assets and the past service liabilities, as at the date of valuation. The funding level of the Scheme on the funding basis, as at 31 March 2024, was 89.8%. This showed the Scheme did not have sufficient assets, as at that date, to meet its past service liabilities under the valuation assumptions.

The funding level in three years (31 March 2027) was estimated to be 91.7% assuming the experience of the Scheme is in line with the valuation assumptions and the employer contributes at the recommended rate.

The value of net assets was 96.9% of the value of vested benefits, as at 31 March 2024. The vested benefits ratio is expected to remain below 100% at 31 March 2027.

The most significant actuarial assumptions used by the Actuary were:

- future salary increases for pilots, which are assumed to increase at general salary inflation of 5% for the first year and then 2.0% pa, plus a promotion adjustment
- future investment returns, being 3.7% for the first year, reducing to 1.8% per annum over

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

the next nine years

- that all contributors elect a lump sum benefit.

The Actuary did not express an opinion on the financial condition of the Scheme.

14 FINANCIAL RISK MANAGEMENT

The Scheme invests in units of the GAT based on the SAA determined for the Scheme (see note 3). The unit fund holds 100% cash. These cash instruments are all measured at fair value.

Under *NZ IFRS 13: Fair Value Measurement* (NZ IFRS 13), disclosures for fair value instruments are required using a three-level fair value hierarchy. These tiers reflect the availability of observable market inputs. The Scheme's investment in units of the GAT is classified as a level 2 investment as the unit prices are based on a net asset valuation derived from either quoted prices for similar assets or unquoted but observable inputs.

The Scheme's major risk in relation to its investment in the GAT is the price risk that the value of its units may fluctuate. Other risks, such as market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk, are managed in the GAT.

For more information on the disclosures under NZ IFRS 13 and the risks mentioned above reference should be made to the financial statements of the GAT. A copy of the financial statements of the GAT can be viewed on the National Provident Fund's website (www.npf.co.nz).

The Board manages the other risks by determining a diversified SAA appropriate for the Scheme's liabilities. In addition, the Board selects the investment managers, sets their mandates and monitors performance against those mandates.

The long run investment return for the Scheme after fees and tax is estimated to be 2.4% per annum. The volatility is expected to be 0.9%. This is based on the Scheme's SAA and the long-term rate of return for cash (after investment management, custody fees and tax), and after deducting a provision for the Scheme's operating expenses (after tax).

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

15 SUBSEQUENT EVENTS

There were no material events subsequent to balance date requiring amendments to these financial statements.

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in these financial statements.

16.1 BASIS OF PREPARATION

The financial statements have been prepared under the requirements of clause 59 of the Scheme Trust Deed and in accordance with the FMCA. For a description of the Scheme and its funding arrangements see note 1.

16.2 STATEMENT OF COMPLIANCE

These financial statements comply with the New Zealand Equivalents to IFRS (International Financial Reporting Standards) Accounting Standards (NZ IFRS) and IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board, and other applicable financial reporting standards as appropriate for profit-oriented entities.

16.3 MEASUREMENT BASE

The measurement base adopted is that of historical cost, except for investment assets which are stated at their fair value as set out below.

16.4 PRESENTATIONAL AND FUNCTIONAL CURRENCY

The financial statements are presented in New Zealand dollars, the Scheme's functional currency, rounded to the nearest thousand dollars (\$000).

16.5 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In compliance with NZ IFRS, preparation of the financial statements requires judgements, estimates and assumptions to be made that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Judgement has been applied in the classification and measurement of financial assets. This policy has a material impact on the amounts disclosed in the financial statements.

There are no material assumptions or major sources of estimation uncertainty that have a material risk of causing material adjustments to the carrying amounts of scheme assets at year end. Investment asset values are subject to variation due to market fluctuations and volatility (see Note 14). Receivables have been valued in accordance with NZ IFRS 9. Under this standard the Scheme has adopted the simplified expected credit loss model.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period; or in the period of the revision and future periods, if the revision affects both current and future periods.

Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.6 FINANCIAL INSTRUMENTS

Financial instruments include both financial assets and financial liabilities.

Financial assets include balances due from contributors, and receivables from related parties (if applicable). Financial liabilities, measured at amortised cost, include accounts payable and bank overdrafts (if applicable).

16.7 RECOGNITION

The Scheme recognises financial assets and financial liabilities on the date the Scheme becomes a contractual party to the financial instruments.

16.8 MEASUREMENT

Financial assets that are classified at fair value through profit or loss are measured at fair value where all resulting gains or losses are recorded in the Statement of Changes in Net Assets.

Financial assets and financial liabilities are recorded at amortised cost using the effective interest rate method, less any impairment losses. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

16.9 DERECOGNITION

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Scheme transfers the financial asset and the transfer qualifies for derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

16.10 CONTRIBUTIONS

Contributions are recognised in the Statement of Changes in Net Assets when they become receivable.

16.11 BENEFITS AND PENSIONS

Benefits and pensions are recognised in the Statement of Changes in Net Assets when a request for payment is made and all relevant criteria for payment has been met.

16.12 INVESTMENT INCOME RECOGNITION

Interest income is recognised using the effective interest rate of the instrument. Changes in the fair value on GAT unit funds are recognised in the Statement of Changes in Net Assets. Interest income on financial assets classified at fair value through profit or loss, is accrued at balance date.

**Aircrew Superannuation Scheme (the Scheme)
Notes to the Financial Statements
for the year ended 31 March 2025**

16 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16.13 TAXATION

Any income or loss arising from the movement in the fair value of the unit funds of the GAT is received by the Scheme tax paid (if any). The Scheme's deductible operating expenses are offset against the Scheme's interest received to result in net assessable income. For years where there are surplus deductible operating expenses, these are transferred to the GAT under the Tax Act in the current or future income years (refer notes 7 and 8).

The Scheme takes a responsible and transparent approach to tax which follows the spirit of the law in addition to the pure interpretation of the law.

16.14 STANDARDS ISSUED BUT NOT EFFECTIVE

Certain new accounting standards and interpretations have been issued that are not mandatory for 31 March 2025 reporting periods and have not been adopted early by the Board. None of these standards are likely to have a material impact on the Scheme when they are adopted.

17 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There have been no changes in accounting policies or disclosures. New standards and interpretations that are mandatory for 31 March 2025 reporting periods have been adopted with no material impact on the financial statements.

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2025**

18 OTHER INFORMATION

The Board, as Trustee of the Scheme, provides members with the following information:

18.1 SCHEME MEMBERSHIP

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

	Contributors
Opening membership as at 1 April 2024	17
Joins/Rejoin	-
Deaths and disablements	-
Retirement	-
Transfer to another scheme	-
Transfer to another NPF scheme	(3)
Moved from extinguished liabilities*	1
Closing membership as at 31 March 2025	15

* *Following a Trust Deed amendment on 5 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 to that member.*

Where a person re-establishes contact with the Board within 15 years of the liabilities to that person being extinguished, the person is reinstated as a member of the Scheme.

18.2 CONTRIBUTIONS RECEIVED AND BENEFITS PAID

On the basis of evidence available, the Board believes that 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.

18.3 VESTED BENEFITS

The Board, based on the advice of the Actuary, certifies the net market value of the Scheme's assets was less than the total value of the vested benefits of the Scheme, as at 31 March 2025 (refer note 12 to the financial statements).

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2025**

18 OTHER INFORMATION (CONTINUED)

18.4 INVESTMENT WITH PARTIES TO THE SCHEME

The Board confirms that, to the best of its knowledge, not more than 10% of the net market value of the Scheme assets were invested with the employer, or associated entities, either directly or indirectly, who are parties to the Scheme.

18.5 TRUST DEED

The Scheme Trust Deed has not been amended since 25 June 2024, being the date of the Scheme's last annual report.

18.6 DIRECTORY

Trustee	Board of Trustees of the National Provident Fund Members of the Board are: Louise Edwards (Board Chair) Graham Ansell Tracey Berry Lloyd Kavanagh Michelle Tsui Sarah Park (Deputy Chair)
Administration manager	Datacom Connect Limited
Investment managers	Cash Managers Bank of New Zealand Limited (terminated 27 September 2024) Nikko Asset Management New Zealand Limited (appointed 27 September 2024)
Actuary	Christine Ormrod, PricewaterhouseCoopers Consulting (New Zealand) LP
Auditor	Pam Thompson, Deloitte Limited (on behalf of the Auditor-General)
Solicitor	DLA Piper New Zealand
Bank	Bank of New Zealand
Custodian	JP Morgan Chase Bank

**Aircrew Superannuation Scheme (the Scheme)
Trustee's Report
for the year ended 31 March 2025**

18 OTHER INFORMATION (CONTINUED)

18.7 CORRESPONDENCE

All correspondence relating to the Scheme should be addressed to:

The Manager
National Provident Fund Administration
Datacom Connect Limited
PO Box 1036
WELLINGTON 6140

OR

The Chief Executive
Annuitas Management Limited
On behalf of the Board of Trustees of the National Provident Fund
PO Box 3390
WELLINGTON 6140

For and on behalf of the Board of Trustees of the National Provident Fund.



Louise Edwards
Board Chair

26 June 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIRCREW SUPERANNUATION SCHEME'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Auditor-General is the auditor of Aircrew Superannuation Scheme (the Scheme). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Scheme, on his behalf.

Opinion

We have audited the financial statements of the Scheme on pages 1 to 13, that comprise the Statement of Net Assets as at 31 March 2025, the Statement of Changes in Net Assets and Statement of Cash Flows for the year ended on that date and the notes to the financial statements that include material accounting policies and other explanatory information.

In our opinion, the financial statements of the Scheme:

- present fairly, in all material respects:
 - its net assets as at 31 March 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS').

Our audit was completed on 26 June 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Actuarial deficit and triennial valuation of the promised retirement liabilities (Note 12 and 13)</p> <p>In accordance with Section 68(1) of the National Provident Fund Restructuring Act 1990 (the Act), the Board of Trustees of the National Provident Fund is required to obtain an actuarial valuation of the estimated promised retirement liabilities as at dates that are no more than three years apart.</p> <p>On 15 August 2024, the Scheme obtained a triennial valuation as at 31 March 2024 which estimated liabilities of \$38.8 million, net assets of \$34.8 million and determined a deficit of \$3.9 million.</p> <p>On 11 June 2025, the Scheme obtained an interim update letter as at 31 March 2025 from its actuary which showed vested benefits of \$31.6 million. This compared to the net assets of \$30.2 million resulting in a Scheme actuarial deficit of \$1.4 million.</p> <p>The interim update letter uses the triennial valuation as at 31 March 2024 as a base and certain assumptions were updated with latest available information.</p> <p>The triennial valuation and interim update letter is inherently subjective and is affected by use of assumptions such as:</p> <ul style="list-style-type: none"> • The rate of future salary increases; • Future investment returns; and • That all contributions elect a lump sum benefit. <p>As noted in Note 11 under section 60 of the Act, the benefits payable by the Scheme are guaranteed by the Crown.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Testing the underlying data provided to the actuary and confirming that these agree to underlying records. • Evaluating the competence and objectivity and relevant experience of the Scheme's actuary. • Engaging our internal actuarial specialist to independently understand, challenge and evaluate: <ul style="list-style-type: none"> • The work and findings of the Scheme's actuary. • The actuarial methods and assumptions employed, specifically, the rate of future salary increases assumed for pilots, future investment returns, and that all contributors elect a lump sum benefit. • Evaluating the related disclosures about the Scheme's vested benefits and promised retirement liabilities, and the risks attached to them which is included in Note 12 and 13 to the Scheme's financial statements. • Assessing the related disclosures concerning the Scheme's vested benefits deficit and any guarantee by the Crown to fund benefit payments as they fall due.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the Scheme for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees are responsible for such internal control as they 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 Scheme for assessing the Scheme's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to wind-up the Scheme or to cease operations, or have no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Financial Markets Conduct Act 2013 and clause 59 of the Scheme's Trust Deed.

Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees are responsible for the other information. The other information obtained at the date of our report is included on page 14 to 16, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Scheme in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.



Pam Thompson, Partner
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

Directory as at 9 July 2025

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

Louise Edwards – Chair – appointed 1 July 2019 and Chair from 1 July 2024

Sarah Park – Deputy Chair – appointed 1 February 2020 and Deputy Chair from 1 July 2022

Graham Ansell – appointed 12 July 2021

Tracey Berry – appointed 1 July 2022

Lloyd Kavanagh – appointed 1 July 2022

Michelle Tsui – appointed 1 July 2024

Further information on the Board members is provided on our website – www.npf.co.nz.

MANAGEMENT

Tim Mitchell

Chief Executive and Acting Chief Investment Officer

Fiona Morgan

Chief Financial Officer

Hadyn Hunt

Chief Risk Officer

Ireen Muir

General Manager – Schemes

DATACOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

You are welcome to contact Datacom if you have any specific questions about the information in this report or to enquire about your Scheme membership in general. If you would like to receive a free printed copy of this report or the full financial statements in the mail please contact Datacom.

The Trust Deed and actuarial valuation is available on NPF's website (www.npf.co.nz/members/schemes/). You can also purchase a printed copy of the Trust Deed (\$10) or actuarial valuation (\$10) by contacting Datacom.

Please quote your identity number when contacting Datacom.

Free phone: 0800 628 776 between 8.30 am and 5.00 pm, Monday to Friday.

Phone: (04) 381 0600

Post to:

The Manager
National Provident Fund Administration
Datacom Connect Limited

P O Box 1036
WELLINGTON 6140

Email: npf@fundadmin.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 our website – www.npf.co.nz.

You may contact the Board by writing to:

The Secretary
Board of Trustees of the National Provident Fund
PO Box 3390, Wellington 6140, or
Level 12, The Todd Building
95 Customhouse Quay
WELLINGTON 6011

Auditor: Pam Thompson, Deloitte Limited,
on behalf of the Auditor-General

Actuary: Christine D Ormrod,
PricewaterhouseCoopers Consulting
(New Zealand) LP

Bank: Bank of New Zealand Limited

Custodian: JPMorgan Chase Bank, N.A.

Solicitor: DLA Piper New Zealand

There were no changes to the Actuary, Bank, Custodian or Solicitor during the year.