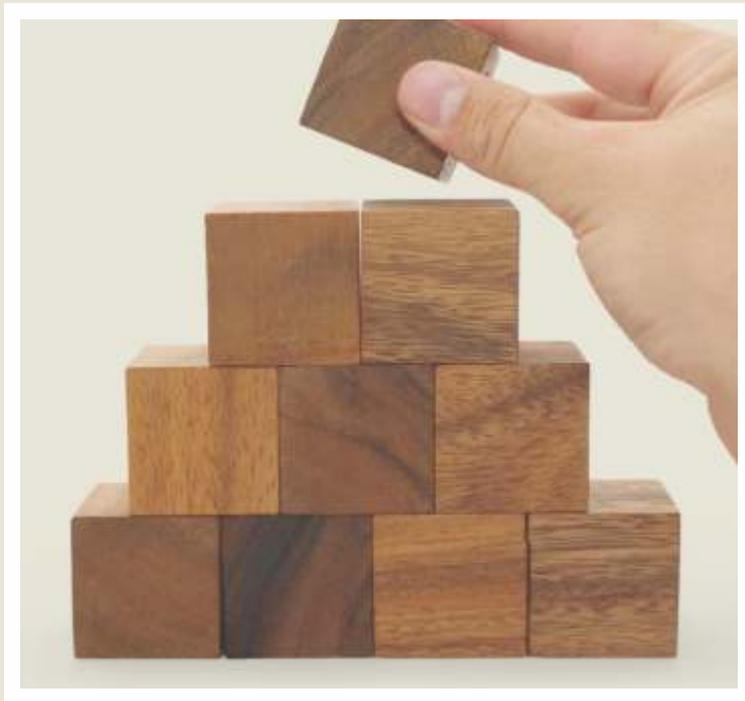


# NZSIF



New Zealand  
Social Infrastructure  
Fund Limited



## Interim Report

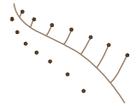
for the half year ended 30 September 2012



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*Melbourne Convention and Exhibition Centre*



*Hobsonville Schools*

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## Report to shareholders

21 November 2012

*Dear Shareholder*

I am pleased to present New Zealand Social Infrastructure Fund's (NZSIF) interim report for the half year to 30 September 2012. This report includes the interim financial statements for the six-month period.

### Background

NZSIF invests as a Limited Partner in the Public Infrastructure Partners Limited Partnership (PIP Fund). The PIP Fund is an institutional fund established by Morrison & Co to invest in public-private partnerships (PPPs) that deliver social infrastructure assets such as schools, hospitals and local government facilities to the community.

The PIP Fund is designed for long-term infrastructure investing.

### Limited Partnership and Capital

The final close for the PIP Fund was 31 December 2010. The PIP Fund has nine limited partners with capital commitments of \$176.5 million. NZSIF has a 23% interest in the PIP Fund and is the second largest investor, behind the New Zealand Superannuation Fund.

NZSIF has a capital commitment to the PIP Fund of \$40.5 million and has met calls of \$9.32 million to 30 September 2012. NZSIF has committed a further \$2.25 million to the PIP Fund for the Hobsonville Schools project that we announced in April 2012.

### Investment Progress

#### *Hobsonville Schools*

On 14 March 2012 it was announced that a PIP Fund consortium, Learning Infrastructure Partners (LIP), had been appointed as the preferred bidder to build and maintain New Zealand's first public private partnership schools at Hobsonville Point, West Auckland.

On 5 April 2012 the Government and the LIP consortium reached financial close for the Hobsonville Schools PPP project. LIP will design, build and finance the schools and will be responsible for maintaining them throughout the 25 year contract (the concession

term). The board of trustees and staff will be responsible for providing education in the school.

The LIP consortium is made up of firms with significant experience in designing, building and maintaining New Zealand schools including Hawkins - lead construction (equity interest 2.5%); ASC Architects - lead designer; and Programmed Facility Management - facilities management. The PIP Fund will provide 97.5% of project equity funding (\$9.8 million) and the financial management. Westpac Bank will provide the senior debt. NZSIF's share of the equity investment will be \$2.25 million.

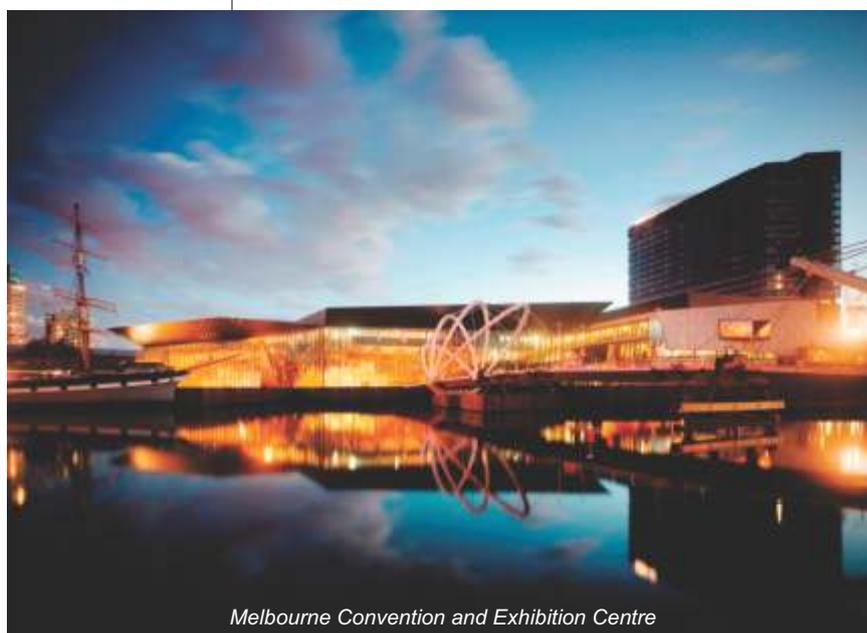
The Hobsonville Schools PPP (public private partnership) comprises two new schools at Hobsonville Point, West Auckland. These schools are a primary school (years 1-8) to open for the first term of 2013, and a secondary school (years 9-13) to open for the first term of 2014.

The Hobsonville schools project continues to make good progress and construction of the primary school is largely on programme. Hawkins have lifted the work force and hours worked to ensure the primary school comes in on time. The manager and contractors representative are closely monitoring progress.

The secondary school work commenced in September this year with the first of the floor slabs now laid and some wall panels erected.

#### *Melbourne Convention and Exhibition Centre*

The PIP Fund's first investment was in an existing operating asset, the Melbourne Convention and Exhibition Centre (MCEC). The benefit of investing in



*Melbourne Convention and Exhibition Centre*

operating infrastructure assets is that they are yield generating from the outset.

The MCEC concession runs for 25 years from January 2009 to 2034, with the State of Victoria as counterparty.

The MCEC investment cost represents approximately 22% of NZSIF's committed capital and is significant with total assets of approximately A\$900m and long-term funding in place.

This is an excellent investment, as it is an operating asset with the underlying revenue streams being highly secure, based on availability of the facility, not demand or patronage driven.

There have been no material property management or performance issues affecting MCEC or the PIP Fund returns from MCEC during the period and therefore no revenue deductions for the PIP Fund.

***New Zealand & Australian social infrastructure investment projects and opportunities***

The PIP Fund has been actively reviewing a number of prospective PPP investment projects in the local market. The NZ PPP pipeline is more encouraging with the Government's National Infrastructure Unit indicating the following as potential PPP projects:

- Transmission Gully Roading - announced on 21 November 2012 that it would proceed as a PPP
- Whole-of-Government Radio Network
- Christchurch Convention Centre
- Clifford Bay - port

The PIP Fund will pursue these local social infrastructure investment projects as they come to market.

Australian infrastructure investment opportunities continue to be explored, including an exclusive due diligence on one smaller project that may progress in the near term.



**Investment Valuation Methodology - PIP Fund**

The PIP Fund employs a third party expert to value the Fund's assets, at the end of each financial year (31 March). The valuation is calculated as at balance date and was completed this year for the MCEC investment. For Australian infrastructure investments, exchange rates at the end of each period are applied to the asset values and these can cause variations in the period to period asset valuations of Australian assets, in New Zealand dollars. At interim accounting periods the PIP Fund assets are valued at fair value based on the valuation at the end of the previous financial year with adjustments for any income earned less any distributions received in the period, and any exchange rate movement on Australian investment assets.

**NZSIF Investment Valuation**

NZSIF's policy is to carry investments at fair value with subsequent movements in fair value recognised through profit or loss. As there is no quoted market price for the PIP Fund, valuation techniques must be utilised to determine the fair value of the PIP Fund itself, which may require an aggregation of valuations of the PIP Fund's investments. As at 30 September 2012 the PIP Fund investment is valued at fair value based on NZSIF's share of its equity in the PIP Fund.

This has resulted in a valuation of NZ\$9,193,710 for NZSIF's current investment in the PIP Fund being recorded in the interim statement of financial position as at 30 September 2012, a decrease of \$275,377\* against the PIP Fund investment at 31 March 2012. (\*\$82,328 related to the NZ/AU exchange rate movement during the period, while \$193,049 was a reduction in net assets of the PIP Fund relating to costs and expenses of the PIP Fund during the period).

Table 1 over page compares the NTA, based on NZSIF's PIP Fund investment value as at 30 September 2012 against the 31 March 2012 and 30 September 2011 positions. The movement reflects mainly the return of capital \$1,134,906 (2.77 cps) to NZSIF shareholders 11 May 2012.

The strengthening of the New Zealand dollar against the Australian dollar has the effect of reducing the MCEC valuation.



Table 1

NZSIF Asset Position		30-Sep-12 \$	31-Mar-12 \$	30-Sep-11 \$
PIP Fund Investment		9,193,710	10,515,286	9,248,457
NZSIF Cash		2,117,019	2,280,318	2,383,501
NZSIF Net Working Capital		(64,335)	50,559	15,959
<b>Total</b>		<b>11,246,394</b>	<b>12,846,163</b>	<b>11,647,917</b>
		<b>cps</b>	<b>cps</b>	<b>cps</b>
NZSIF NTA		27.43	31.33	28.41
Capital returned				
	11 May 2012	2.77		
	27 July 2012	0.03		
NTA adjusted for capital returned		30.23	31.33	28.41
NZD/AUD FX rate		0.7953	0.7874	0.7879

### Distributions

MCEC investment returns began to flow to the PIP Fund in the first quarter of 2011. MCEC is making quarterly distributions to the PIP Fund, and the PIP Fund is passing distributions through to the limited partners (including NZSIF) six monthly. NZSIF anticipates passing these distributions through to shareholders as they are received.

A capital return of 2.768 cents per share (cps) was paid to shareholders 11 May 2012.

A distribution of 1.043 cps was made 27 July 2012 comprising dividend income of 1.008 cps plus a small capital return amount of 0.035 cps.

NZSIF is making a further distribution of 0.728 cps 30 November 2012. This is at the top end of guidance previously provided for 2013 distributions in the range of 1.0 cps to 1.4 cps (3.7% - 5.1%) and on an annualized basis represents a gross yield of 5.36% per annum on the net capital contributed of 27.197 cps.

This dividend of 0.728 cps has no imputation credits attached, consistent with the July 2012 distribution. Distributions received by the PIP Fund from MCEC are from an Australian entity and there are no NZ imputation credits available. NZ income tax paid by PIP and NZSIF is expected to be minimal until NZ based investments (including Hobsonville Schools) become profitable.

The NZSIF board anticipates that dividends will continue to grow. Hobsonville Schools concession payments will commence from June 2014 with a positive contribution to NZSIF distributions after that date.

### Interim Financial Statements

The interim financial statements covering the 6-month period to 30 September 2012 are provided for your information.

The interim statement of comprehensive income shows NZSIF received dividend income (from PIP Fund) of \$413,228 plus a small amount of interest income, \$40,079. There was a negative movement in fair value of \$275,377 and operating costs of \$122,346 including the manager's fee and independent directors' remuneration.

Profit before tax was \$55,584, while tax expense \$92,669 produced a net after tax loss for the period of \$37,085. The return of capital to the limited partners in May 2012 was the key contributing factor to the lower value of the PIP Fund investment between 31 March 2012 and 30 September 2012.

NZSIF has 41 million \$1 shares\* on issue paid to 30 cps (\*each share comprises one ordinary voting share and 100 non-voting redeemable preference shares). 10 cps was paid at the time of initial subscription and the first call of 20 cps was made in August 2010. NZSIF has returned capital of 2.803 cps during 2012, which means investors have contributed net capital of 27.197 cps.

The 30 September 2012 value of the NZSIF investment in the PIP Fund is \$9,193,710. Liabilities represent just 0.67% of the total NZSIF assets.

NZSIF's net asset backing per share as at 30 September 2012 is 27.43 cps.

The last sale price for NZSIF shares on the secondary market facilitated by Craigs Investment Partners was 27 cps.

We will keep you informed if the PIP Fund is successful with an investment through media releases, via the NZSIF website [www.nzsif.co.nz](http://www.nzsif.co.nz) or by writing to you directly. Depending on the size of any new investments made by the PIP Fund, this may entail a call being made on NZSIF to fund the investment. In turn we may issue a call notice and information on the new investment to you. Our other funding option is to use bank debt to bridge PIP Fund investment calls for up to 90 days, before making a call on NZSIF shareholders. This is an option we are currently exploring.

We will continue to provide formal interim and annual shareholder reports, by way of electronic delivery via our website. These reports plus other updates for investors are available to view on our website [www.nzsif.co.nz](http://www.nzsif.co.nz).

If you have any queries regarding your investment in NZSIF, please discuss with your Investment Adviser or you may call Peter Lalor at NZSIF Management on 07 577 4727.

Thank you for your ongoing support of NZSIF.

Yours sincerely  
**NEW ZEALAND SOCIAL INFRASTRUCTURE  
FUND LIMITED**



**Kim Ellis**  
Chairman



## Interim statement of comprehensive income

For the six months ended 30 September 2012

	Unaudited 6 months Sep 2012	Audited 12 months Mar 2012	Unaudited 6 months Sep 2011
Note	\$	\$	\$
Dividend income	413,228	-	-
Interest income	40,079	87,131	43,952
Movement in fair value of PIP Fund	(275,377)	1,082,655	(184,174)
<b>Total investment income</b>	<b>177,930</b>	<b>1,169,786</b>	<b>(140,222)</b>
Administrative expenses	(122,346)	(266,945)	(136,136)
<b>Profit/(loss) before tax</b>	<b>55,584</b>	<b>902,841</b>	<b>(276,358)</b>
Income tax credit/(expense)	(92,669)	19,047	-
<b>Profit/loss for the period</b>	<b>(37,085)</b>	<b>921,888</b>	<b>(276,358)</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>(37,085)</b>	<b>921,888</b>	<b>(276,358)</b>

## Interim statement of changes in equity

For the six months ended 30 September 2012

	Share capital	Retained earnings	Total equity
<b>Balance at 1 April 2012</b>	11,878,696	967,467	12,846,163
Total comprehensive income for the period	-	(37,085)	(37,085)
Redemption of capital	(1,149,457)	-	(1,149,457)
Dividends paid	-	(413,227)	(413,227)
<b>Balance at 30 September 2012</b>	<b>10,729,239</b>	<b>517,155</b>	<b>11,246,394</b>

For the year ended 31 March 2012

	Share capital	Retained earnings	Total equity
<b>Balance at 1 April 2011</b>	11,878,696	45,579	11,924,275
Total comprehensive income for the period	-	921,888	921,888
<b>Balance at 31 March 2012</b>	<b>11,878,696</b>	<b>967,467</b>	<b>12,846,163</b>

For the six months ended 30 September 2011

	Share capital	Retained earnings	Total equity
<b>Balance at 1 April 2011</b>	11,878,696	45,579	11,924,275
Total comprehensive income for the period	-	(276,358)	(276,358)
<b>Balance at 30 September 2011</b>	<b>11,878,696</b>	<b>(230,779)</b>	<b>11,647,917</b>



## Interim statement of financial position

As at 30 September 2012

	Note	Unaudited 6 months Sep 2012 \$	Audited 12 months Mar 2012 \$	Unaudited 6 months Sep 2011 \$
<b>Assets</b>				
Investment in PIP fund	3	9,193,710	10,515,286	9,248,457
<b>Total non current assets</b>		9,193,710	10,515,286	9,248,457
Receivables and prepayments	5	11,555	29,554	16,745
Taxation receivable		-	57,025	25,900
Cash and cash equivalents	6	2,117,019	2,280,318	2,383,501
<b>Total current assets</b>		2,128,574	2,366,897	2,426,146
<b>Total assets</b>		11,322,284	12,882,183	11,674,603
<b>Equity</b>				
Issued capital		10,729,239	11,878,696	11,878,696
Retained earnings		517,155	967,467	(230,779)
<b>Total equity attributable to equity holders</b>		11,246,394	12,846,163	11,647,917
<b>Liabilities</b>				
Trade and other payables		19,076	36,020	26,686
Taxation payable		56,814	-	-
<b>Total current liabilities</b>		75,890	36,020	26,686
<b>Total liabilities</b>		75,890	36,020	26,686
<b>Total equity and liabilities</b>		11,322,284	12,882,183	11,674,603

For and on behalf of the Board

**Director**  
20 November 2012

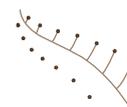
**Director**  
20 November 2012



## Interim statement of cash flows

For the six months ended 30 September 2012

	Note	Unaudited 6 months Sep 2012 \$	Audited 12 months Mar 2012 \$	Unaudited 6 months Sep 2011 \$
<b>Cash flows from operating activities</b>				
Dividends received		413,228	-	-
Interest received		45,106	83,041	39,903
Income taxes refunded/(paid)		21,171	(23,251)	(11,173)
Cash paid to suppliers		(126,319)	(287,756)	(153,513)
<b>Net cash from operating activities</b>	7	353,186	(227,966)	(124,783)
<b>Cash flows from financing activities</b>				
Redemption of capital		(1,149,457)	-	-
Dividends paid		(413,227)	-	-
<b>Net cash from financing activities</b>		(1,562,684)	-	-
<b>Cash flows from investing activities</b>				
Proceeds from PIP fund		1,149,457	-	-
Investment in PIP fund	3	(103,258)	-	-
<b>Net cash from investing activities</b>		1,046,199	-	-
Net movement in cash and cash equivalents		(163,299)	(227,966)	(124,783)
Cash and cash equivalents at beginning of period		2,280,318	2,508,284	2,508,284
<b>Cash and cash equivalents at end of period</b>	6	2,117,019	2,280,318	2,383,501



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## Notes to the interim financial statements

### 1. General information

#### (a) Reporting entity

New Zealand Social Infrastructure Fund Limited (the “Company”) is a company incorporated and domiciled in New Zealand. New Zealand Social Infrastructure Fund Limited is registered under the *Companies Act 1993* and is an issuer and a reporting entity for the purposes of the *Financial Reporting Act 1993*.

The Company is primarily involved in investing into public-private partnerships as a limited partner of the Public Infrastructure Partners Limited Partnership (the “PIP Fund”). The PIP Fund is a limited liability partnership, established under the Limited Partnerships Act 2008. The primary purpose of the PIP Fund is to make investments in social infrastructure assets through public private partnerships (PPP's).

The interim financial statements were approved by the Directors on 20 November 2012.

#### (b) Statement of compliance

The interim financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), specifically NZ IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 March 2012.

#### (c) Basis of measurement

The interim financial statements are prepared on the historical cost basis except that certain financial instruments are stated at their fair value (see note 2(a)).

#### (d) Functional and presentation currency

The interim financial statements are presented in New Zealand dollars, which is the Company's functional currency, and rounded to the nearest dollar.

#### (e) Use of estimates and judgements

The preparation of interim financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying 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. At 30 September 2012 the only estimates are in relation to the valuation of the PIP Fund (see note 3).



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## Notes to the interim financial statements

### 2. Significant accounting policies

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its annual financial statements as at and for the year ended 31 March 2012, except in relation to the valuation of individual Investments made by the PIP Fund. No valuations by an independent valuation expert are used for interim reporting periods.

#### (a) Investment in the PIP Fund

New Zealand Social Infrastructure Fund Limited invests in the PIP Fund as a limited partner.

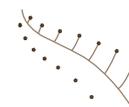
The Company's investment in the PIP Fund is classified at fair value through profit or loss and presented as a non-current asset in the statement of financial position. The investment is stated at fair value, with any resultant change in fair value recognised in profit or loss.

### 3. Investment in PIP Fund

The Company currently has one investment, which is in the Public Infrastructure Partners LP (PIP Fund). The PIP Fund itself has made one investment as at 30 September 2012. Company policy is the carry investments at fair value with subsequent movements in fair value recognised through profit or loss. As there is no quoted market price for the PIP Fund, the Company has taken up its share of net assets of the PIP Fund as at 30 September 2012 from the PIP Funds unaudited financial statements.

Valuation techniques were utilised by the PIP Fund in its annual audited financial statements at 31 March 2012 to determine the fair value of the PIP Fund investments. The valuation techniques utilised can include 'the price of recent acquisition', 'market based earnings multiples' or 'discounted cash flows'. The General Partner of the PIP Fund arranges valuations of investments as at the end of the reporting period by an independent valuation expert, using valuation methodologies approved by the PIP Fund Advisory Committee.

As at 30 September 2012 no independent valuation was obtained by the PIP Fund. Fair value as at 31 March 2012 approximated the Company's share of the PIP Fund's net assets at this date and having considered relevant data points, the Company considers this to be the case as at 30 September 2012. Fair value as at 30 September 2012 has therefore been assessed as NZSIF's share of the PIP Fund's net assets as disclosed in its interim accounts at this date. This has resulted in a valuation of NZ\$9,193,710 (31 March 2012: \$10,515,286) (30 September 2011: \$9,248,457) being recorded in the statement of financial position, and the movement against the 31 March 2012 valuation shown as a fair value movement through profit or loss as a decrease of \$275,377 (31 March 2012: increase of \$1,082,655) (30 September 2011 decrease of \$184,174).



## Notes to the interim financial statements

### 3. Investment in PIP Fund (continued)

	<b>Note</b>	<b>Unaudited Sep 2012</b>	<b>Audited Mar 2012</b>	<b>Unaudited Sep 2011</b>
Opening balance		10,515,286	9,432,631	9,432,631
Capital distributions from PIP Fund		(1,149,457)	-	-
Calls made to PIP Fund		103,258	-	-
Movement in fair value of PIP Fund		(275,377)	1,082,655	(184,174)
Closing balance		9,193,710	10,515,286	9,248,457
The movement in fair value of the PIP Fund is made up of:				
Movement in FX rates		(82,328)	628,811	(170,189)
Movement in net assets of PIP Fund		(193,049)	453,844	(11,985)
Movement in fair value of PIP Fund		(275,377)	1,082,655	(184,174)
FX Rates used to value investment in PIP Fund		0.7953	0.7874	0.7879

### 4. Redemption of capital

On 11 May 2012 the Company returned capital by redeeming preference shares. This was a result of the PIP Fund returning capital on 30 April of the same amount to the Company, as a result of the refinancing of the Melbourne Convention and Exhibition Centre investment.

### 5. Receivables and prepayments

	<b>Unaudited Sep 2012</b>	<b>Audited Mar 2012</b>	<b>Unaudited Sep 2011</b>
Receivables	-	5,026	4,984
Prepayments	11,555	24,528	11,761
	11,555	29,554	16,745



## Notes to the interim financial statements

### 6. Cash and cash equivalents

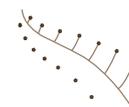
	<i>Note</i>	<b>Unaudited Sep 2012</b>	<b>Audited Mar 2012</b>	<b>Unaudited Sep 2011</b>
Call deposits:				
ANZ National Bank Limited		270	17,865	17,685
ANZ National Bank Limited via				
CIP Cash Management Nominees Limited	9	33,843	5,397	139,113
Short term deposits		2,082,906	2,257,056	2,226,703
Cash and cash equivalents in the statement of cash flows		2,117,019	2,280,318	2,383,501

Call deposits are held with ANZ National Bank Limited via CIP Cash Management Nominees Limited (see Note 9), and also directly with ANZ National Bank Limited. The average interest rate on call deposits is 2.91% (March 2012: 2.71%) (September 2011: 2.75%).

Short-term deposits are held directly with ANZ National Bank Limited. The average interest rate on short-term deposits is 3.87% (March 2012: 3.76%) (September 2011: 4.00%).

### 7. Reconciliation of profit/(loss) after taxation to the net cash flow from operating activities

	<b>Unaudited Sep 2012</b>	<b>Audited Mar 2012</b>	<b>Unaudited Sep 2011</b>
Profit/(loss) for the period	(37,085)	921,888	(276,358)
Movement in fair value of PIP Fund	275,377	(1,082,655)	184,174
	238,292	(160,767)	(92,184)
<b>Movement in Working Capital</b>			
Change in receivables and prepayments	17,999	730	13,539
Change in income tax receivable	113,840	(42,298)	(11,173)
Change in trade and other payables	(16,945)	(25,631)	(34,965)
Net cash flow from/(to) operating activities	353,186	(227,966)	(124,783)



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## Notes to the interim financial statements

### 8. Commitments

The Company has further commitments of \$31,174,743 to the PIP fund as at 30 September 2012 (31 March 2012: \$31,278,001) (30 September 2011: \$31,278,001), which will be met from cash reserves and further calls of capital.

On 5 April 2012 the Hobsonville Schools PPP project reached financial close. The PIP Fund, which the Company invests in, will invest \$9.8 million in the project at the end of the construction period, expected to be October 2013 for a 97.5% share of the investment vehicle, Learning Infrastructure Partners. The project is to design, build, manage, maintain facilities of, and finance a new primary school for 690 students and a new secondary school for 1,500 students at Hobsonville Point, Auckland. The Company expects to meet its expected commitment of \$2.25 million to the PIP Fund for its share of the Hobsonville Schools PPP by use of its cash and/or a call on its shareholders.

### 9. Related parties

#### Identity of related parties

The Company has a related party relationship with Craigs Investment Partners Limited, which owns 100% of NZSIF Management Limited, the Manager of New Zealand Social Infrastructure Fund Limited, and CIP Cash Management Nominees Limited.

The following directors of the Company are also directors of Craigs Investment Partners Limited:

- Neil John Craig
- Michael John Caird

The following director of the Company is also a director of CIP Cash Management Nominees Limited:

- Neil John Craig

#### Transactions with related parties

During the period, the Company entered into the following transactions with related parties:

- Management fees paid to NZSIF Management Limited totalled \$59,060 (31 March 2012: \$115,699) (30 September 2011: \$58,938).
- Craigs Investment Partners Limited paid certain expenses of the Company. As at 30 September 2012, \$45 (31 March 2012: nil) (30 September 2011: \$583) remained owing to Craigs Investment Partners Limited.
- An on-call bank account is held with ANZ National Bank Limited via CIP Cash Management Nominees Limited, which is a 100% subsidiary of Craigs Investment Partners Limited. At 30 September 2012 the balance held was \$33,843 (31 March 2012: \$5,397) (30 September 2011: \$139,113) (see Note 6).

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.



## Notes to the interim financial statements

### 9. Related parties (continued)

#### Transactions with key management personnel

	Unaudited 6 months Sep 2012	Audited 12 months Mar 2012	Unaudited 6 months Sep 2011
Directors fees (total remuneration)	38,000	76,000	38,000

The balance of directors' fees owing to key management personnel at 30 September 2012 was \$19,030 (31 March 2012: \$19,013) (30 September 2011: \$19,000).

#### Director's interests

The following directors or their associated entities held shares in the Company at 30 September 2012:

- Kimmitt Rowland Ellis 50,000 shares
- Neil John Craig 100,000 shares
- Michael John Caird 100,000 shares

There were no changes in Directors' interests during the period.

### 10. Subsequent events

On the 30th of October 2012 the PIP Fund made a call for \$229,462 which was subsequently paid by the Company on the 12th of November. On the 12th of November a distribution was made from the PIP Fund of \$298,300 and was received by the Company on the 14th of November.

The Company has approved a dividend of \$298,300 on the 20th of November 2012. The dividend of 0.728 cents per share does not have any imputation credits attached.



## Auditor's review report



### To the shareholders of New Zealand Social Infrastructure Fund Limited

We have completed a review of the financial statements on pages 6 to 14 in accordance with the Review Engagement Standard RS-1 issued by the External Reporting Board and RG-1 issued by the New Zealand Institute of Chartered Accountants. The financial statements provide information about the past financial performance of New Zealand Social Infrastructure Fund Limited and its financial position as at 30 September 2012.

### Directors' responsibilities

The Directors of New Zealand Social Infrastructure Fund Limited are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Company as at 30 September 2012 and the results of its operations and cash flows for the six month period ended on that date.

### Reviewers' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

### Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. There are however certain restrictions on dealings which partners and employees of our firm have with the company. These matters have not impaired our independence as auditors of the company. The firm has no other relationship with, or interest in, the company.

### Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements on pages 6 to 14 do not give a true and fair view of the financial position of Company as at 30 September 2012 and the results of its operations and cash flows for the six month period ended on that date.

Our review was completed on 20 November 2012 and our opinion is expressed as at that date.

*KPMG*

20 November 2012  
Tauranga



## Corporate Directory

### BOARD OF DIRECTORS OF NZSIF

Kimmitt Rowland Ellis (Chair)  
 Ian Alexander Nicholson Fraser  
 Neil John Craig  
 Michael John Caird

The Board can be contacted at NZSIF's registered office address set out below.

### OFFICES OF NZSIF

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### AUDITORS

#### KPMG

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### INVESTMENT MANAGER

#### Morrison & Co PIP Limited

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### ADMINISTRATION MANAGER

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### SHARE REGISTRAR

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### SOLICITORS

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