

Allianz New Zealand Limited
NZ Company Number 445514

Financial Statements for year ended
31 December 2017

Director's Report

The Director presents the report together with the financial statements of Allianz New Zealand Limited ("the Company") for the year ended 31 December 2017 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

D.G. Hosking (appointed 17 July 2009)
T.E. Elisara (resigned 10 February 2017)

Principal Activities

The principal activity of Allianz New Zealand Limited during the course of the reporting year has been the provision of premium funding services to customers, and the provision of management and administrative services to related companies.

Events after Balance Date

There have been no matters or circumstances that have arisen in the interval between 31 December 2017 and the date of this report which, in the Director's opinion have significantly affected, or may affect in subsequent reporting periods, the operations of the Company, the results of those operations or the state of the Company except as otherwise disclosed in this report.

Results

The profit after income tax of the Company attributable to members for the year ended 31 December 2017 amounted to \$1,165,000 (2016: \$2,238,000).

Director's Benefits

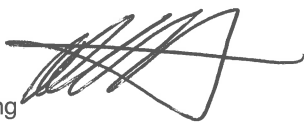
During the year ended 31 December 2017 and in the interval between 31 December 2017 and the date of this report, no Director has received, or has become entitled to receive, any benefit (other than a benefit included in the aggregate amount of emoluments paid or due and payable, to the Director, by reason of a contract made by the Company or any entity controlled by the Company or a body corporate that is related to the Company, with the Director or with an entity in which the Director has a substantial financial interest.

Registered Office

Level 11, Tower 1, 205 Queen Street, Auckland 1010, New Zealand.

Signed in accordance with a resolution of the Director of Allianz New Zealand Limited.

D.G. Hosking
Director



26 March 2018



Independent Auditor's Report

To the shareholder of Allianz New Zealand Limited

Report on the financial statements

Opinion

In our opinion, the accompanying financial statements of Allianz New Zealand Limited (the company) on pages 5 to 17:

- i. present fairly in all material respects the company's financial position as at 31 December 2017 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 December 2017;
- the statement of Profit and Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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



Other information

The Directors, on behalf of the company, are responsible for the other information included in the entity's Financial Report. Other information includes the Directors' Report. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.



Use of this independent auditor's report

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



Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime);
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

The logo consists of the letters 'KPMG' written in a bold, black, handwritten-style font.

KPMG
Sydney

26 March 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Note	2017 \$000	2016 \$000
Revenue			
Premium funding revenue		22,654	19,523
Management fee revenue		7,699	5,451
Interest & other income		698	771
Foreign exchange gains		-	767
Total revenue		31,051	26,512
Expenses			
Premium funding expense		17,279	15,495
Employee benefits		5,319	3,992
General and administration expenses		2,153	1,471
Finance costs	2	2,717	2,446
Foreign exchange losses		1,886	-
Total expenses		29,354	23,404
Profit before income tax			
		1,697	3,108
Income tax expense	4	532	870
Profit for the year net of tax		1,165	2,238
Total comprehensive income for the year net of tax			
		1,165	2,238

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 10 to 17.

Statement of Changes in Equity

For the year ended 31 December 2017

2017	Issued share capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2017	38,500	14,162	52,662
Profit for the year	-	1,165	1,165
Total comprehensive income for the year	-	1,165	1,165
At 31 December 2017	38,500	15,327	53,827

2016	Issued share capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
At 1 January 2016	38,500	11,924	50,424
Profit for the year	-	2,238	2,238
Total comprehensive income for the year	-	2,238	2,238
At 31 December 2016	38,500	14,162	52,662

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 10 to 17.

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$000	2016 \$000
Current assets			
Cash		494	2,618
Loans and receivables	5	120,410	115,406
Other assets	7	2,849	8,958
Amounts due from related parties	9	11,899	746
Total current assets		135,652	127,728
Non-current assets			
Property, plant and equipment		521	617
Deferred tax asset	4	557	440
Total non-current assets		1,078	1,057
Total assets		136,730	128,785
Current liabilities			
Amounts due to related parties	9	80,324	74,935
Sundry creditors and accruals		2,579	1,188
Total current liabilities		82,903	76,123
Total liabilities		82,903	76,123
Net assets		53,827	52,662
Equity attributable to owners of the Parent			
Issued capital	8	38,500	38,500
Retained earnings		15,327	14,162
Total equity		53,827	52,662

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 10 to 17.

Statement of Cash Flows

As at 31 December 2017

	2017	2016
	\$000	\$000
Cash flows from operating activities		
Premium funding revenue received	17,650	17,209
Premium funding expense paid	(17,279)	(15,495)
Other expenses paid	7,838	(802)
Income taxes paid	(649)	(883)
Interest expense paid	(2,717)	(2,446)
Interest income received	698	771
Amounts paid to related parties	(5,763)	45
Realised (losses)/gains on foreign exchange	(1,886)	767
Net cash (outflow) from operating activities	(2,108)	(834)
Cash flows from investing activities		
Payments for property, plant and equipment	(16)	(4)
Net cash inflow from investing activities	(16)	(4)
Cash flows from financing activities		
Dividends paid	-	-
Net cash inflow from financing activities	-	-
Net (decrease) in cash	(2,124)	(838)
Cash at the beginning of the year	2,618	3,456
Cash at the end of the year	494	2,618

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 10 to 17.

Notes to the Financial Statements

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Notes to the Financial Statements

For the year ended 31 December 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Allianz New Zealand Limited (the “Company”) is a company incorporated and domiciled in New Zealand. The address of the Company’s registered office is Level 11, Tower 1, 205 Queens Street, Auckland 1010, New Zealand.

The Company provides premium funding services to external customers, and administrative services to related entities, including Allianz Australia Insurance Limited – New Zealand Branch.

The financial statements of the Company are as at and for the year ended 31 December 2017. The financial statements were authorised for issue at the date of this report.

(b) Basis of Preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with and comply with Generally Accepted Accounting Practice in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime (NZ IFRS RDR), and other applicable financial reporting standards as appropriate for profit oriented entities. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013. The Company has adopted the Reduced Disclosure Regime framework for the financial year end 31 December 2017.

(ii) Changes in accounting standards

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application.

NZ IFRS 9 Financial Instruments became effective for financial periods beginning on or after 1 January 2018 and has been adopted on this date for the financial year ending 31 December 2018 onwards. The standard sets out the requirements for recognising and measuring financial assets and financial liabilities and replaces NZ IFRS 139 / IAS 39 Financial Instruments: Recognition and Measurement.

NZ IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It reduces the classification of financial assets to amortised cost, fair value through profit or loss and fair value through other comprehensive income. The classification criteria for financial liabilities contained in NZ IFRS 139 / IAS 39 of amortised cost and fair value through profit or loss have been retained. NZ IFRS 9 will require new disclosures in particular for credit risk, expected credit losses and hedge accounting.

Based on the criteria set out in NZ IFRS 9, all financial assets will be measured as fair value through other comprehensive income except for receivables which will be measured at amortised cost. A new impairment model has been developed, however the recognition of expected credit losses will not materially impact the Company’s results.

The Company will take advantage of an exemption available in NZ IFRS 9, allowing it not to restate comparative information for prior periods with respect to classification and measurement, including impairment changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of NZ IFRS 9 will be recognised in retained earnings and reserves.

NZ IFRS 15 Revenue from Contracts with Customers – the final standard has been issued and is effective for financial periods beginning on or after 1 January 2018. AASB 15 replaces existing revenue recognition standards including NZ IAS18 Revenue (noting that insurance contracts are not within its scope), and provides a new framework for the timing of revenue recognition based on the satisfaction of an entity’s performance obligations, and the measurement of the amount to recognise. The standard applies a five-step process to support this new framework, and also requires additional disclosures. This includes the disaggregation of revenue from contracts with customers and other sources to depict the nature, amount, timing and uncertainty of each revenue stream. In addition, disclosure of the entity’s performance obligations with respect to contracts with customers is required, and any significant judgements in relation to the application of this standard.

The adoption of this Standard will have no impact on the results of the Company. The Company has adopted NZ IFRS 15 on 1 January 2018 for the financial year ending 31 December 2018 onwards.

Notes to the Financial Statements

For the year ended 31 December 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Changes in accounting standards (continued)

NZ IFRS 16 Leases, issued in February 2016, is effective for financial periods beginning on or after 1 January 2019. The Company expects to apply NZ IFRS 16 on this date, and the transition approach is yet to be determined. The standard eliminates the previous classification of operating and finance leases for a lessee, and requires all leases that were previously considered 'off balance sheet' to be recognised in the statement of financial position, except for low value and short term leases. A lease liability is recognised, representing the present value of lease payments which is increased for interest expense and reduced over time for payments, along with a corresponding right-of-use asset representing the lease liability, other direct costs and incentives, and is depreciated on a straight line basis over the lease term.

The main impact on the Company's financial statements will be a gross up of the statement of financial position for these items. In addition, a larger proportion of the expected total rental cost over the term of the lease will be recognised in the earlier stages of the lease, with the total lease expense incurred remaining unchanged from current methods of measurement.

(iv) Basis of measurement

The financial statements are presented in New Zealand Dollars (NZD) which is the functional currency of the entity and comprise the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows, summary of significant accounting policies and notes to the financial statements. Unless otherwise indicated, amounts are rounded to the nearest thousand.

The financial statements are prepared on a historical cost basis, as modified by certain exceptions noted in the financial statements, with the principal exception being the measurement of financial assets designated at fair value through profit and loss and the measurement of the outstanding claims liability and related reinsurance recoveries as set out below.

Certain items have been reclassified from the Company's prior year financial statements to conform with the current year's presentation.

(v) Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions in respect to certain key assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Revenue

Premium funding revenue is recognised on an accruals basis for services rendered in arranging finance to enable third parties to purchase insurance cover from a related party. It includes interest on loans issued to the policyholders.

Interest and other income is brought to account on an accruals basis, and also includes all realised and unrealised gains and losses.

Management fee revenue reimbursement of expenses relating for claims handling, administration and acquisition functions where services rendered on behalf of Allianz Australia Insurance Limited – New Zealand Branch. The reimbursement incorporates an additional 7.5% fee of expenses incurred, reflecting the costs of providing these management and administrative services.

(d) Investment income

Investment income includes interest income from loans and receivables and is brought to account on an effective interest rate method.

Notes to the Financial Statements

For the year ended 31 December 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Receivables

Receivables include loans and receivables and other receivables provided to or due from third parties. Other receivables are carried at amortised cost, except where collection is doubtful, an impairment loss is recognised. Loans and receivables represent finance provided to external parties principally for insurance premiums and statutory charges and include interest due. Interest due is earned to provide a constant yield over the term of the loan. Unearned interest is included within unearned income. Due to the short term nature of other receivables held, its carrying amount approximates its fair value.

Loans and receivables are assessed monthly for impairment and are impaired after 90 days of falling due. Loans and receivables are written off once the company is certain that they are not collectable.

(f) Taxation

The income tax expense or revenue for the period is the total of the current period's taxable income based on the national income tax rate in New Zealand plus/minus prior years under/over provisions and plus/minus movements in the deferred tax balance except where the movement in deferred tax is attributable to a movement in reserves. Deferred tax is provided in full using the liability method.

Movements in deferred tax are attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. Deferred tax assets and liabilities are recognised for temporary differences at the tax rate expected to apply when the assets are recovered or liabilities are settled, based on the national income tax rate in New Zealand. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either the accounting profit or loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The NZ Branch and Allianz New Zealand Limited constitute a group for tax purposes, which allows for the NZ Branch's tax losses to be offset against the taxable income of Allianz New Zealand Limited. The NZ Branch and Allianz New Zealand Limited must maintain a minimum of 66% commonality of ownership in order to be considered a group for tax purposes.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except where the amount of GST incurred is not recoverable from the Inland Revenue Department ("IRD"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of IRD included as part of current receivables and payables in the statement of financial position.

(h) Foreign currencies

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss and other comprehensive income.

(i) Leased assets

Payments made under operating leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognised as a liability and then recognised in the statement of profit or loss and other comprehensive income over the lease term as an integral part of the total lease expense. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Financial Statements

For the year ended 31 December 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment

The cost of purchased property plant and equipment is the value of the consideration paid to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location

Depreciation is charged on a straight line basis so as to write off the cost of the property, plant and equipment to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:

Office equipment, furniture and fittings:	5 years
Computer Equipment:	4 years
Leasehold Improvements:	8 years

(k) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long term service benefits

A liability for long term service benefits is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market determined risk-adjusted discount rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(l) Accounts payable and accruals

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period, which are unpaid. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Due to the short term nature of accruals held, its carrying amount approximates its fair value.

(m) Cash

Cash is defined as cash at bank, on hand, bank overdrafts and cash equivalents, with an original maturity of 90 days or less. Cash equivalents include highly liquid investments such as short term deposits & bank accepted bills of exchange.

(n) Finance costs

Finance costs represent interest charged on funds borrowed for the premium funding business and are brought to account on an accruals basis.

2. FINANCE COSTS

	2017	2016
	\$000	\$000
Hunter Premium Funding - loan interest expense	2,717	2,446

3 AUDITOR'S REMUNERATION

	\$	\$
Audit of financial statements	23,000	25,000

Notes to the Financial Statements

For the year ended 31 December 2017

4. INCOME TAX EXPENSE

	2017 \$'000	2016 \$'000
(a) Income tax expense		
Current tax expense	614	883
Movement in deferred tax	(117)	(13)
Over provision in prior years	35	-
Total income tax expense recognised	532	870
(b) Reconciliation of effective tax rate		
Profit before tax	1,697	3,108
Income tax at 28%	475	870
Non-deductible expense	22	-
Over provision in prior years	35	-
Total income tax expense	532	870
(c) Deferred tax asset		
<i>Tax effect at 28% attributable to:</i>		
Employee entitlements	137	76
Provision for doubtful debts	136	136
Lease incentive liability	-	4
Accounting carrying value of fixed assets	(150)	(173)
Tax base of fixed assets	277	216
Other provisions and accruals	157	181
Deferred tax asset	557	440

Notes to the Financial Statements

For the year ended 31 December 2017

5. LOANS AND RECEIVABLES

	2017	2016
	\$000	\$000
Loans and receivables	127,006	121,055
Less: Unearned income	(6,109)	(5,162)
	120,897	115,893
Less: Provision for doubtful debt	(487)	(487)
Total loans and receivables	120,410	115,406

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

	Impairment
	\$'000
Balance at 1 January 2016	487
Impairment loss recognised	83
Amounts written off	(83)
Balance at 31 December 2016	487
Impairment loss recognised	42
Amounts written off	(42)
Balance at 31 December 2017	487

Ageing of receivables:

As at 31 December 2017 receivables of the Company with a nominal value of \$487,000 (2016: \$487,000) were impaired. The amount of the provision for impairment was \$487,000 (2016: \$487,000).

The ageing of these impaired receivables is as follow:

0 to 3 months	428	452
3 to 6 months	11	3
Over 6 months	48	32
Balance at 31 December	487	487

6. FINANCIAL ASSETS AND LIABILITIES

Receivables are carried at cost, which is not materially different to fair value, except where collection is doubtful and an impairment loss is recognised.

Liabilities are recognised at amortised cost with movements being recognised in the statement of profit or loss and other comprehensive income.

7. OTHER ASSETS

GST receivable	780	3,948
Income tax prepaid	33	2,069
Sundry debtors	-	502
Prepayments	2,036	2,439
Total other assets	2,849	8,958

Notes to the Financial Statements

For the year ended 31 December 2017

8. CONTRIBUTED EQUITY

	2017	2016
	\$000	\$000
Balance at 1 January	38,500	38,500
Balance at 31 December	38,500	38,500

The company has 43,099,596 (2016: 43,099,596) ordinary fully paid shares. All shares have equal voting rights.

9. RELATED PARTIES

- (a) The key management personnel of the Company consisted of the Directors of the Company and its Chief Executive Officer, M.R. Guppy (appointed 6 March 2017).
- (b) The names of each person holding the position of Director of the Company during or since the end of the reporting period are D.G. Hosking and T.E. Elisara (resigned 10 February 2017).
- (c) The Company is a wholly owned controlled entity of Allianz Australia Limited. The Ultimate parent entity is Allianz SE, incorporated in Germany.
- (d) A number of Directors of the Company, or their Director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.
- (e) The relationship between Allianz New Zealand Limited and its related parties is summaries in the table below:

Related Party	Relationship to Allianz New Zealand Limited
Allianz Australia Limited	Parent company, incorporated in Australia
Allianz Australia Insurance Limited	100% owned subsidiary of Allianz Australia Limited
Allianz Australia Insurance Limited – New Zealand Branch	Receives administrative services from the Company
Allianz Australia Services Pty Limited	100% owned subsidiary of Allianz Australia Limited
Allianz SE	Ultimate parent entity of Allianz Australia Limited

- (f) The following types of transactions have arisen between the Company and related entities:
- i. Loan advances;
 - ii. Loan repayments;
 - iii. Fees for funds management services;
 - iv. Expenses incurred on their behalf and recharged; and

- (g) The company had the following transactions with related parties during the year:

Outgoings

Allianz Australia Insurance Limited in relation to interest on funds borrowed for the premium funding business	2,717	2,446
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Income

Allianz Australia Insurance Limited - New Zealand Branch for expenses incurred on their behalf, including a management fee of 7.5%	7,699	5,451
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Notes to the Financial Statements

For the year ended 31 December 2017

9. RELATED PARTIES (CONTINUED)

(h) Balance with related parties as at 31 December:

	2017	2016
	\$	\$
Amounts due from related parties		
Euler Hermes New Zealand Limited	87,812	13,872
Primacy Underwriting Management Limited	732,277	732,292
Allianz Australia Services Pty Limited	292,326	-
Allianz Australia Insurance Limited - New Zealand Branch	10,778,682	-
Global Transport & Automotive Insurance Solutions Pty Ltd	7,574	-
Total Amounts due from related parties	11,898,671	746,164
Amounts due to related parties		
Allianz Australia Insurance Limited	79,389,276	67,623,897
Allianz Australia Insurance Limited - New Zealand Branch	-	6,515,608
Club Marine Limited	934,657	795,640
Total Amounts due to related parties	80,323,933	74,935,145

The amounts are unsecured and repayable on demand. The terms and conditions of the transactions with related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis.

10. CONTINGENT LIABILITIES

The Company has no contingent liabilities at 31 December 2017 (2016: Nil).

11. CAPITAL COMMITMENTS

The Company has no commitment for future capital expenditure at 31 December 2017 (2016: Nil).

12. OPERATING LEASE COMMITMENTS

Obligations payable after balance date on non cancellable operating leases are as follows:

Not later than one year	450	404
Later than one year and not later than 5 years	807	952
Total lease commitments	1,257	1,356

The Company leases premises and motor vehicles. Operating leases held over properties give the Company the right to renew the lease subject to a re-calculation of the lease rental. There are no renewal options, and the Company does not expect to exercise the options to purchase in respect of operating leases of motor vehicles.

13. SUBSEQUENT EVENTS

There are no events subsequent to the balance date that would have a material effect on the Company's financial statements at 31 December 2017.