



directory

Date of incorporation

19 April 1973

Business address

Level 8 Tower 1
Shortland Centre
51-53 Shortland Street
Auckland

Registered office

Level 8 Tower 1
Shortland Centre
51-53 Shortland Street
Auckland

Directors

Alistair Hutchison
Peter Harris
Adam Massingham

Banker

National Bank of New Zealand

Solicitors

Fortune Manning
Auckland, New Zealand
CMS Cameron McKenna
London, United Kingdom
Moray & Agnew
Melbourne, Australia

Auditors

WHK Auckland
New Zealand

Shareholders

Federal Pacific Group Limited	8,000,000
Oceanic Securities Inc	7,900,000
Eurasia Investments Limited	5,000,000
Stichting Lygon Pension Fund	2,500,000
Sunshine Nominees Limited	1,500,000
Alliance Investments Limited	100,000
	<hr/>
	25,000,000

a u d i t o r ' s r e p o r t

To the readers of the financial statements of Contractors Bonding Limited

We have audited the financial statements on pages 10 to 21. The financial statements provide information about the past financial performance of the company and its financial position as at 31 December 2009. This information is stated in accordance with the accounting policies set out on pages 13 to 15.

Directors' responsibilities

The directors are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the company as at 31 December 2009 and the results of operations for the year ended on that date.

Auditors' responsibilities

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

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 10 to 21 comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of the company as at 31 December 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 10 May 2010 and our unqualified opinion is expressed as at that date.

LHK Auckland

Auckland, New Zealand

CHARTERED ACCOUNTANTS

Contractors Bonding Limited and its subsidiary company**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2009

	Group		Parent	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
ASSETS				
Non-current assets				
Property, plant and equipment	506	552	506	552
Investment in subsidiary	-	-	-	45
Other investments	12	12	12	12
Long term receivable	9,650	9,900	9,650	9,900
Total non-current assets	10,168	10,464	10,168	10,509
Current assets				
Cash and cash equivalents	9,980	11,538	9,980	11,505
Other investments	-	955	-	955
Trade and other receivables	12,707	8,925	12,707	8,933
Deferred acquisition costs	2,796	2,867	2,796	2,867
Taxation refundable	31	284	31	308
Total current assets	25,514	24,569	25,514	24,568
Total assets	35,682	35,033	35,682	35,077
EQUITY				
Issued capital	15,500	15,500	15,500	15,500
Retained earnings	1,450	1,261	1,450	1,352
Total equity	16,950	16,761	16,950	16,852
LIABILITIES				
Non-current liabilities				
Trade and other payables	792	830	792	830
Current liabilities				
Trade and other payables	3,758	4,275	3,758	4,261
Insurance liabilities	14,122	13,118	14,122	13,085
Employee benefits	60	49	60	49
Total current liabilities	17,940	17,442	17,940	17,395
Total liabilities	18,732	18,272	18,732	18,225
Total equity and liabilities	35,682	35,033	35,682	35,077

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

On behalf of the Board



Director



Director

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

	2009 \$000	Group 2008 \$000	2009 \$000	Parent 2008 \$000
Insurance underwriting result				
Premium revenue	28,286	31,090	28,276	30,966
Outwards reinsurance premium expense	(5,814)	(3,303)	(5,814)	(3,303)
Unearned premium	(1,306)	(2,870)	(1,306)	(2,882)
Net earned premium revenue	21,166	24,917	21,156	24,781
Claims expense	14,137	12,143	14,131	12,057
Reinsurance and other recoveries	(6,858)	(3,455)	(6,858)	(3,455)
Net claims incurred	7,279	8,688	7,273	8,602
Acquisition costs	7,304	8,224	7,304	8,224
Net underwriting expenses	7,304	8,224	7,304	8,224
Underwriting result	6,583	8,005	6,579	7,955
Other income	83	82	83	82
Total income	6,666	8,087	6,662	8,037
Operating expenses	4,106	4,751	4,092	4,814
Profit before finance expenses	2,560	3,336	2,570	3,223
Finance income	(605)	(721)	(605)	(721)
Finance expenses	93	70	93	68
Net finance (income) costs	(512)	(651)	(512)	(653)
Operating profit before income tax	3,072	3,987	3,082	3,876
Non-recurring expenses	191	1,980	262	1,980
Unrealised currency revaluation of foreign-held assets and liabilities	1,752	(2,312)	1,752	(2,312)
Profit before tax	1,129	4,319	1,068	4,208
Income tax expense	334	536	326	512
Subvention tax payments	-	524	5	619
Sale of group entity	-	-	33	-
Profit for the period	795	3,259	704	3,077
Other comprehensive income				
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income for the period	795	3,259	704	3,077

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

contractors BONDING

