

CoalCorp Insurance Services Limited



Financial Statements
for the year ended 30 June 2013

COALCORP INSURANCE SERVICES LIMITED

STATUTORY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2013

The Directors present the Financial Statements for the year ended 30 June 2013.

Principal Activities

The principal activity during the year was providing insurance to Solid Energy New Zealand Limited and its subsidiaries.

Dividend

The Directors recommend that a dividend of \$31.9 million be paid for the year ended 30 June 2013 (2012: Nil).

Directors

The following people held office or ceased to hold office as Director during the year and received the following remuneration including benefits during the year.

Name	Remuneration	Remuneration	Current Directors
	2013	2012	
Anthony Burg	Nil	Nil	Appointed on 01/05/2011
David Patterson	Nil	Nil	Appointed on 01/05/2010
Donald Elder	Nil	Nil	Ceased on 04/02/2013
John McDonald	Nil	Nil	Ceased on 07/11/2012
Michelle Smith	Nil	Nil	Ceased on 07/11/2012
John Palmer	Nil	Nil	Ceased on 31/08/2012

Employees' Remuneration

The Company did not have any employees during the year (2012: Nil).

Donations

The Company paid sponsorship of \$Nil during the year (2012: Nil).

Interests Register

No Director has had an interest in any transaction completed by the company during the year.

Directors' Insurance

The Directors have received an indemnity from CoalCorp Insurance Services Limited's ultimate Parent, Solid Energy New Zealand Limited. The company has arranged policies of Directors' Liability Insurance which ensures that generally Directors will incur no monetary loss as a result of actions undertaken by them as Directors provided that there is no criminal liability nor any breach of S131 of the Companies Act 1993.

COALCORP INSURANCE SERVICES LIMITED
STATUTORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013

Auditors

In accordance with Section 19 of the State Owned Enterprises Act 1986, the Office of the Auditor-General is the auditor for CoalCorp Insurance Services Limited. The Auditor-General has appointed Alex Skinner of KPMG to act on her behalf.

The Company paid the following remuneration to the auditors during the year:

	2013	2012
	\$	\$
Audit fee	12,000	11,650
Other services	3,463	Nil

For and on behalf of the Board of Directors, which authorised the issue of the financial report on 28 November 2013



Director - David Patterson



Director - Anthony Burg



INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
COALCORP INSURANCE SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

The Auditor-General is the auditor of Coalcorp Insurance Services Limited (the company). The Auditor-General has appointed me, Alex Skinner, using the staff and resources of KPMG, to carry out the audit of the financial statements of the company, on her behalf.

We have audited the financial statements of the company on pages 6 to 16, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

Financial statements

In our opinion the financial statements of the company on pages 6 to 16:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the company's:
 - financial position as at 30 June 2013; and
 - financial performance for the year ended on that date.

Going concern assumption

Without modifying our opinion, we draw your attention to the disclosures in notes 2(A) and 13 on pages 10 and 16 about the financial statements being prepared using the going concern assumption. Fundamental to the use of that assumption is the ability of Solid Energy New Zealand Limited (the parent), and its subsidiaries (the group) to continue operations as those entities are the only customers of the company.

The group has agreed a capital restructure, which is currently being challenged by one of the principal bank creditors. The company is a guarantor under this capital restructure. Further, there is material uncertainty about future coal prices that will determine the group's ability, in the absence of selling assets, to generate sufficient cash flows to repay, or be able to refinance, debt at maturity.

If the company were unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may have to be realised and liabilities extinguished at amounts which could differ from the amounts at which they are recorded in the statement of financial position.

We consider the disclosures to be adequate.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 28 November 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.



Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards and the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements that give a true and fair view of the matters to which they relate. We consider internal control 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 company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the company's financial position, financial performance and cash flows.

The Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board of Directors' responsibilities arise from the State-Owned Enterprises Act 1986 and the Financial Reporting Act 1993.



Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 19(1) of the State-Owned Enterprises Act 1986.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with, or interests in, the company.

A handwritten signature in blue ink, appearing to read 'Alex Skinner', with a long horizontal flourish extending to the right.

Alex Skinner
KPMG

On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Comprehensive Income for the Year Ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING REVENUE			
Insurance premiums	3,7	5,336	7,760
Interest	3	2,216	1,612
TOTAL OPERATING REVENUE		<u>7,552</u>	<u>9,372</u>
EXPENSES			
Reinsurance premiums paid	3	4,832	4,856
Claims incurred	3,4	(90)	249
Audit fees		15	12
Other expenses		297	552
Subvention expense		2,498	-
TOTAL EXPENSES		<u>7,552</u>	<u>5,669</u>
Profit before income tax		<u>-</u>	<u>3,703</u>
Income tax benefit/(expense)	5	-	(1,037)
NET PROFIT AFTER TAXATION	6	<u>-</u>	<u>2,666</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>2,666</u>

The accompanying notes form an integral part of these Financial Statements


Statement of Financial Position as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,026	525
Short term investments	9	-	506
Trade and other receivables		-	7
Intercompany loan	7	46,234	42,886
Prepaid reinsurance		3,755	5,072
TOTAL CURRENT ASSETS		51,015	48,996
TOTAL ASSETS		51,015	48,996
CURRENT LIABILITIES			
Trade creditors		4,099	102
Provision for claims	4	-	262
Income in advance		4,160	5,298
Tax payable		-	578
TOTAL CURRENT LIABILITIES		8,259	6,240
TOTAL LIABILITIES		8,259	6,240
NET ASSETS		42,756	42,756
EQUITY			
Issued capital	8	10,874	10,874
Retained earnings		31,882	31,882
TOTAL EQUITY		42,756	42,756
		76%	
		21%	

The accompanying notes form an integral part of these Financial Statements

For and on behalf of the Board of Directors, which authorised the issue of the financial report on 28 November 2013.


Director - David Patterson


Director - Anthony Burg

Statement of Changes in Equity for the Year Ended 30 June 2013

	Issued capital \$'000	Retained earnings \$'000	Total equity \$'000
AS AT 1 JULY 2012	10,874	31,882	42,756
Total comprehensive income for the year	-	-	-
AS AT 30 JUNE 2013	10,874	31,882	42,756
AS AT 1 JULY 2011	10,874	29,216	40,090
Total comprehensive income for the year	-	2,666	2,666
AS AT 30 JUNE 2012	10,874	31,882	42,756

The accompanying notes form an integral part of these Financial Statements

Statement of Cash Flows for the Year Ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from services provided		4,198	15,002
Interest		2,223	1,654
		<u>6,421</u>	<u>16,656</u>
Cash was applied to:			
Payments to suppliers		4	(13,043)
Taxation Paid		(578)	(869)
		<u>(574)</u>	<u>(13,912)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	6	<u>5,847</u>	<u>2,744</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was (applied to) / received from:			
Intercompany loan		(5,846)	(9,587)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(5,846)</u>	<u>(9,587)</u>
Cash was (applied to) / received from:			
Government Bonds	9	500	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>500</u>	<u>-</u>
Net increase/(decrease) in cash held		501	(6,843)
Add opening cash brought forward		525	7,368
Ending cash carried forward		<u>1,026</u>	<u>525</u>

The accompanying notes form an integral part of these Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2013

1. Corporate information

CoalCorp Insurance Services Limited is a profit oriented company incorporated in New Zealand. The parent company is Solid Energy New Zealand Limited.

CoalCorp Insurance Services Limited is registered under the Companies Act 1993.

2. Summary of significant accounting policies

(A) Basis of preparation

The financial statements for the year ended 30 June 2013 have been prepared in accordance with Generally Accepted Accounting practice in New Zealand and the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the State Owned Enterprises Act 1986.

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

CoalCorp Insurance Services Limited was issued with a full license as a captive insurance company under the Insurance (Prudential Supervision) Act 2010 on 18 April 2013 and became an issuer under section 4(1) (da) of the Financial Reporting Act 1993 on 1 July 2012. This is the first set of accounts prepared based on NZ IFRS and comparatives for the 12 months ended 30 June 2012 have been restated accordingly, as disclosed in Note 2 (L).

The financial statements have been prepared on a historical cost basis using the going concern assumption. This assumes the continued support of the parent company Solid Energy. Subsequent to balance date Solid Energy reached a capital restructure agreement which has the support of, and appropriate commitments from, the group's shareholder and a sufficient number of its principal bank creditors (refer Note 13).

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

(B) Changes in accounting policies

Other than the transition to NZ IFRS, there have been no other material changes in accounting policies in the current year.

(C) Premium Recognition

The company's primary revenue is from providing insurance services. Premium revenue is recognised from the date of attachment of risk. Premium income earned is recognised on the basis of passage of time. Any premiums received in advance are recognised on the Statement of Financial Position as a liability named "Income in advance".

(D) Reinsurance Premium

The reinsurance premium paid is recognised as an expense in profit or loss in accordance with the pattern of reinsurance services received. Prepaid reinsurance premiums are recognised in the Statement of Financial Position as an asset named "Prepaid Reinsurance".

Notes to the Financial Statements

for the year ended 30 June 2013

(E) Income Tax

The income tax expense charged to profit or loss includes both the current year liability and the income tax effects of timing differences after allowing for non-assessable income and non-deductible expenses.

Subvention payables are recognised when the amount of the subvention payment can be reliably estimated and the company has confirmed its intention to make payment to Solid Energy New Zealand Limited to utilise group tax losses.

(F) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less, bank overdrafts and overnight cash facilities.

(G) Investments

Investments in Government bonds are classified as held-to-maturity. They are initially recognised at fair value, being the consideration given, including acquisition costs associated with the investment. After initial recognition, they are subsequently measured at amortised cost using the effective interest method.

(H) Intercompany Loan

The intercompany loan is measured at fair value. Interest is charged at market rates and therefore the carrying value is considered to be the same as net market value.

(I) Accounts payable

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(J) Provision for Claims / Claims Paid

Claims expense represents payments for claims and the movement in outstanding claims liabilities. Reinsurance and other recoveries receivable on claims are recognised as revenue.

Full provision is made for the estimated present value of claims notified but not settled at balance date. Provision is made for settlement costs. Provision is also made for the costs of claims incurred at balance date but not reported until after balance date. No provision is made for claims incurred but not reported as the company is a captive insurer and the group has a policy of reporting all claims incurred when they occur. Claims incurred are stated gross of reinsurance recoveries. Outstanding claims liabilities are measured as the best estimate of the present value of the future claim payments. For claims expected to be settled in the next financial year, the liability of the claim is measured as the amount of the expected future payment.

(K) Goods and Services Tax

All Goods and Services Tax (GST) amounts are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

(L) Impact of Adoption of NZ IFRS

These are the first set of financial statements prepared in accordance with NZ IFRS. In preparing its opening NZ IFRS balance sheet, the company has assessed whether amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous NZ GAAP) need to be adjusted. On transition to NZ IFRS, short-term investments were reclassified as cash and cash equivalents, with no impact on equity or comprehensive income. There were no other changes required to the accounts on transition to NZ IFRS.

Notes to the Financial Statements

for the year ended 30 June 2013

3. Underwriting account

	2013 \$'000	2012 \$'000
Gross insurance premiums earned	5,336	7,760
Deduct gross reinsurance premiums paid	(4,832)	(4,856)
Claims provision incurred	90	(249)
NET UNDERWRITING PROFIT	594	2,655

4. Claims Provision

	As at 30 Jun 13 \$'000	As at 30 Jun 12 \$'000
Opening provision	262	1,425
Claims provided	-	(1,163)
Other movements in claims incurred in prior years	(90)	-
Claims paid	(172)	-
CLOSING PROVISION	-	262

The provision at 30 June 2012 related solely to claims arising from the Canterbury earthquakes. These claims have been fully settled.

5. Taxation

	As at 30 Jun 13 \$'000	As at 30 Jun 12 \$'000
(A) INCOME TAX EXPENSE		
Income tax expense can be reconciled to accounting profit as follows:		
Accounting profit before tax	-	3,703
Tax at the company's statutory income tax rate of 28%	-	1,037
Tax effect of non-deductible subvention expense	699	-
Tax effected of losses subvented from group companies	(699)	-
INCOME TAX EXPENSE REPORTED IN PROFIT OR LOSS	-	1,037

(B) RECOGNISED TAX LIABILITIES

Current Income tax liability

Opening Balance	578	410
Charged to income	-	1,037
Tax paid	(578)	(869)
CLOSING BALANCE	-	578

Notes to the Financial Statements

for the year ended 30 June 2013

6. Reconciliation of profit after taxation to net cash flows from operating activities

	Year Ended 2013 \$'000	Year Ended 2012 \$'000
NET PROFIT AFTER TAXATION	-	2,666
NON CASH ITEMS:		
Bond Premium amortisation	6	8
Subvention expense	2,498	-
	<u>2,504</u>	<u>8</u>
MOVEMENTS IN WORKING CAPITAL:		
Trade and other receivables	7	9,264
Prepaid reinsurance	1,317	(789)
Trade creditors	3,997	(5,430)
Provision for claims	(262)	(1,980)
Income in advance	(1,138)	(1,163)
Tax payable	(578)	168
	<u>3,343</u>	<u>70</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>5,847</u>	<u>2,744</u>

7. Related Parties

During the year CoalCorp Insurance Services Limited provided insurance to its parent company, Solid Energy New Zealand Limited. The services have been conducted on a normal commercial basis. CoalCorp Insurance Services Limited had a loan due from its parent company Solid Energy New Zealand Limited and earned interest on the loan.

During the year CoalCorp Insurance Services Limited provided insurance to Spring Creek Mining Company, but did not retain any risk as the insurance was fully reinsured.

CoalCorp Insurance Services Limited recognised a subvention payment due to Solid Energy New Zealand Limited of \$2.5 million (2012: Nil).

Notes to the Financial Statements

for the year ended 30 June 2013

8. Equity

	Year Ended 30 Jun 13 \$'000	Year Ended 30 Jun 12 \$'000
10,874,304 Ordinary shares - issued and fully paid	10,874	10,874

Fully paid ordinary shares carry one vote per share and carry equal right to dividends and surplus on winding up.

No dividends were paid during the year ended 30 June 2013 (30 June 2012: \$Nil).

Subsequent to 30 June 2013 the Directors have approved a dividend of \$2.9387 per share amounting in total to \$31.9 million. The dividend was declared on 28 November 2013.

Capital and Reserves are retained to ensure that the maximum amount of probable loss that can be sustained by the company, from any individually large or multiple events, is able to be met after taking into account premiums received and reinsurance purchased.

The company's solvency margin at 30 June 2013 was \$3.5 million (2012: \$30.0 million), which includes the dividend of \$31.9 million declared on 28 November 2013.

9. Other Investments

Government stock was held by the company as a requirement of the Insurance Companies Deposits Act 1953. This Act was repealed on 7 March 2012. Restrictions existed under the Act on the company's ability to deal in this stock. This stock was to be held pending the issuance of a full licence under the Insurance (Prudential Supervision) Act 2010. The government stock had a maturity date of 15th April 2013 and a coupon interest rate of 6.5%. A new bond was purchased to cover the remaining few days before gaining a full license. As a result of gaining a full license under the Insurance (Prudential Supervision) Act 2010 on 18 April 2013, CoalCorp Insurance Services Limited is no longer required to hold Government stock.

Notes to the Financial Statements

for the year ended 30 June 2013

10. Risk Management

INSURANCE RISK

The Company is a captive insurance company providing insurance for Solid Energy New Zealand Limited and its subsidiaries.

The insurance risk taken on by the company is the possibility that the company will have to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. These risks are unpredictable. The company has estimated in these financial statements the likely amounts which are expected to be paid out both in respect of claims incurred and expected future claims. The company is therefore at risk that the carrying amounts of insurance liabilities and assets recognised in the financial statements will be exceeded by the amount of the actual claims. This could occur when the claim is of a greater severity than expected. All claims are expected to be settled within one year and there is no provision for inflation or discounting.

The company's objective is to minimise this insurance risk to within acceptable levels through policies which manage its insurance risk. The company has developed an underwriting strategy which limits its exposure within acceptable levels for each type of insurance risk. The company has reinsurance with reputable reinsurance companies to limit the company's exposure to insurance risk. CoalCorp Insurance Services Limited's risk exposure net of reinsurance at the time of this report was limited to \$1.5 million property damage and business interruption in the annual aggregate.

The company assesses the adequacy of the unearned premium liability at each reporting date by considering current estimates of all expected and contractual cashflows. Claims are expected to be infrequent and the unearned premium liability is considered to be adequate.

INTEREST RISK

The company has no exposure to interest risk on its insurance business as all contracts are expected to be settled within a year. There are no other material exposures to interest risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Company may encounter difficulty in raising funds at short notice to meet its commitments and arises from any mismatch of the maturity of monetary assets and liabilities. The company manages this risk by forecasting future cash requirements and keeping a stable funding base.

CREDIT RISK

Credit risk arises from the financial assets of the company, which comprise cash and cash equivalents, short term investments, receivables and Intercompany loans. The company is also exposed to credit risk on reinsurance claims, where such claims are accrued. The company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The company trades only with recognised, creditworthy third parties to minimise this risk.

11. Commitments

There were no capital commitments at 30 June 2013 (2012: Nil).

12. Contingencies

There were no contingent assets or liabilities at 30 June 2013 (2012: Nil).

Notes to the Financial Statements

for the year ended 30 June 2013

13. Significant after reporting date transactions

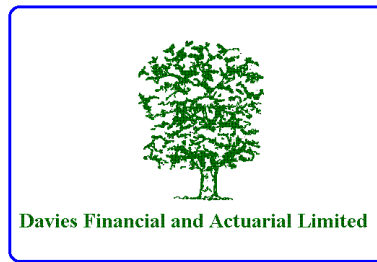
Subsequent to 30 June 2013, Solid Energy group reached a capital restructure agreement which has the support of, and appropriate commitments from, the group's shareholder and a sufficient number of its principal bank creditors.

The key terms of the capital restructure were agreed as at 30 September 2013, and documentation was completed, and the restructuring implemented, during October 2013. The company is a guarantor under this restructuring.

Fundamental to the company's going concern assumption is the ability of Solid Energy New Zealand Limited (the parent), and its subsidiaries (the group) to continue operations as the sole customer of the company. Aspects of the restructuring are subject to court challenge by one participant bank, with a hearing due in late November 2013. In the event that the challenge is successful, and no alternative restructuring can be put in place, the going concern assumption for the company may not be appropriate and this would have a material impact on the financial statements. In such an event adjustments may have to be made to reflect the situation that assets may need to be realised at amounts which could differ significantly from the amounts at which they are currently recorded in the Statement of Financial Position.

Subsequent to 30 June 2013 the Directors have approved a dividend of \$2.93 per share amounting in total to \$31.9 million. The dividend was declared on 28 November 2013.

There were no other significant events after the reporting date.



27th August 2013

To: The Directors
Coalcorp Insurance Services Limited

From: Peter Davies
Appointed Actuary

Re: Coalcorp Insurance Services Limited: Report as at 30th June 2013 under Sections 77 and 78 of the Insurance (Prudential Supervision) Act 2010

You have asked me to prepare this report in terms of the above sections of the Act, and I would like to comment further as follows:

1. I have reviewed the actuarial information included in the audited accounts for Coalcorp Insurance Services Limited as at 30th June 2013. "Actuarial information" includes the following:
 - policy liabilities;
 - balance sheet and other information allowed for in the calculation of the company's solvency position; and
 - disclosures regarding the methodology and assumptions used for calculating policy liabilities, and other disclosures.
2. No limitations have been placed on my work.
3. I am independent with respect to Coalcorp Insurance Services Limited as defined under professional standard ISA (NZ) 620 of the New Zealand Institute of Chartered Accountants.
4. I have been provided with all information that I have requested in order to carry out this review.

5. In my view the actuarial information contained in the financial statements has been appropriately included, and the actuarial information used in the preparation of the financial statements has been appropriately used.
6. Coalcorp Insurance Services Limited exceeded the minimum solvency requirement of the RBNZ solvency standard for captive non-life insurers as at 30th June 2013. The company is also projected to exceed the minimum requirement at all times over the next three years.

I would be very happy to answer any queries concerning this report.

Yours sincerely



Peter Davies B.Bus.Sc., FIA, FNZSA
Appointed Actuary