Product Care (NZ) Limited

Section 78 (IPSA) Appointed Actuary's Report –

Product Care (NZ) Limited

30th June 2013

Andrew Scott, FNZSA FIAA

Manager – Product Development and Strategic Planning

Dated: 29th October 2013

1. Introduction and Scope

The accompanying valuation report dated 10th October 2013 outlines the basis of the provisions for Product Care (NZ) Limited ("PCL") at Jun 30, 2013. PCL has exposures to Harvey Norman extended warranties and other manufacturers' warranty liabilities in New Zealand, referred to as "premium liabilities". The valuation report was produced for the Directors of PCL and its controlling entity ICF Holdings (NZ) Ltd.

2. Declaration of Interests

I am employed by the parent companies of PCL but otherwise have no financial interests or conflicts of interest to disclose in relation to this report.

3. Opinion on Actuarial Information in Financial Statements

I have reviewed the Actuarial Information included in the 2013 financial statements of PCL both for the purpose of this report and also for the purpose of the Financial Condition Report ('FCR') dated 15th October 2013.

I have reviewed entries in:

- the Statement of Financial Position (the balance sheet),
- the Statement of Comprehensive Income (the profit and loss),
- and all commentary in the notes (1 – 24) to the accounts,
- the warranty sales data generated by Harvey Norman and the claim data generated in New Zealand under the administration of ICF NZ, and corresponding invoices.

I could find no instance where the values of key financial quantities in the financial statements for PCL, as at 30 June 2013, were different to recommendations made to PCL in the actuarial reports in my capacity as the Appointed Actuary to PCL (or in data and/or information provided).

I could also find no instance where, in my opinion, the representation of Actuarial Information in the financial statements (including the notes to the accounts) was inappropriate.

4. Opinion on Solvency Margin

I have reviewed the solvency margin as documented in the FCR of PCL dated 15th October 2013 and can confirm compliance with the Insurance (Prudential Supervision) Act 2010. I can also confirm PCL's 2-year target to exceed the minimum Statutory capital under the Act by at least another $500,000 is appropriate.

5. Statements by Actuary

I, Andrew Scott, hereby declare the following in relation to this report:

- This is the inaugural report prepared for the Directors of Product Care (NZ) Limited after having received its licence from the RBNZ.
- It incorporates all past and current liabilities transferred from South Pacific Warranty Services Limited to Product Care (NZ) Limited at 1st June, 2013.
- This report complies with the New Zealand professional standard for the valuation of insurance liabilities (PS 4.1: General Insurance Business).
- There are no other limitations of which I am aware at the date of signing.

Signed ....

Andrew Scott FNZSA FIAA
Manager – Product Development and Strategic Planning

Date 29th October 2013

Product Care (NZ) Limited
Registration Number 3315009

Annual Report for the year ended 30 June 2013

Product Care (NZ) Limited

Annual report

For the year ended 30 June 2013

Contents

Product Care (NZ) Limited

Company Directory

Directors

The following persons were directors of Product Care (NZ) Limited during the reporting period and up to the date of this report:

Simon Cook
Anthony Jones
David Goodsall was appointed as director on 1 April 2013.
David Whyte was appointed as director on 1 April 2013.

Unless otherwise stated, the directors held office for the entire period.

Principal activities

The Company was established to provide warranty underwriting services. These services commenced from 1 June 2013.

Registered Office

Grant Thornton Auckland Limited
Chartered Accountants
97-101 Hobson Street
Auckland

Company details

Company incorporation number	3315009
Inland Revenue Department (IRD) number	106 701 792

Holding Company

ICF Holdings (NZ) Limited RN 1695428

Solicitors

Phillips Fox
Queen Street, Auckland

Bankers

ANZ Banking Group (NZ) Limited
15 Mercari Way
Albany, Auckland

Auditors

KPMG
18 Viaduct Harbour Ave,
Auckland

Product Care (NZ) Limited

Directors' declaration

In the opinion of the Directors of Product Care (NZ) Limited (the Company), the financial statements and notes, on pages 3 to 31

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2013 and the results of operations and cash flows for the year ended on that date; and
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors:

David Goodsall	David Whyte
Director	Director
Date : 8/10/13	Date : 8/10/13

Product Care (NZ) Limited

Statement of comprehensive income

For the year ended 30 June 2013

In thousands of NZD	*Note*	2013	2012
Premium revenue	*4*	563	-
Outwards reinsurance premium expense	*10*	(330)	-
Premium		233	-
Claims expense	*15*	(374)	-
Reinsurance recoveries	*4*	216	-
Net Claims incurred		(158)	-
Underwriting expenses		(39)	-
Net underwriting expenses		(197)	-
Underwriting result		**36**	-
Operating expenses	*5*	(59)	(46)
Investment income	*6*	132	53
Profit before income tax expense		**109**	**7**
Income tax expense	*7*	(30)	(2)
Profit after income tax expense		**79**	**5**
Other comprehensive income		-	-
Total Comprehensive income for the year		**79**	**5**
Profit attributable to:			
Equity holders of the parent		79	5
Profit for the year		**79**	**5**
Total Comprehensive income attributable to :			
Equity holders of the parent		79	5
Total Comprehensive income		**79**	**5**

The notes on pages 7 to 31 are an integral part of these financial statements.

Product Care (NZ) Limited

Statement of financial position

As at 30 June 2013

In thousands of NZD	**Note**	**2013**	**2012**
Current assets			
Cash and cash equivalents	*8*	6,634	460
Trade and other receivables	*9*	716	54
Deferred reinsurance expense	*10*	3,228	-
Reinsurance recoveries	*11*	160	-
Investments	*12*	2,583	2,500
Income tax receivable	*14*	19	-
Total current assets		**13,340**	**3,014**
Non-current assets			
Deferred reinsurance expense	*10*	5,327	-
Total assets		**18,667**	**3,014**
Liabilities			
Trade and other payables	*13*	373	7
Income tax payable	*14*	-	2
Unearned premium liability	*16*	5,740	-
Total current liabilities		**6,113**	**9**
Non-current liabilities			
Unearned premium liability	*16*	9,470	-
Total liabilities		**15,583**	**9**
Net assets / (liabilities)		**3,084**	**3,005**
Equity			
Issued capital	*17*	3,000	3,000
Retained earnings		84	5
Total equity		**3,084**	**3,005**

The notes on pages 7 to 31 are an integral part of these financial statements.

Product Care (NZ) Limited

Statement of changes in equity

For the year ended 30 June 2013

	Attributable to equity holders of the Company		
In thousands of NZD	**Share capital**	**Retained earnings**	**Total Equity**
2013			
Balance at 1 July 2012	**3,000**	**5**	**3,005**
Total comprehensive income for the period			
Profit for the year	-	79	**79**
Total Comprehensive income	-	**79**	**79**
Dividends	-	-	-
Total transactions with owners recorded directly in equity	-	-	-
Balance at 30 June 2013	**3,000**	**84**	**3,084**

	Attributable to equity holders of the Company		
In thousands of NZD	**Share capital**	**Retained earnings**	**Total Equity**
2012			
Balance at 1 July 2011	**1**	-	**1**
Total comprehensive income for the period			
Profit for the year	-	5	**5**
Total Comprehensive income	-	**5**	**5**
Issued Capital	2,999	-	2,999
Dividends	-	-	-
Total transactions with owners recorded directly in equity	-	-	-
Balance at 30 June 2012	**3,000**	**5**	**3,005**

The notes on pages 7 to 31 are an integral part of these financial statements.

Product Care (NZ) Limited

Statement of cash flows

For the year ended 30 June 2013

In thousands of NZD	*Note*	2013	2012
Cash flows from operating activities			
Cash receipts from customers		-	-
Cash received from affiliate for underwriting risk transfer		6,629	-
Cash paid to suppliers		(453)	(40)
Cash generated/(used in) operations		6,176	(40)
Income taxes (paid)/received		(51)	-
Net cash flows from operating activities	*8*	**6,125**	**(40)**
Cash flows from investing activities			
Increase in investments		-	(2,500)
Interest income received		49	-
Net cash flows from investing activities		**49**	**(2,500)**
Cash flows from financing activities			
Share capital issued		-	2,999
Net cash flows from financing activities		**-**	**2,999**
Net increase in cash and cash equivalents		6,174	459
Cash and cash equivalents at beginning of year		460	1
Cash and cash equivalents at 30 June	*8*	**6,634**	**460**

The notes on pages 7 to 31 are an integral part of these financial statements.

1. Significant accounting policies

Product Care (NZ) Limited ("the Company") is a company limited by shares, incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Company is an issuer in terms of the Financial Reporting Act 1993.

The Company was established to provide warranty underwriting services. These services commenced from 1 June 2013.

The financial statements of the Company are for the year ended 30 June 2013, and were authorised for issue by the Directors on 8th October 2013.

a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The Company is a profit-oriented entity. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The financial statements also comply with International Financial Reporting Standards (IFRS).

b) Basis of preparation

The financial statements are presented in New Zealand dollars, and are prepared on the historical cost basis except for financial assets and outstanding claims liabilities. The functional currency is New Zealand Dollar and all values are rounded to the nearest thousand dollars unless otherwise stated.

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

c) Use of estimates and judgements

The preparation of a financial report 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. See note 2 for further information.

1. Significant accounting policies (continued)

d) Classification of warranty contracts

Warranty contracts under which the Company accepts risk from another party (the policyholder) by agreeing to indemnify the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts and are therefore accounted for using insurance accounting principles. Insurance risk is risk other than financial risk.

e) Revenue

(i) Premium revenue

Premium revenue from warranty underwriting business includes amounts charged to the policyholders, excluding amounts collected on behalf of third parties.

Premium revenue is recognised in the Statement of comprehensive income when it has been earned, that is, from the attachment date over the period of the contract in accordance with the pattern of incidence of risk. The pattern of incidence of risk is based on an estimation process which is regularly reviewed for each group of contracts subject to broadly similar risks and managed together as a single portfolio.

The proportion of premium received or receivable not earned in the Statement of comprehensive income at the reporting date is recognised in the Statement of financial position as an unearned premium liability.

(ii) Reinsurance and other recoveries

Reinsurance and other recoveries receivable on paid claims, reported claims not yet paid, claims incurred but not yet reported, risk margins and unexpired risk liabilities are recognised as revenue.

Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims.

(iii) Investment income

Interest income is recognised in the Statement of comprehensive income when it accrues, using the effective interest method.

f) Investments in debt and equity securities

If the Company has the positive intent and ability to hold government bonds to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Other financial instruments held by the Company are classified as fair value through profit or loss and are stated at fair value with any profit or loss recognised through the Statement of comprehensive income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the Statement of comprehensive income.

The fair value of financial instruments classified as fair value through profit or loss is their quoted bid price at the reporting of financial position date.

1. Significant accounting policies (continued)

f) Investments in debt and equity securities (continued)

Financial instruments classified as fair value through profit or loss are recognised/derecognised by the Company on the date it commits to purchase/sell the investments. Securities held-to-maturity are recognised/ derecognised on the day they are transferred to/by the Company.

g) Assets backing underwriting liabilities

The assets backing warranty underwriting liabilities are those assets that, in the opinion of the directors would be required to cover the warranty underwriting liabilities plus an allowance for uncertainty.

Warranty underwriting liabilities are assessed by the directors utilising actuarial valuations and estimates to include liabilities for outstanding claims, unearned premium, the unexpired risk reserve plus a minimum capital base assessed by the directors (note 14 and 15).

Underwriting assets are detailed in the accounts and include:

- Cash on hand via banks with an AA credit rating
- Term deposits via banks with an AA credit rating
- Reinsurance assets through reinsurers with an AA credit rating

h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less any impairment losses (see note 3 (j)).

i) Cash assets

Cash and cash equivalents comprise cash balances and term deposits where the initial maturity is less than three months. Term deposits with an initial maturity of three months and more are classified as investments.

j) Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

1. Significant accounting policies (continued)

j) Impairment (continued)

i) Calculation of recoverable amount

The recoverable amount of the Company's receivables is carried at the present value of the future cash flows. Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

iii) Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of comprehensive income.

1. Significant accounting policies (continued)

k) Share capital

Ordinary shares are classified as equity. Any dividends are recognised as a liability in the financial period in which they are declared.

l) Liability adequacy test

The liability adequacy test is an assessment of the carrying amount of the unearned premium liability and is conducted at each reporting date.

Provision is made for unexpired risks arising from warranty underwriting business where the expected present value of claims and expenses attributed to the unexpired periods of policies in force at the reporting date together with a risk margin exceeds the unearned premium liability in relation to such policies at the reporting date after the deduction of any deferred acquisition costs. The liability adequacy test is calculated separately for each group of contracts subject to broadly similar risks and managed together as a single portfolio. Any deficiency arising from the test is recognised immediately in the Statement of comprehensive income firstly through the write down of any related intangible assets and then the related deferred acquisition costs, with any remaining balance being recognised on the Statement of financial position as an unexpired risk reserve.

m) Outstanding claims liability

The outstanding claims liability is the value of expected future payments relating to the claims incurred at the report date. Expected future payments include those in relation to claims reported but not yet paid or are yet paid in full, claims incurred but not reported ("IBNR").

The estimation of outstanding claims liability includes a number of key assumptions. The Company takes all reasonable steps to ensure it has appropriate information on which to base this estimate. However given the uncertainty involved it is likely that the final outcome will differ from the original claims liability established.

The gross claims expense in the Statement of comprehensive income comprises the claims paid and the change in the liability for outstanding claims, both reported and unreported.

1. Significant accounting policies (continued)

n) Reinsurance and other recoveries

Reinsurance and other recoveries received or receivable on paid claims and on outstanding claims liabilities (notified and not yet notified) are recognised as income. Recoveries receivable on paid claims are presented as part of trade and other debtors net of any provision for impairment based on objective evidence for individual receivables. All recoveries receivable on outstanding claims liabilities are measured as the present value of the expected future receipts calculated on the same basis as the outstanding claims liability. Reinsurance does not relieve the originating insurer of its liabilities to policyholders and is presented separately on the Statement of financial position.

o) Provisions

A provision is recognised in the Statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

p) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

q) Outwards reinsurance premium expense

Premium ceded to reinsurers is recognised as an expense from the attachment date over the period of indemnity of the reinsurance contract in accordance with the pattern of incidence of risk ceded. Accordingly a proportion of outwards reinsurance premium is treated as prepaid and disclosed as deferred reinsurance expense in the Statement of financial position.

r) Income tax

Income tax on the profit or loss for the financial period comprises current and deferred tax. Income tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial periods.

1. Significant accounting policies (continued)

r) Income tax (continued)

The Company has opted for the liability method of valuation. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

s) Goods and services tax

Revenue, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as a current asset or liability in the Statement of financial position.

t) Subvention Payments

The Company is a subsidiary of ICF Holdings (NZ) Ltd. In order to minimise tax obligations, profit making companies that form a part of this group, transfer profits to loss making companies via subvention payments. These payments are reported as either “other operating expense” or “other income”.

2. Accounting estimates and judgements

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Unearned premium liability and unexpired risk reserve

In accordance with the recognition of premium revenue (see accounting policy 1 e(i)) the consequent unearned premium liability at the end of the year is based upon the expected future pattern of incidence of risk in relation to warranty contracts. This pattern is based on an estimation process which is regularly reviewed for each group of contracts subject to broadly similar risks and managed together as a single portfolio.

In calculating the estimated pattern of incidence of risk the Company uses a variety of estimation techniques, generally based upon statistical analyses of the Company and industry experience that assumes that the development pattern of current claims will be consistent with past experience as appropriate.

In undertaking the liability adequacy test to assess the carrying amount of the unearned premium liability allowance is made through the application of a risk margin for changes or uncertainties that may create distortions in the underlying statistics or which might cause the cost of future claims to increase or reduce when compared with the cost of previously settled claims.

Analysis of the unearned premium liability is provided in note 15 together with the application of the Liability Adequacy Test including the unexpired risk reserve.

The level of uncertainty around the eventual cost of claims relating to the unexpired portion of policies is significant given both the extended time period over which the claims may be reported (up to 7 years from the date of purchase of the underlying service plan/extended warranty arrangement) and the potential change in the underlying assumptions as set out in note 15.

(ii) Assets arising from reinsurance contracts and other recoveries

Estimates of reinsurance and other recoveries are also determined using the above methods. In addition, the recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as counterparty and credit risk. Impairment is recognised where there is objective evidence that the Company may not receive amounts due to it and these amounts can be reliably measured.

An analysis of reinsurance recoveries is provided in note 11.

3. Actuarial assumptions and methods

Actuarial assumptions are used in the determination of unearned premiums and the liability adequacy testing in relation to these contracts. (See note 15).

The effective date of the actuarial valuation on the premium liability was 31st March 2013. The liability valuation was prepared by the Appointed Actuary, Mr Andrew Scott FIAA, FNZSA. Methods utilised and assumptions made in determining the premium liability are in accordance with the requirements of NZ IFRS 4 *Insurance Contracts* and consistent with the New Zealand Society of Actuaries Professional Standard Number 4: "General Insurance Business".

The Company writes extended warranty contracts.

4. Revenue

In thousands of NZD	**2013**	**2012**
Gross written premium	519	-
Movement in unearned premium	44	-
Premium revenue	563	-
Reinsurance recoveries income	216	-
Underwriting revenue	779	-

5. Operating expenses

In thousands of NZD	**2013**	**2012**
Operating expenses		
Audit fees	12	5
Other professional and consulting fees	47	41
	59	46

6. Investment income

In thousands of NZD	**2013**	**2012**
Investment income – other investments	132	53
	132	53

7. Income tax expense

Recognised in the Statement of comprehensive income

In thousands of NZD	2013	2012
Current tax expense		
Current year	30	2
Total income tax expense in Statement of comprehensive income	30	2

Numerical reconciliation between tax expense and pre-tax net profit

In thousands of NZD	2013	2012
Profit before tax	109	8
Income tax using the domestic corporation tax rate of 28%	30	2
	30	2

Imputation credit account

The Company is a member of a tax consolidated Group.

The imputation balance as 30 June 2013 available to the Group is $3,507,342 (2012: $2,504,120).

8. Cash and cash equivalents

In thousands of NZD	2013	2012
Bank balances	6,634	460
	6,634	460

8. Cash and cash equivalents (continued)

Reconciliation of cash flows from operating activities

In thousands of NZD	*Note*	2013	2012
Cash flows from operating activities			
Profit for the period		79	5
Adjustments for:			
Investment income	*6*	(132)	(53)
Income tax expense/(benefit)	*7*	30	2
Operating profit/(loss) before changes in working capital and provisions		(23)	(46)
(Increase)/decrease in reinsurance recoveries	*11*	(160)	-
(Increase)/decrease in trade and other receivables	*9*	(662)	(1)
(Increase)/decrease in deferred reinsurance expenses	*10*	79	-
(Decrease)/increase in trade and other payables		366	7
Transfer in of deferred reinsurance from affiliate	*10*	(8,634)	-
Transfer in of underwriting liabilities from affiliate	*16*	15,370	-
(Decrease)/Increase in underwriting liabilities	*16*	(160)	-
		6,176	(40)
Income taxes (paid)/received		(51)	-
Net cash from operating activities		6,125	(40)

9. Trade and other receivables

In thousands of NZD	*Note*	2013	2012
Current			
Trade receivables due from related parties		597	-
Other trade receivables and prepayments		119	54
		716	54

10. Deferred reinsurance expense

In thousands of NZD	2013	2012
Current	3,228	-
Non-current	5,327	-
	8,555	-
Opening balance	-	-
Reinsurance premiums incurred in the year	251	-
Reinsurance transferred from affiliate	8,634	-
Reinsurance premiums expensed in the year	(330)	-
Balance as at 30 June	8,555	-

11. Reinsurance recoveries

In thousands of NZD	2013	2012
Current		
Expected future recoveries undiscounted on outstanding claims	160	-

12. Investments

In thousands of NZD	2013	2012
Term deposits	2,583	2,500

13. Trade and other payables

In thousands of NZD	2013	2012
Payables due to related parties	9	3
Other trade payables including reinsurance premiums payable	364	4
	373	7

14. Income tax receivable/(payable)

In thousands of NZD	2013	2012
Income tax receivable	19	-
Income tax payable	-	(2)
	19	(2)

The current tax receivable for the Company represents the difference of tax payments versus the estimated balance payable to the Inland Revenue Department.

15. Outstanding claims liability

In thousands of NZD	2013	2012
Current		
Reconciliation of movement in claims liability:		
Balance at the beginning of the year	-	-
Claims incurred in the current year	374	-
Reinsurance and other recoveries in the current year	(216)	-
Claims costs paid (net of reinsurance)	(158)	-
Balance at end of year	-	-
Reinsurance and other recoveries receivable	(160)	-
Net outstanding claims liability at the end of the year	(160)	-

No claims development table has been reported as all claims are expected to be settled within 12 months of being incurred.

Whilst periods of indemnity range from 1 to 5 years, claims settlement periods are typically less than six months after being reported. Consequently, the determination of the outstanding claims liability is less complex, and of less relative importance than consideration of the adequacy of the unearned premium liability, when considering the liability adequacy test. For this reason no risk margin is adopted in the determination of the outstanding claims liability.

16. Unearned premium liability

In thousands of NZD	2013	2012
Current	5,740	-
Non-current	9,470	-
	15,210	-
Reconciliation of movement in unearned premium liability		
Opening balance	-	-
Transfer from affiliate	15,370	-
Written premium in the period	519	-
Premium earned during the year	(563)	-
URR / NZ Marine adjustment	(116)	-
	15,210	-

Liability Adequacy Test: Process

The adequacy of the Unearned Premium Liability (UPL) is assessed by determining the central estimate of expected future cash flows in respect of claims associated with unexpired risks together with a risk margin to reflect the inherent uncertainty in the estimate and then comparing this amount to the unearned premium liability.

The assumptions used within these accounts were derived as at 31st March 2013. These assumptions were reviewed again at 30th June 2013 and it was resolved that no further adjustment was required, with frequency savings offsetting increases through inflation.

A number of actuarial methods have been applied to project future claim payments in order to establish the central estimates and risk margin. These methods assist in providing a greater understanding of the trends inherent in past data. The most appropriate method or a blend of methods is selected, taking into account the characteristics of the warranty category and the availability of historic loss development data.

The principal method adopted uses a combination of claim severity (average claims size) and claim frequency (the expected number of claims per underlying risk exposure) to determine the expected future costs.

The following assumptions have been made in assessing adequacy of the unearned premium liability and unexpired risk reserve:

(i) Assumptions

	30 June 2013	30 June 2012
Weighted average term to recognition (years)	1.54	n/a
Discounted mean term (years)	1.48	n/a
Indirect expense ratio	1.0%	n/a
Risk margin	13.4%	n/a
Claims inflation	4.0%	n/a
Average claim size	$337	n/a
Claim frequency	7.9%	n/a
Discount rate	2.47%	n/a

16. Unearned premium (continued)

Liability Adequacy Test: Process (continued)

(ii) Processes used to determine assumptions

A description of the processes used to determine these assumptions is provided below:

Assumption	**Processes used to determine assumption**
Average claim size	Average claim size is determined by reference to recently observed historical data, and is calculated across all claims settled. It reflects the existing mix of risk exposure to underlying products.
Claim frequency	Claim frequency is determined by applying frequency curves derived from historical loss frequency data. The assumed curve was tested on the 3 most recent years of reported losses across all durations.
Claims inflation	The claims inflation is based on recently observed trends, adjusted to take account of short-term fluctuations and with reference to RBNZ forecasts and relevant Statistics NZ benchmarks.
Weighted average term to settlement	Calculated separately by warranty category based on historic settlement patterns
Indirect expense ratio	The future claims handling expense ratios were calculated with reference to projected internal management costs to be met by the Company as a percentage of unearned premium liabilities.
Risk margin	The risk margin was based on a statistical analysis undertaken by the internal actuary. The result reflects the volatility of past claims experience.
Discount rate	The discount rate for all liabilities has been determined based on the yield curve on Sovereign Government Bonds in New Zealand.

16. Unearned premium (continued)

Liability Adequacy Test: Process (continued)

(iii) Sensitivity analysis and estimation uncertainty

The underwriting business conducts sensitivity analyses to quantify the exposure to the risk of changes in the key underlying assumptions. The deviation of any variable from the assumptions will impact the financial performance and equity (net assets or liabilities) of the Company. Sensitivity analysis is conducted on certain key variables, whilst holding all other variables constant. It should be noted that the ranges used for the sensitivity analysis that follows do not necessarily represent the final outcome that may eventuate. The following tables and the analysis describe how a change in each assumption will affect the insurance liabilities.

Because of the nature of the Company underwriting business, increases and decreases in assumptions have a significant impact on the pattern and incidence of risk, which influences the amount of recognised premium revenue, and adequacy of the unearned premium liability and/or unexpired risk reserve.

Variable	**Impact of movement in variable**
Average claim size	An increase in the average claim size would increase the future expected claim costs resulting in an increase in the required unexpired risk reserve.
Claim Frequency	An increase in the underlying claim frequency would increase the future expected claim costs resulting in an increase in the required unexpired risk reserve.
Weighted average term to settlement	A decrease in the average term to settlement would imply that claims are being paid sooner than expected. Expected payment patterns are used in determining the unearned premium liability and unexpired risk reserve. An increase or decrease in the weighted average term would have a corresponding decrease or increase on claims expense and premium revenue recognition patterns.
Economic and superimposed inflation (Loss trend)	Expected future payments for all significant classes are explicitly inflated. An increase or decrease in the assumed levels of either economic or superimposed inflation would have a corresponding impact on claims expense and premium revenue recognition patterns.
Discount rate	The unearned premium liability is calculated with reference to the timing of expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will decrease or increase (i.e. an opposite) impact on the overall premium liabilities.

16. Unearned premium (continued)

Liability Adequacy Test: Process (continued)

(iii) Sensitivity analysis and estimation uncertainty (continued)

Variable	Impact of movement in variable
Indirect expense ratio	An increase or decrease in the indirect expense rate assumption would have a corresponding impact on indirect expenses and premium revenue recognition patterns.
Risk margin	The premium liability includes a risk margin to allow for the inherent uncertainty in the estimates of future claims cost as the basis of "fair value" accounting. An increase or decrease in the percentage risk margin will have a corresponding increase or decrease in the overall premium liability and unexpired risk reserve.

The table below summarises the sensitivity of the premium liabilities calculation for the purpose of the Liability Adequacy Test.

	Movement in variable		Net premium liabilities (central estimate) increase/(decrease) $000's (Note A)	
	2013	2012	2013	2012
Unearned premium liabilities (net of deferred reinsurance expense)			$NZD 6,655	n/a
Claim Severity	+NZD$20	n/a	382	n/a
	-NZD$20	n/a	(382)	n/a
Claim Frequency	0.5%	n/a	323	n/a
	-0.5%	n/a	(320)	n/a
Inflation rate	+1%	n/a	114	n/a
	-1%	n/a	(112)	n/a
Discount rate	+1%	n/a	(81)	n/a
	-1%	n/a	76	n/a
Indirect expense ratio	+1%	n/a	58	n/a
	-1%	n/a	(58)	n/a
Risk margin	+1%	n/a	58	n/a
	-1%	n/a	(58)	n/a

Note A: This change would have an equivalent effect on net profit/loss before tax and shareholder's equity (net of tax effect)

16. Unearned premium liability (continued)

Liability Adequacy Test: Process (continued)

(iv) Liability adequacy test

The conduct of the liability adequacy test identified a surplus as at 30th June 2013. For the purposes of the test, the present value of expected future cash flows for future claims, net of reinsurance recoveries, including the risk margin for the Company is $6,474,000 (2012: n/a), comprising the central estimate of $5,715,000 (2012: n/a) and a risk margin of $759,000 (2012: n/a). This is intended to achieve a probability of adequacy of 75% for New Zealand (2012: n/a). The Risk Margin was determined from a statistical analysis of the historic loss experience as undertaken by the Appointed Actuary.

(v) Concentration of insurance risk

The underwriting business writes warranty contracts predominantly covering retail electrical products. The portfolio is spread across a diversified range of manufacturers.

Regular reviews are undertaken to monitor the accumulation exposure to any particular product and/or manufacturer. Quota share reinsurance has been purchased to share the accumulated exposure in accordance with commercially available terms.

The underwriting business seeks to consistently re-insure its risk. The reinsurance recovery rates applying to claims incurred moving forward are as follows:

Country	Treaty Year	Effective Dates	Reinsurer	Rate	Reinsurer	Rate	Total
NZ	2005	1/4/2005 – 31/3/2006	Munich Re	30%			30%
NZ	2006	1/4/2006 – 31/3/2007	Munich Re	30%			30%
NZ	2007	1/4/2007 – 30/6/2008	Munich Re	50%			50%
NZ	2008	1/7/2008 – 31/3/2009	Munich Re	20%	Hannover Re	30%	50%
NZ	2009	1/4/2009 – 31/3/2010	Munich Re	20%	Hannover Re	40%	60%
NZ	2010	1/4/2010 – 31/3/2011	Munich Re	20%	Hannover Re	40%	60%
NZ	2011	1/4/2011 – 31/3/2012	Hannover Re	60%			60%
NZ	2012	1/4/2012 – 31/3/2013	Hannover Re	50%			50%
NZ	2013	1/4/2013 – 31/3/2014	Hannover Re	50%			50%

17. Capital and reserves

Share capital

In thousands	Ordinary shares 2013	2012
Issued for cash (number of shares)	3,000	3,000
On issue at 30 June 2013	3,000	3,000

Issued at NZ$1 per share.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

The Company, in relation to its capital adequacy, meets all requirements as specified by the Reserve Bank of New Zealand.

Capital Management

The capital management strategy of the Company is to optimise shareholder value by managing the level, mix and use of capital resources. The main objectives are to ensure sufficient capital resources to maintain the business and operational requirements, retain sufficient capital to exceed externally imposed capital requirements, and ensure the entity's ability to continue as a going concern. The Company's capital policy is to hold all surplus capital in bank deposits with bank credit ratings of a minimum of AA.

The Company's capital includes contributed equity on the statement of financial position of $3,000,000 (2012: $3,000,000).

The Company is required to hold a minimum of $3,000,000 in capital and to comply fully with Reserve Bank of New Zealand regulatory compliance for an insurer covering New Zealand domiciled risks. This capital requirement has been complied with and as at 30 June 2013 the solvency margin was 1.03.

The Directors considered the following factors to ensure ongoing compliance:

- The Company commenced operation on 1 June 2013.
- The LAT test performed by the Appointed Actuary shows that the Company is in a surplus position, see note 16(iv).
- The claims frequency and average claims cost are the most sensitive assumptions in the valuation. The adopted values, see note 15(i) are in line with past experience.
- 2013 actual claims frequencies of 6.7% are below the adopted value of 7.9%.
- A formal capital management plan has been introduced and the Directors are committed to increase the capital if required.

There were no changes in the Company's approach to capital management during the year.

18. Financial instruments

Fair values

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

		Carrying amount		Fair value	
In thousands of NZD	*Note*	**2013**	**2012**	**2013**	**2012**
Cash and cash equivalents	*8*	9,217	2,960	9,217	2,960
Trade and other receivables	*9*	716	54	716	54
Deferred reinsurance	*10*	8,555	-	8,555	-
Reinsurance recoveries	*11*	160	-	160	-
Unearned premium liability	*15*	(15,210)	-	(15,210)	-
Trade and other payables	*12*	(373)	(7)	(373)	(7)
		3,065	3,007	3,065	3,007

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In thousands of NZD **2013**	**Level 1**	**Level 2**	**Level 3**	**Total**
Term deposits	2,583	-	-	2,583
Total assets	2,583	-	-	2,583

There have been no transfers from level 2 to level 1 during the year.

In thousands of NZD **2012**	**Level 1**	**Level 2**	**Level 3**	**Total**
Term deposits	2,500	-	-	2,500
Total assets	2,500	-	-	2,500

18. Financial instruments and risk management (continued)

Financial Risk Management

The activities of the Company expose it to the following financial risks:
- Credit risk
- Liquidity risk
- Operational risk
- Market risk (include currency risk, cash flow and fair value interest rate risk)

The Company has developed, implemented and maintains Investment and Capital Management Strategies to minimise potential adverse impacts upon the financial performance of the Company arising from financial market volatility.

The key objective of the Company's asset and liability management strategy is to ensure sufficient liquidity is maintained at all times to meet the Company's obligations, including its settlement of insurance liabilities.

Credit Risk

Credit risk relates to the possibility of default by transactional counterparties as well as the loss of value of assets due to the deterioration in credit quality. The Company's credit risk arises predominantly from investments, policyholder premium debtors and reinsurance recoveries.

Trade and other receivables

The credit risk exposure of the Company is non-repayment of the carrying amounts of the financial assets. For underwriting and warranty services there is one large debtor, however payment terms are set at 20 days and the insurance component would not become payable if this large client failed to pay. Accordingly, there is a low credit risk on this debtor.

Reinsurance Recoveries

The credit risk exposure on reinsurance recoveries is reduced by only dealing with AA- rated reinsurers as rated by Standard & Poor's or Moody's.

Investments and cash

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of at least AA- from Standard & Poor's or Moody's equivalent. The majority of the investments are rated AA- to AA. There is no significant concentration of credit risk and management does not expect any counterparty to fail to meet its obligations.

18. Financial instruments and risk management (continued)

Trade and other receivable Ageing

In thousands of NZD	0 to 30 Days	31-60 Days	61-90 Days	91+ Days	Total
2013					
Total trade receivables	716	-	-	-	716
2012					
Total trade receivables	54		-	-	54

Based on the aging shown above and allowing for cash received after reporting date, no impairment was required against trade and other receivable balances.

Credit Exposures

The table below provides information regarding the credit risk exposure of the Company by classifying investments according to Standard and Poor's credit ratings of the counterparties. Trade and other receivables are not rated because of their short term nature and the lack of any singularly material debtors. AAA is the highest possible rating. As at 30 June 2013 the Company did not hold any rated financial assets with a Standard and Poor's credit rating below AA-.

2013 *In thousands of NZD*	AA- to AAA rated	Not rated	Total
Financial Assets			
Cash and cash equivalents	6,634	-	6,634
Investments	2,583	-	2,583
Deferred reinsurance	8,555	-	8,555
Reinsurance recoveries	160	-	160
Trade and other receivables	-	716	716
	17,932	716	18,648

2012 *In thousands of NZD*	AA- to AAA rated	Not rated	Total
Financial Assets			
Cash and cash equivalents	460	-	460
Investments	2,500	-	2,500
Trade and other receivables	-	54	54
	2,960	54	3,014

18. Financial instruments and risk management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management of liquidity risk includes asset and liability management strategies. The assets held to back insurance liabilities consist predominantly of cash deposits. The assets are managed so as to principally match the maturity profile of the assets with the expected pattern of claims payments or liability settlements. The cash deposits are restricted to banking institutions with a credit rating of at least AA.

Maturity Profiles

The table in below summarises the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual obligations, except for insurance contracts, when maturity profiles are determined on the discounted estimated timing of net cash outflows. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Maturity Periods In Years				
In thousands of NZD	**0 to 1**	**1 to 3**	**3 to 5**	**5 to 10**	**Total**
2013					
Financial Liabilities					
Trade and other payables	(373)	-	-	-	(373)
Unearned premium liability	(5,740)	(7,800)	(1,570)	(100)	(15,210)
	(6,113)	(7,800)	(1,570)	(100)	(15,583)

	Maturity Periods In Years				
In thousands of NZD	**0 to 1**	**1 to 3**	**3 to 5**	**5 to 10**	**Total**
2012					
Financial Liabilities					
Trade and other payables	(7)	-	-	-	(7)
	(7)	-	-	-	(7)

Market Risk

Market risk is the risk that changes in security market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The Company has no material exposure to market revaluation of financial instruments.

18. Financial instruments and risk management (continued)

Cash flow sensitivity analysis for interest rate risk

The Company had no exposure to interest rate risk from derivative products during the year.

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The impact of a 1% uplift or reduction in market interest rates would impact pre-tax profit as follows:

		Movement in market interest rates	
In thousands of NZD		**Minus 1.0%**	**Plus 1.0%**
Pre-tax impact on profit	2013	(92)	92
Pre-tax impact on profit	2012	(30)	30

Risk management objectives and policies for mitigating insurance risks

(i) Objectives

The Company's objectives and policies in respect of managing insurance risks are:

- Understanding insurance risk so as to ensure that pricing and claims management reduce any risk of loss.
- Measuring the frequency and severity of possible insurance risk loss events.
- Treating insurance risk with controls designed to assure that any changes in trends or loss patterns are identified at the earliest time via rigorous analysis of detailed monthly claim and loss ratio data.
- Protecting the Company by holding at least 50% reinsurance with AA rated reinsurers.

(ii) Concentrations of insurance risk

Please refer to note 16 (v)

(iii) Exposure to risk

The Company actively manages its exposure to risks by applying prudent underwriting controls to renewals and new business

The Company manages claims in order to mitigate insurance risk primarily through:

- Detailed monthly management reporting on claims costs which may identify a need for changes to pricing or claim management processes
- Detailed analysis of claims cost by manufacturer, model and fault type to identify at the earliest time any recurrent problem that maybe recoupable from manufacturers or require discontinuation of future warranty sales for that particular product
- Monthly actuarial reporting of all loss ratio including analysis of frequency and severity which may identify a need for changes to pricing or claim management processes.

19. Operating leases

As at 30 June 2013 there were no operating lease commitments.

20. Capital and other commitments

As at 30 June 2013 there were no material capital expenditure commitments.

21. Contingencies

As at 30 June 2013 there were no contingencies.

22. Related parties

The Company receives all of its written premiums of $519,316 (2012: nil) via fellow subsidiaries, who place the underwriting business for the Company. Market related terms of payment exist and, at the Statement of financial position date, the Company was owed $597,213 (2012: nil) by fellow subsidiaries in this regard (note 9).

The Company paid a fellow subsidiary of its parent entity (South Pacific Warranty Services Ltd) $20,702 for finance and actuarial services during the year ended 30th June 2013 (2012: nil).

23. Auditor's remuneration

In NZD	**2013**	**2012**
Audit services		
Auditors of the Company: KPMG		
Audit of financial reports	11,861	-
	11,861	-
Other services		
Auditors of the Company: KPMG		
Other assurance service	-	4,148

24. Subsequent events

There has not arisen in the interval between the end of the period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

Independent Auditor's Report

To the Shareholders of Product Care (NZ) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Product Care (NZ) Limited ("the company") on pages 3 to 31. The financial statements comprise the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Our firm has also provided other services to the company in relation to regulatory and review engagements. 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. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interests in, the company.

KPMG

Opinion

In our opinion the financial statements of Product Care (NZ) Limited on pages 3 to 31:

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 16(1)(d) and section 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations we have required; and
- in our opinion proper accounting records have been kept by Product Care (NZ) Limited as far as appears from our examination of those records.

KPMG

8 October 2013
Auckland