

Allianz New Zealand Limited
NZ Company Number 445514

Annual Report for the year ended
31 December 2021

Director's Report

The Directors present their report on of Allianz New Zealand Limited ("the Company") together with the general purpose financial statements of the Company for the year ended 31 December 2021 and the auditor's report thereon.

Directors

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

B. J. Dunne (appointed 22 January 2021)
J. Fitzpatrick (appointed 22 January 2021)
M.A. Raumer (appointed 1 January 2021, resigned 17 May 2021)
P.G. Harvey (appointed 18 May 2021)

Directors

There is no requirement to declare Company Secretaries to the NZ Companies Office.

Principal Activities

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

Significant Changes in the State of Affairs

Allianz Australia Insurance Limited – New Zealand Branch continued its restructuring activities which significantly reduced the staffing requirements that are serviced by Allianz New Zealand. There was no impact on the premium funding business.

Results

The profit after income tax of the Company attributable to members for the year ended 31 December 2021 amounted to \$801,233 (2020: \$3,686,714).

Directors' Benefits

During the year ended 31 December 2021 and in the interval between 31 December 2021 and the date of this report, the Directors have not received, or have not become entitled to receive, any benefit (other than a benefit included in the aggregate amount of emoluments paid or due and payable, to the Directors) by reason of a contract made by the Company or any entity controlled by the Company or a body corporate that is related to the Company, with the Directors or with an entity in which the Directors have a substantial financial interest.

Registered Office

Bell Gully, Level 21 Vero Center, 48 Shortland Street, P O Box 4199 Auckland 1140.

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



B. J. Dunne
Director



P.G. Harvey
Director

24 March 2022

24 March 2022



Independent auditor's report

To the shareholder of Allianz New Zealand Limited

Our opinion

In our opinion, the accompanying financial statements of Allianz New Zealand Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 31 December 2021, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

We have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cashflows for the year then ended; and
- the notes to the financial statements, which include a significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

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

This description forms part of our auditor's report.

Who we report to

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



The engagement partner on the audit resulting in this independent auditor's report is Scott Hadfield.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
1 April 2022

Sydney

I, Scott Hadfield, am currently a member of Chartered Accountants Australia and New Zealand and my membership number is 276681.

PricewaterhouseCoopers was the audit firm appointed to undertake the audit of Allianz New Zealand Limited for the year ended 31 December 2021. I was responsible for the execution of the audit and delivery of our firm's auditor's report. The audit work was completed on 1 April 2022 and an unqualified opinion was issued.

A handwritten signature in black ink that reads 'S Hadfield'.

Scott Hadfield

Allianz

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	2021 \$000	2020 \$000
Revenue			
Premium funding revenue		23,951	29,033
Management fee revenue		1,268	3,210
Foreign exchange gains		-	1,699
Total revenue		25,219	33,942
Expenses			
Premium funding expense		20,316	23,212
Operating expenses		1,220	3,376
Finance costs		2,173	2,235
Foreign exchange losses		394	-
Total expenses		24,103	28,823
Profit before income tax		1,116	5,119
Income tax expense	5	315	1,431
Profit for the year net of tax		801	3,688
Other comprehensive income		-	-
Total comprehensive income for the year net of tax		801	3,688

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

Statement of Changes in Equity

For the year ended 31 December 2021

2021	Issued share capital	Retained earnings	Total equity
	\$000	\$000	\$000
At 1 January 2021	38,500	26,868	65,368
Profit for the year	-	801	801
Total comprehensive income for the year	-	801	801
At 31 December 2021	38,500	27,669	66,169

2020	Issued share capital	Retained earnings	Total equity
	\$000	\$000	\$000
At 1 January 2020	38,500	23,181	61,681
Profit for the year	-	3,687	3,687
Total comprehensive income for the year	-	3,687	3,687
At 31 December 2020	38,500	26,868	65,368

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

Statement of Financial Position

As at 31 December 2021



	Note	2021 \$000	2020 \$000
Assets			
Cash	12	9,873	4,208
Amounts due from related parties	11	755	813
Loans and receivables	6	155,754	160,339
Other assets		2,111	2,409
Deferred tax asset	5	921	556
Current tax asset	5	668	-
Total assets		170,082	168,325
Liabilities			
Amounts due to related parties	11	102,313	98,987
Accounts payable and accruals		1,600	2,994
Income tax provision		-	976
Total liabilities		103,913	102,957
Net assets		66,169	65,368
Equity attributable to owners of the Parent			
Issued share capital	7	38,500	38,500
Retained earnings		27,669	26,868
Total equity		66,169	65,368

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

Statement of Cash Flows

For the year ended 31 December 2021



	Note	2021 \$000	2020 \$000
Cash flows from operating activities			
Premium funding revenue received		30,931	55,280
Premium funding expense paid		(22,711)	(26,115)
Other income and expenses received/(paid)		(1,345)	707
Income taxes paid		(2,324)	(1,838)
Interest expense paid		(2,173)	(2,235)
Amounts received from/(paid to) related parties		3,384	(36,863)
Net cash inflow/(outflow) from operating activities	12	5,762	(11,064)
Cash flows from investing activities			
(Payments)/receipts for property, plant and equipment		(97)	42
Net cash inflow/(outflow) from operating activities		(97)	42
Cash flows from financing activities			
Dividends paid		-	-
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash		5,665	(11,022)
Cash at the beginning of the year		4,208	15,230
Cash at the end of the year	12	9,873	4,208

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 17.

Notes to the Financial Statements

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Notes to the Financial Statements

For the year ended 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Allianz New Zealand Limited (the “Company”) is a company incorporated and domiciled in New Zealand. The address of the Company’s registered office is 48 Shortland Street, Auckland 1140.

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

These financial statements of the Company are as at and for the year ended 31 December 2021. These financial statements were authorised for issue at the date of this report.

(b) Basis of Preparation

The financial statements are presented in New Zealand dollars which is the Company’s functional currency.

The preparation of the financial statements in conformity with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”), requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, 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.

The financial statements have been prepared under the historical cost convention.

The accounting policies set out below have been applied consistently to all periods presented in the Company’s financial report.

(i) Statement of compliance

These financial statements have been prepared in accordance with and comply with Generally Accepted Accounting Practice in New Zealand. They comply with the New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”), and other applicable financial reporting standards as appropriate for-profit oriented entities. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, and the Financial Reporting Act 2013.

(ii) Changes in accounting standards

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

(a) New and amended accounting standards adopted

No standards effective in the period have resulted in a significant change to the accounting policies of the Company.

(b) New standards and interpretations not yet adopted

As at the date of this financial report, there are several new or revised accounting standards published by the NZ IFRS that will be mandatory in future financial years. The new or revised accounting standards that are not expected to have a significant impact on the financial report of the Company. The Company has not early adopted these accounting standards.

(iii) Basis of measurement

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

Notes to the Financial Statements

For the year ended 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Critical accounting estimates

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

(v) Comparatives

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

(c) Revenue

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

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

Management fee revenue is received to reimburse the company for expenses incurred relating to claims handling, administration and acquisition functions where services rendered on behalf of Allianz Australia Insurance Limited – New Zealand Branch. The reimbursement incorporates an additional 7.5% (2020: 7.5%) fee on expenses incurred, reflecting the costs of providing these management and administrative services.

(d) Investment income

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

(e) Receivables

Receivables include loans and receivables and other receivables provided to or due from third parties. Other receivables are carried at amortised cost, except where collection is doubtful, an impairment loss is recognised. Unearned interest is included within unearned income. Due to the short-term nature of other receivables held, its carrying amount approximates its fair value.

Loans and receivables are assessed monthly for impairment and are impaired after 90 days of falling due. Further, an expected credit loss provision is included in the allowance for impairment. Loans and receivables are written off once the Company is certain that they are not collectable.

(f) Taxation

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

The NZ Branch and Allianz New Zealand Limited constitute a group for tax purposes, which allows for the NZ Branch's tax losses to be offset against the taxable income of Allianz New Zealand Limited. The NZ Branch and Allianz New Zealand Limited must maintain a minimum of 66% commonality of ownership in order to be considered a group for tax purposes. Commonality of ownership was 100% throughout the reporting period (2020: 100%)

(f) Goods and services tax

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

(g) Foreign currencies

(i) Transactions and balances

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

(h) Loans and receivables

Loans and receivables comprise the finance loans provided to external parties principally to fund insurance premiums and related statutory charges which include unearned interest, which is earned to provide a constant yield over the term of the loan.

(i) Employee benefits

(i) Wages, salaries and annual leave

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

(ii) Long term service benefits

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

(j) Accounts payable and accruals

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

(k) Cash

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

(l) Finance costs

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

Notes to the Financial Statements

For the year ended 31 December 2021

2. RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including operational risk, tax risk, credit risk, liquidity risk and market risk. The Company's risk management programme seeks to minimise potential adverse effects on its financial performance.

The Company's principal financial instruments comprise finance loans provided to external parties principally to fund insurance premiums and related statutory charges.

(a) Operational risk

Structured risk assessment methodologies are used to identify risks and, if necessary formulate mitigation plans for each risk. This includes the operational risk which is the failure of people, processes and systems. The management of operational risk is broken down into separate risk classes to enable specific allocation of responsibility and ownership of particular risk areas. In this way identification and review of the key risks have been completed with the acceptable level of risk appetite and tolerance defined. With the continual reporting and monitoring of key risks they are assessed as to whether they are within acceptable levels and what action, if any, is required to reduce any excess risk.

(b) Tax risk

Tax risk is the risk that the Company is paying or accounting for an incorrect amount of income and/ or indirect tax, or that the tax positions that the Company has adopted are inappropriate. The Company has governance structures, policies and procedures in place to support full compliance with taxation law, perform best practice tax planning, and ensure effective tax risk management.

(c) Credit risk

Credit risk is the risk of loss from a counterparty failing to meet their obligations. The Company's credit risk arises predominantly from premium funding activities. The maximum exposure to credit risk is the fair value of individual financial assets. The Company may hold credit insurance to mitigate credit risk in some instances, and the Company may receive pro-rated refunds of non-statutory insurance policies should the external party default on payment.

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to Standard & Poor's (S & P's) credit ratings of the counterparties. AAA is the highest possible rating.

	AA+ / AA / AA-	Not Rated	Total
	\$000	\$000	\$000
2021			
Cash	9,873	-	9,873
Loans and receivables	-	155,754	155,754
GST receivable	192	-	192
Current tax asset	668	-	668
Amounts due from related parties	-	755	755
2020			
Cash	4,208	-	4,208
Loans and receivables	-	160,339	160,339
GST receivable	280	-	280
Current tax asset	(976)	-	(976)
Amounts due from related parties	-	813	813

Other assets not disclosed above represent prepayments for which there is no credit risk.

Notes to the Financial Statements

For the year ended 31 December 2021

2. RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities that can be readily realised in order to fund the Company's operations.

The Company has in place arrangements to ensure adequate liquidity is maintained to fulfil its obligations, and avoid the need to unexpectedly liquidate investments to support operating cash flows. The procedures adopted include forecasting future cash requirements by identifying significant cash outflow obligations and allowing for the impact of possible but unexpected cash outflows. The cash position of the Company is monitored on a daily basis with set procedures. Service level agreements are maintained with several cash management providers.

The balance of amounts due to related parties and accounts payable and accruals as disclosed in the statement of financial position are expected to be settled within 1 year of the balance date and are therefore classified as current.

(f) Market risk

Market risk is the risk that changes in market pricing will affect the Company's income or carrying value of the Company's financial assets.

(i) Foreign currency risk exposures

The Company's exposure to foreign currency risk is limited to the value of intercompany balances, with all other financial assets and liabilities denominated in New Zealand Dollars.

(ii) Price risk

The Company does not hold any securities that expose the Company to price risk, or commodity risk.

(iii) Interest rate risk

The exposure to interest rate risk results from the holding of financial assets in the normal course of business.

(iv) Summarised sensitivity analysis

The following table summarises the impact of increases/decreases in interest rates on the Company's post-tax profit for the year and on profit. The analysis is based on a scenario where interest rates had increased/decreased by a nominal amount of 1% at year end with all other variables held constant.

	Carrying Amount \$000	-1% Profit/Equity Account \$000	+1% Profit/Equity Account \$000
2021			
Financial assets			
Cash	9,873	(64)	64
Loans and receivables	155,754	1,121	(1,121)
Total financial assets	164,635	1,057	(1,057)
2020			
Financial assets			
Cash	4,208	(30)	30
Loans and receivables	160,339	1,155	(1,155)
Total financial assets	164,547	1,125	(1,125)

(g) Fair value estimation

The carrying value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Consolidated Entity approximates their fair value.

Notes to the Financial Statements

For the year ended 31 December 2021

3. CAPITAL MANAGEMENT STRATEGY

The Company's capital management strategy is based on its capital needs to meet statutory requirements, achieved through management of the statement of financial position.

4. ITEMS CHARGED TO THE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	2021	2020
	\$000	\$000

Profit before income tax expense has been determined after charging the following items:

Salaries and wages	1,277	2,393
Increase/(decrease) in employee entitlements	32	(156)
Depreciation of plant and equipment	44	97

5. INCOME TAX EXPENSE

(a) Income tax expense

Current tax expense	680	1,315
Movement in deferred tax	(365)	118
(Under)/over provision in prior years	-	(2)
Total income tax expense recognised	315	1,431

(b) Reconciliation of effective tax rate

Profit before tax	1,116	5,118
Income tax at 28%	312	1,433
Non-deductible expense	3	-
(Under)/over provision in prior years	-	(2)
Total income tax expense	315	1,431

(c) Deferred tax asset

Tax effect at 28% attributable to:		
Employee entitlements	35	44
Provision for doubtful debts	171	171
Expected credit loss	42	46
Other provisions and accruals	673	295
Total deferred tax asset	921	556

(d) Imputation credits

Imputation credits available for use in subsequent reporting periods	12,064	11,709
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Notes to the Financial Statements

For the year ended 31 December 2021

6. LOANS AND RECEIVABLES

	2021	2020
	\$000	\$000
Loans and receivables	162,150	167,028
Less: Unearned income	(5,634)	(5,914)
	156,516	161,114
Less: Allowance for impairment	(762)	(775)
Total loans and receivables	155,754	160,339

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

Balance at 1 January	775	661
Impairment incurred	36	261
Amounts written off	(25)	(136)
Movement in expected credit loss	(24)	(11)
Balance at 31 December	762	775

Ageing of receivables:

The ageing of receivables past due but not impaired is as follow:

0 to 3 months	95	131
3 to 6 months	2	4
Over 6 months	1	1
Balance at 31 December	98	136

7. CONTRIBUTED EQUITY

Balance at 1 January	38,500	38,500
Balance at 31 December	38,500	38,500

The Company has 43,099,596 (2020: 43,099,596) ordinary fully paid shares. All shares have equal voting rights.

8. COMMITMENTS

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

Not later than one year	-	68
Later than one year and not later than 5 years	-	49
Total lease commitments	-	117

As of November 2021, the Company did not have any lease commitments, nor are there any plans for new leases to be entered going forward.

In addition, the company has no commitment for future capital expenditure as at 31 December 2021.

Notes to the Financial Statements

For the year ended 31 December 2021

9. AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Audit of financial statements	27,083	27,330
Taxation related services	12,500	12,500
Total auditor's remuneration	39,583	39,830

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those who directly or indirectly have authority and responsibility for planning, directing and controlling the activities of the Company. This includes executive directors and members of the Company's senior management team.

(a) Transactions with key management personnel

Total benefits paid, payable, or otherwise provided by the Company in relation to the key management personnel	244,804	188,919
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(b) Loans and other transactions with key management personnel

The Company sold insurance to key management personnel during the period within normal employee or customer relationships on terms and conditions no more favourable than those available on similar transactions to other employees.

11. RELATED PARTIES

(a) The Company is a wholly owned controlled entity of Allianz Australia Limited. The Ultimate parent entity is Allianz SE, incorporated in Germany.

The following types of transactions have arisen between the Company and related entities:

- (i) loans advances and repayments;
- (ii) fees for funds management;
- (iii) fees for outsourced services; and
- (iv) equity compensation schemes.

Fees and charges between the Company and related parties are based on normal commercial terms and conditions.

(b) The names of persons holding the position of Director of the Company during or since the end of the reporting period are M.A. Raumer (appointed 1 January 2021, resigned 17 May 2021), B. J. Dunne (appointed 22 January 2021), J. Fitzpatrick (appointed 22 January 2021) and P.G. Harvey (appointed 18 May 2021).

The following transactions with various related parties within Allianz SE Group were recorded:

Management fees received from Allianz Australia Insurance Limited - New Zealand Branch	1,265,288	3,209,789
Interest fees paid to Allianz Australia Insurance Limited	2,765,592	2,666,308

Amounts due from related parties

Primacy Underwriting Management Limited	732,790	732,277
Euler Hermes New Zealand Limited	22,495	80,656
Total amounts due from related parties	755,285	812,933

Amounts due to related parties

Allianz Australia Insurance Limited	67,227,366	65,646,050
Allianz Australia Insurance Limited - New Zealand Branch	21,719,939	22,935,127
Allianz Australia Services Pty Ltd	12,421,300	9,455,111
Club Marine Limited	944,305	950,352
Total amounts due to related parties	102,312,910	98,986,640

Notes to the Financial Statements

For the year ended 31 December 2021

12. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021 \$000	2020 \$000
(a) Cash reconciliation		
Cash and cash equivalents in the statement of cash flows	9,873	4,208
(b) Reconciliation of profit after income tax to net cash inflows from operating activities		
Profit for the year	801	3,687
Non-cash movements:		
Depreciation	97	97
Change in assets and liabilities:		
Decrease/(Increase) in loans and receivables	4,585	23,344
(Increase)/decrease in deferred tax assets	(365)	118
(Decrease)/Increase in income tax payable	(1,644)	(525)
(Decrease)/Increase in net amounts due to related companies	3,384	(36,863)
Decrease/(Increase) in other assets	298	823
(Decrease)/increase in other liabilities	(1,394)	(1,744)
Net cash inflow/(outflow) from operating activities	5,762	(11,064)

13. PROVISIONS AND CONTINGENT LIABILITIES

As at 31 December 2021 the Company has no material provisions, and no contingent assets or liabilities (2020: Nil) in relation to matters they are aware of. The provisions are recognised in the respective financial statement line item to which the transactions relate.

14. SUBSEQUENT EVENTS

There are no events subsequent to the balance date that would have a material effect on the Company's financial statements at 31 December 2021.