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**Pacific International Insurance Pty Limited New Zealand Branch**

Annual Financial Statements  
for the year ended 30 June 2024

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

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# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## General Information

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<b>Country of Incorporation and Domicile</b>	New Zealand
<b>Registration Date</b>	1 August 2014
<b>Nature of Business and Principal Activities</b>	The Branch's principal activities during the financial year were the sale of general insurance policies in New Zealand.
<b>Directors</b>	Mr Jonathon Michael Broome (Independent Non-Executive Director - Chairman of the Board) Mr Paul William Roberts (Independent Non-Executive Director - Chairman of the Risk Committee) Mr Roland Covac Lange (Executive Director - CEO) Mr Brad Howard Hogan (Executive Director) Mr Louis Fivaz (Independent Non-Executive - Chairman Audit Committee)
<b>Shareholder</b>	Badger Holdings Australia Pty Limited
<b>Registered Office</b>	Suite 3.02 Level 3 352 Hunter Street Newcastle, NSW 2300
<b>Branch Secretary</b>	Stephanus Hermanus Visser

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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The directors present their report for the year ended 30 June 2024.

### 1. Review of financial results and activities

#### Principal business activities

The Branch's principal activities during the financial year were the sale of general insurance policies in New Zealand. There were no major changes during the year.

#### Operating results

The Branch generated a loss after tax for the year ended 30 June 2024 of \$822,423 (2023: \$2,837,182).

The Branch's insurance revenue increased from \$12,650,883 in the prior year to \$18,594,668 for the year ended 30 June 2024.

The Branch's cash flows from operating activities changed from an outflow of \$2,828,698 in the prior year to an inflow of \$331,892 for the year ended 30 June 2024.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Branch.

### 4. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

### 5. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the Branch during the year under review.

### 6. Dividend

No dividend was declared or paid to the shareholder during the current or prior year.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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### 7. Directors

The directors of the Branch during the year and up to the date of this report are as follows:

Mr Jonathon Michael Broome (Independent Non-Executive Director - Chairman of the Board)

Mr Paul William Roberts (Independent Non-Executive Director - Chairman of the Risk Committee)

Mr Roland Covac Lange (Executive Director - CEO)

Mr Brad Howard Hogan (Executive Director)

Mr Louis Fivaz (Independent Non-Executive - Chairman Audit Committee)

### 8. Secretary

The Branch's designated secretary is Stephanus Hermanus Visser.

### 9. Shareholder

There have been no changes in ownership during the current financial year.

The Branch is 100% owned by Pacific International Insurance Pty Limited (Company).

The shareholder and its interest at the end of the year is:

	<b>Holding</b>
Badger Holdings Australia Pty Limited	100.00%

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Directors' Declaration

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The directors are required by the External Reporting Board, the Financial Markets Conduct Act 2013 and Insurance (Prudential Supervision) Act 2010 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Branch, and explain the transactions and financial position of the business of the Branch at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Branch and supported by reasonable and prudent judgements and estimates.

The Directors present their report on Pacific International Insurance Pty Limited New Zealand Branch ("Branch") for the financial year ended 30 June 2024.

The directors are responsible for the preparation, in accordance with the New Zealand law and generally accepted accounting practice, of the financial statements which give a true and fair view of the financial position of the company as at 30 June 2024 and its financial performance for the year ended on that date.

The Directors consider that the financial statements of the Branch have been prepared using the accounting policies appropriate to the Branch, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable International Financial Reporting Standards and NZ IFRS have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Branch and enable them to ensure that the financial statements comply with the relevant accounting standards.

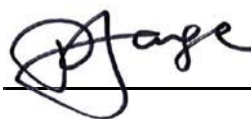
The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Branch and to prevent and detect fraud and other irregularities.

Signed in accordance with a resolution of the Board of Directors:



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Mr Jonathon Michael Broome  
(Independent Non-Executive  
Director - Chairman of the  
Board)



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Mr Roland Covac Lange  
(Executive Director -  
CEO)

25 September 2024

25 September 2024

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024 \$	Restated* 2023 \$
Insurance revenue	6	18,594,668	12,650,883
Insurance service expense	6	(13,445,640)	(9,719,690)
<b>Insurance service result before reinsurance contracts held</b>		<b>5,149,028</b>	<b>2,931,193</b>
Allocation of reinsurance premiums	6	(2,283,801)	(1,806,996)
Amount recoverable from reinsurers	6	1,792,201	872,437
<b>Net expense from reinsurance contracts held</b>		<b>(491,600)</b>	<b>(934,559)</b>
<b>Insurance service result</b>		<b>4,657,428</b>	<b>1,996,634</b>
Insurance finance expenses for insurance contracts issued		(26,212)	(6,042)
Reinsurance finance income (expense) for reinsurance contracts held		9,390	(353)
<b>Net insurance finance result</b>		<b>(16,822)</b>	<b>(6,395)</b>
<b>Total net insurance result</b>		<b>4,640,606</b>	<b>1,990,239</b>
Non-attributable expenses	7	(5,493,820)	(6,556,637)
Other income	9	(393,452)	530,894
Finance income		129,630	175,403
Finance costs		(25,219)	(86,886)
<b>Loss before tax</b>		<b>(1,142,255)</b>	<b>(3,946,987)</b>
Income tax credit	10	319,832	1,109,805
<b>Loss for the year</b>		<b>(822,423)</b>	<b>(2,837,182)</b>
<b>Other comprehensive income net of tax</b>			
Unrealised foreign exchange difference		-	(5,188)
<b>Total comprehensive income / (loss)</b>		<b>(822,423)</b>	<b>(2,842,370)</b>

\*The Company adopted NZ IFRS 17 Insurance Contracts from 1 July 2023 and has restated the comparative period. The impacts of adoption of NZ IFRS 17 are detailed in Note 3.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Position

	Notes	2024 \$	Restated* 2023 \$	Restated* 2022 \$
<b>Assets</b>				
Cash and cash equivalents	11	3,240,657	3,142,487	1,682,936
Trade and other receivables	12	2,321,150	1,109,180	(50,864)
Reinsurance contracts assets	13	7,769,627	5,660,792	2,399,933
Property, plant and equipment	14	114,271	146,189	233,910
Right-of-use assets	18	151,605	349,122	541,643
Intangible assets		39	77	214
Deferred tax assets	15	3,665,323	3,345,491	2,235,686
<b>Total Assets</b>		<b>17,262,672</b>	<b>13,753,338</b>	<b>7,043,458</b>
<b>Liabilities</b>				
Trade and other payables	16	3,664,378	2,699,244	974,557
Insurance contract liabilities	17	9,999,561	6,449,524	2,826,181
Deferred income		-	-	85,799
Employee benefits		190,294	150,194	133,137
Lease liabilities	18	177,081	400,594	582,700
<b>Total liabilities</b>		<b>14,031,314</b>	<b>9,699,556</b>	<b>4,602,374</b>
<b>Equity</b>				
Head office account	19	12,832,120	12,832,120	8,377,053
Accumulated loss		(9,505,808)	(8,683,384)	(5,846,203)
Other non-distributable reserves		(94,954)	(94,954)	(89,766)
<b>Total equity</b>		<b>3,231,358</b>	<b>4,053,782</b>	<b>2,441,084</b>
<b>Total equity and liabilities</b>		<b>17,262,672</b>	<b>13,753,338</b>	<b>7,043,458</b>

\*The Company adopted NZ IFRS 17 Insurance Contracts from 1 July 2023 and has restated the comparative period. The impacts of adoption of NZ IFRS are detailed in Note 3.



# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Statement of Changes in Equity

	Head office account \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2022 as previously stated</b>	8,377,053	(89,766)	(5,846,203)	2,441,084
Adjustment on initial application of NZ IFRS 17, net of tax	-	-	-	-
<b>Balance at 1 July 2022 as restated</b>	8,377,053	(89,766)	(5,846,203)	2,441,084
<b>Changes in equity</b>				
Loss for the year	-	-	(2,837,182)	(2,837,182)
Other comprehensive income	-	(5,188)	-	(5,188)
Total comprehensive income for the year	-	(5,188)	(2,837,182)	(2,842,370)
Cash transferred from Head office	4,455,067	-	-	4,455,067
<b>Balance at 30 June 2023</b>	<b>12,832,120</b>	<b>(94,954)</b>	<b>(8,683,385)</b>	<b>4,053,781</b>
<b>Balance at 1 July 2023</b>	12,832,120	(94,954)	(8,683,385)	4,053,781
<b>Changes in equity</b>				
Loss for the year	-	-	(822,423)	(822,423)
Total comprehensive income for the year	-	-	(822,423)	(822,423)
<b>Balance at 30 June 2024</b>	<b>12,832,120</b>	<b>(94,954)</b>	<b>(9,505,808)</b>	<b>3,231,358</b>

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# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Statement of Cash Flows

	Notes	2024 \$	Restated 2023 \$
<b>Net cash flows from / (used in) operations</b>	24	<b>227,481</b>	<b>(2,917,215)</b>
Interest paid		(25,219)	(86,886)
Interest received		129,630	175,403
<b>Net cash flows from / (used in) operating activities</b>		<b>331,892</b>	<b>(2,828,698)</b>
<b>Cash flows (used in) / from investing activities</b>			
Purchase of property, plant and equipment		(10,209)	-
Purchase of right of use assets		-	15,288
<b>Cash flows (used in) / from investing activities</b>		<b>(10,209)</b>	<b>15,288</b>
<b>Cash flows (used in) / from financing activities</b>			
Proceeds from issuing shares		-	4,455,067
Lease repayments		(223,513)	(182,106)
<b>Cash flows (used in) / from financing activities</b>		<b>(223,513)</b>	<b>4,272,961</b>
<b>Net increase in cash and cash equivalents</b>		<b>98,170</b>	<b>1,459,551</b>
Cash and cash equivalents at beginning of the year		3,142,487	1,682,937
<b>Cash and cash equivalents at end of the year</b>	11	<b>3,240,657</b>	<b>3,142,488</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 1. General information

Pacific International Insurance Pty Limited (the Company) is a for-profit proprietary Company, incorporated and domiciled in Australia. The Company operates a New Zealand Branch office (the Branch).

The Company is a wholly owned subsidiary of Badger Holdings Australia Pty Limited which itself is a wholly owned subsidiary of Badger International (NZ) LP.

The Company was issued with an insurance license by the Reserve Bank of New Zealand with effect from 1 August 2014. The Branch provides general insurance to various lines including indemnity, pet, travel and latent defects insurance in New Zealand.

The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the Company. The assets of the Branch are legally available for the satisfaction of debts of the entire company, not solely those appearing on the accompanying Statement of Financial Position and its debts may result in claims against assets not appearing thereon. The Company has confirmed that its policy is to ensure that the Branch is in a position to meet its obligations as and when those obligations fall due.

The financial statements of the Branch for the year ended 30 June 2024 were authorised for issue by the Directors on 25 September 2024.

### 2. Basis of preparation and summary of significant accounting policies

#### Basis of preparation

These financial statements have been prepared in accordance with and comply with Generally Accepted Accounting Practice in New Zealand and for the purpose of complying with GAAP, the company is a 'for-profit-entity'. They comply with International Financial Reporting Standards and New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards appropriate for Tier 1 profit oriented entities. The Branch has prepared its financial statements for the year ended 30 June 2024 on the basis of full disclosure under NZ IFRS. The financial statements have been prepared in accordance with the requirements of the External Reporting Board, the Financial Markets Conduct Act 2013 and the Insurance (Prudential Supervision) Act 2010.

The financial statements have been prepared on the historical cost basis, except as stated below.

These financial statements are presented in New Zealand dollars rounded to the nearest dollar. The Branch functional currency is New Zealand dollars, even though the Branch is financed and managed in Australia, the primary economic environment it operates in is New Zealand where it has offices situated in Auckland.

These financial statements comply with International Financial Reporting Standards ("IFRS").

#### Reclassification of comparatives

Comparatives are adjusted from time to time for changes in accounting policies or for disclosures to improve comparability of information. The implementation of NZ IFRS 17 in the current year has brought significant changes to the accounting for insurance and reinsurance contracts, as discussed below. As a result, Pacific International Insurance has changed the disclosures as required under the standard and restated comparative amounts.

The impact of adopting NZ IFRS 17 is also disclosed in the Statement of Changes in Equity and Note 3.

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# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 3. Standards and Interpretations effective and adopted in the current year

#### **NZ IFRS 17 Insurance Contracts**

NZ IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. NZ IFRS 17 supersedes NZ IFRS 4 Insurance Contracts as of 1 January 2023.

The Company applies NZ IFRS 17 from 1 July 2023. This standard has brought significant changes to the accounting for the insurance and reinsurance contracts and are expected to have a material impact on the Company's annual financial statements in the period of initial application.

The NZ IFRS 17 risk adjustment have been calculated ensuring that the 75% confidence interval provides appropriate compensation for risk. The illiquidity premium and reinsurer default was assessed as immaterial and therefore no adjustment was made in 2022 and 2023 for these items. The historical balances under NZ IFRS 4 and NZ IFRS 17 therefore provide the same result and no restatement of opening balances were required.

#### **Impact of the adoption of NZ IFRS 17**

##### **Transitional impact**

The Company applied the full retrospective approach to all insurance contracts issued and reinsurance contracts held. Under the full retrospective approach, at 1 July 2022 the Branch:

- identified, recognised and measured each group of (re)insurance contracts as if NZ IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if NZ IFRS 17 had always been applied;
- derecognised balances that would not have existed if NZ IFRS 17 had always been applied; and
- recognised all transitional adjustments through retained earnings.

The impact of NZ IFRS 17 adoption had no impact on the Branch's reported equity of \$2.4 million as at 1 July 2022. The illiquidity premium and reinsurer default was assessed as immaterial and therefore no adjustment was made in 2022 and 2023 for these items. The historical balances under NZ IFRS 4 and NZ IFRS 17 therefore provide the same result and no restatement of opening balances were required.

The Branch has applied the transition requirements in NZ IFRS 17 and has disclosed the impact of the adoption of NZ IFRS 17 on each financial statement line item in the below reconciliation.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Impact of adoption on Equity:

	<b>1 July 2022</b>
<b>Brought forward equity (under NZ IFRS 4)</b>	2,441,084
Risk adjustment for non-financial risk	-
Onerous contracts	-
Illiquidity premium	-
Other adjustments	-
Deferred tax or income taxes	-
<b>Brought forward equity (following adoption of NZ IFRS 17)</b>	<b>2,441,084</b>

Restatement of Insurance contract liabilities and reinsurance contract assets:

	<b>1 July 2022</b>
<b>Insurance contracts liabilities as previously stated:</b>	
Unearned premium liabilities	4,535,845
Outstanding claims liabilities	825,377
Deferred acquisition costs	(843,584)
<b>Total insurance contract liabilities as measured under NZ IFRS 4</b>	<b>4,517,638</b>
<i>Add impact of adopting NZ IFRS 17:</i>	
Premium receivables	(1,690,833)
Adjustment to deferred acquisition costs	(624)
<b>Total insurance contract liabilities as measured under NZ IFRS 17</b>	<b>2,826,181</b>
<b>Reinsurance contract assets as previously stated:</b>	
Reinsurance share of insurance liabilities	2,955,016
Deferred reinsurance income	(546,986)
<b>Total reinsurance contract held assets as measured under NZ IFRS 4</b>	<b>2,408,030</b>
<i>Add impact of adopting NZ IFRS 17:</i>	
Annual ceding fee income	(8,097)
<b>Total reinsurance contract held assets as measured under NZ IFRS 17</b>	<b>2,399,933</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Under NZ IFRS 17 we are introduced to various new abbreviations and terms, which is used throughout the financial statements. The table below provides a reference list for each abbreviation:

Abbreviation	Description
PAA	Premium Allocation Approach
AFRC	Asset for Remaining Coverage (Reinsurance)
LFRC	Liability for Remaining Coverage
LC	Loss Component (Insurance Contracts)
LRC	Loss Recovery Component (Reinsurance)
AIC	Asset for Incurred Claims (Reinsurance)
LIC	Liability for Incurred Claims
BEL	Best Estimate Liability
RA	Risk Adjustment
FCF	Future Cash Flows
OCR	Outstanding Claims Reserve

#### 4. Financial Risk Management policies and procedures

The Company's operations are exposed to a number of key risks including financial and insurance risk. The Company's policies and procedures in managing these risks are set out below.

The Company's financial condition and operating activities are affected by the following core risks - strategic, balance sheet and market, interest, credit, liquidity, solvency, counterparty, insurance, concentration, operational and governance risk.

#### Risk Management roles and responsibilities

The Board has the responsibility for setting and maintaining an appropriate risk management framework, which is included in the "Risk Management Strategy" and risk appetite for the Company. Management has implemented risk management policies, procedures and controls to manage the risk and regularly reports to the Board Audit Committee and the Board on the current status of the risk management framework.

The key risks addressed by the risk management framework include:

- Strategic risk - the risk of internal or external events impacting on the Company leading to failed business, policy holder or shareholder objectives.
- Balance sheet and Market risk - the risk arises from adverse movements in: interest rates, foreign exchange rates and general market volatilities and its impact on the market value of the company's assets and liabilities.
- Interest rate risk - the risk of loss of current and future earnings and unfavourable movements in the value of interest bearing assets and liabilities from changes in interest rates.
- Liquidity risk - the risk that the Company will not be able to meet its cash flow requirements in the future. Liquidity risk arises from the requirement to settle claim payments and other financial obligations in the timely manner.
- Solvency Risk - the risk that the Company has insufficient capital to meet its regulatory requirements or to maintain its ongoing business operations.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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- Counterparty Risk - the risk that one party to a financial instrument will cause a financial loss to the Company.
- Credit Risk - the risk of non-collection of receivables due from policy owners, the placement of reinsurance and investments in financial instruments.
- Insurance risk - the risk associated with inadequate underwriting guidelines or claims processes including the risks that arises through the groups reinsurance arrangements.
- Asset / Counterparty Concentration Risk - the risk of loss to the Company from large exposures to one or a few counterparties that a significant holding or commitment to the company.
- Insurance Concentration risk - The amalgamation of insurance risks held by the Company to a particular insured, industry or potential event or events.
- Concentration risk - the amalgamation of risks held by the Company to a particular counterparty, geographic region or industry.
- Operational risk - the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.
- Governance Risks - the risk of loss to the Company from ineffective control or oversight of its operations at management and board level leading to inadequate decision making processes.
- Contagion risk - the risk arising from the failure or inability of a related party to provide services as required by the Company.

### The objectives for managing insurance risk

The Company's policies and procedures, processes and controls are designed to manage risk. These systems address all material risks, financial and non-financial likely to be faced by the Company. The Board, aided by the Board Risk Committee and the Board Audit Committee, directs and monitors implementation, practice and performance throughout the organisation. The Company has adopted the AS/NZS ISO 31000:2009 Standard Approach to Risk Management.

The process involves establishing the context of the risk and risk assessment through:

- Risk identification
- Risk analysis
- Risk evaluation
- Risk treatment
- Monitoring and review
- Communication and consultation

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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Key processes and controls used to mitigate any identified risks are:

- Established policies, procedures and controls around the acceptance, underwriting and pricing of insurance risks;
- Maintenance and use of computer systems to provide up to date and reliable information on the risks that the Company is exposed to;
- Use of reinsurance to preserve the Company's capital by reducing the Company's exposure to the costs of large claims;
- Processes around the development and approval of new product proposal with approval required from the Board of Directors;
- Investment that ensures that the Company's funds are invested with secure financial institutions;
- Use of an independent internal auditor, reporting to the Board Audit Committee to review compliance with Board approved policies; and
- Board appointed external actuarial involved on both the pricing of new products and the establishment of claims reserves.

### Terms and conditions of insurance policies

The terms and conditions attaching to insurance policies affect the level of risk accepted by the company. There are no special terms and conditions in any non standard contracts that have a material impact on the financial statements.

### Concentration of risk

The Company's exposure to concentrations of insurance risk is mitigated by diverse geographical locations of the risks underwritten. The reinsurance policies purchased minimise the exposure of the Company to large claims losses.

### Credit risk

Credit risk is the risk that one party to a financial instrument or contract will cause financial loss to the other party by failing to discharge an obligation.

The key sources of credit risk are premiums receivables and investments in financial instruments.

## 5. Financial Instruments

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk



# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<p>The Company's credit risk arises predominantly from investment activities, reinsurance activities, premium debtors and dealings with other intermediaries. The significant concentrations of credit risk are outlined below.</p>		
<b>Financial Assets</b>		
Cash and cash equivalents	3,240,657	3,142,487
<b>Loans and receivables</b>		
Trade and other receivables	2,321,150	1,109,180
Reinsurance contracts assets	7,769,627	5,660,792
	<b>10,090,777</b>	<b>6,769,972</b>
<b>Total financial assets</b>	<b>13,331,434</b>	<b>9,912,459</b>
<b>Financial liabilities</b>		
Trade and other payables	3,664,378	2,699,244
Insurance contract liabilities	9,999,561	6,449,524
<b>Total financial liabilities</b>	<b>13,663,939</b>	<b>9,148,768</b>

Credit quality of financial assets listed are neither past due nor impaired.

The Company received a financial strength rating of B++ (Good) from the USA rating agency A.M. Best on the 29th of February 2024. The credit rating is an indication of the Company's current and future claims paying ability.

### Overseas Preference:

Under Australian law, if Pacific is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Pacific's Australian assets to satisfy New Zealand liabilities.

### Credit Quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

Credit exposure by credit rating		
AA to A-	11,010,284	8,803,279
Unrated	2,321,150	1,109,180
Total	<b>13,331,434</b>	<b>9,912,459</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### Liquidity risk

The maturity table, based on the expected cash flows is presented below for the purposes of disclosing the cash flows that are actually expected to occur over the life of the Company's financial assets and liabilities.

	At call		1 year or less		Total	
	2024	2023	2024	2023	2024	2023
<b>Financial Assets</b>						
Cash and cash equivalents	3,240,657	3,142,487	-	-	3,240,657	3,142,487
	<b>3,240,657</b>	<b>3,142,487</b>	<b>-</b>	<b>-</b>	<b>3,240,657</b>	<b>3,142,487</b>
<b>Loans and receivables</b>						
Trade and other receivables	-	-	2,321,150	1,109,180	2,321,150	1,109,180
Reinsurance contracts assets	-	-	7,769,627	5,660,792	7,769,627	5,660,792
	<b>-</b>	<b>-</b>	<b>10,090,777</b>	<b>6,769,972</b>	<b>10,090,777</b>	<b>6,769,972</b>
<b>Total financial assets</b>	<b>3,240,657</b>	<b>3,142,487</b>	<b>10,090,777</b>	<b>6,769,972</b>	<b>13,331,434</b>	<b>9,912,459</b>
<b>Financial liabilities</b>						
Trade and other payables	-	-	3,664,378	2,699,244	3,664,378	2,699,244
Insurance contract liabilities	-	-	9,999,561	6,449,524	9,999,561	6,449,524
	<b>-</b>	<b>-</b>	<b>13,663,939</b>	<b>9,148,768</b>	<b>13,663,939</b>	<b>9,148,768</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>13,663,939</b>	<b>9,148,768</b>	<b>13,663,939</b>	<b>9,148,768</b>

Interest rate risk and sensitivity analysis on foreign exchange and interest.

Cash is held at fair value through profit or loss and subject to fixed interest rates. Related party receivables and payables are non-interest bearing. Other trade receivables and payables are also non-interest bearing.

Trade and other payables are due and payable in less than 30 days.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>6. Insurance revenue and expenses</b>		
<b>Insurance revenue and insurance service result</b>		
<b>Insurance revenue</b>		
Insurance revenue from contracts measured under the PAA	18,594,668	12,650,883
<b>Total insurance revenue</b>	<b>18,594,668</b>	<b>12,650,883</b>
<b>Insurance service expenses</b>		
Incurred claims and other directly attributable expenses	(11,202,418)	(8,491,001)
Changes that relate to past service – changes in the FCF relating to the LIC	(384,710)	281,562
Insurance acquisition cash flows amortisation	(1,858,512)	(1,510,251)
<b>Total insurance service expenses</b>	<b>(13,445,640)</b>	<b>(9,719,690)</b>
<b>Net income (expenses) from reinsurance contracts held</b>		
Reinsurance expenses – contracts measured under the PAA	(2,283,801)	(1,806,996)
Incurred claims recovery	1,630,791	1,023,373
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	161,410	(150,936)
<b>Total net expenses from reinsurance contracts held</b>	<b>(491,600)</b>	<b>(934,559)</b>
<b>Total insurance service result</b>	<b>4,657,428</b>	<b>1,996,634</b>
<b>7. Non-attributable expenses</b>		
<b>Non-attributable expenses comprise:</b>		
Admin and management fees paid to related parties	-	104,178
Amortisation	39	137
Auditors remuneration - internal	8 45,000	5,675
Bad debts	1,111	-
Bank charges	115,759	81,720
Consulting fees	10,961	81,632
Depreciation	226,158	264,955
Donations	-	10,435
Employee cost (including directors)	1,461,630	1,224,323
Insurance	2,793	2,157
Marketing	3,286,679	4,299,096
Other expenses	174,284	204,865
Printing and stationery	11,623	25,241
Profit share	28,782	74,843
Rental of office	10,830	3,159
Repairs and maintenance	2,879	3,124
Staff training	614	1,588
Telephone and internet	52,385	46,862
Training fees	-	12,426
Travel costs	62,293	110,221
<b>Total other expenses</b>	<b>5,493,820</b>	<b>6,556,637</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>8. Auditors remuneration</b>		
Audit services - PWC internal audit*	<u>45,000</u>	<u>5,675</u>
*PKF external audit fees are paid by the head office.		
<b>9. Other income</b>		
<b>Other income comprises:</b>		
Insurance licence fee	(391,681)	439,819
Other income	(1,771)	5,274
Training income (New Zealand Branch)	-	85,800
<b>Total other income</b>	<u>(393,452)</u>	<u>530,893</u>
<b>10. Income tax (credit)</b>		
<b>10.1 Accounting policies</b>		
Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.		
<b>10.2 Income tax recognised in profit or loss:</b>		
<b>Deferred tax</b>		
Deferred tax	(319,832)	(1,109,805)
<b>Total income tax (credit)</b>	<u>(319,832)</u>	<u>(1,109,805)</u>
<b>10.3 The income tax for the year can be reconciled to the accounting loss as follows:</b>		
Loss before tax from operations	(1,142,255)	(3,946,987)
Income tax calculated at 28%	(319,832)	(1,105,156)
Tax effect of		
- Tax losses deducted	-	(4,649)
<b>Tax charge</b>	<u>(319,832)</u>	<u>(1,109,805)</u>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>11. Cash and cash equivalents</b>		
<b>11.1 Accounting policies</b>		
Cash comprises cash in bank and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.		
<b>11.2 Cash and cash equivalents included in current assets:</b>		
<b>Cash</b>		
Balances with banks	3,240,657	3,142,487
<b>12. Trade and other receivables</b>		
<b>12.1 Accounting policies</b>		
Trade receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, trade receivables are measured at amortised cost less any impairment.		
Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.		
Claims float receivable is cash advanced to binder partners, in order to pay claims within their mandate.		
<b>12.2 Trade and other receivables comprise:</b>		
Trade receivables	-	161
Prepaid expenses	80,646	199,337
Deposits	38,563	38,563
Claims float receivable	2,201,941	871,119
<b>Total trade and other receivables</b>	<b>2,321,150</b>	<b>1,109,180</b>
<b>13. Reinsurance contracts</b>		
<b>13.1 Accounting policies</b>		
Reinsurance are amounts paid to reinsurers and are recorded as a reinsurance expense and are recognised in the statement profit or loss and other comprehensive income.		
Reinsurance and other recoveries on paid claims, reported claims not yet paid, claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) are recognised as revenue.		

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 13.2 Balances at year end and movements for the year

#### Reconciliation for the year ended 30 June 2024

	Total	AFRC - Excl LRC	AFRC - LRC	Total AIC	AIC - BEL	AIC - RA
<b>Balance at 1 July 2023</b>	<b>5,660,792</b>	<b>5,173,708</b>	-	<b>487,084</b>	<b>452,743</b>	<b>34,341</b>
<b>Recognised in statement of comprehensive income</b>	<b>(482,215)</b>	<b>(2,283,803)</b>	-	<b>1,801,588</b>	<b>1,762,723</b>	<b>38,865</b>
Reinsurance expenses - contracts measured under the PAA	(2,283,803)	(2,283,803)	-	-	-	-
Recognised in net income (expenses) from reinsurance contracts held	1,792,198	-	-	1,792,198	1,754,928	37,270
Incurring claims recovery	1,630,789	-	-	1,630,789	1,570,379	60,410
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	161,409	-	-	161,409	184,549	(23,140)
Reinsurance finance income or expenses	9,390	-	-	9,390	7,795	1,595
<b>Cash flows</b>	<b>2,591,050</b>	<b>3,837,926</b>	-	<b>(1,246,876)</b>	<b>(1,246,876)</b>	-
Reinsurance premiums received during the period	3,837,926	3,837,926	-	-	-	-
Claims paid recovery	(1,246,876)	-	-	(1,246,876)	(1,246,876)	-
<b>Net movement for the period</b>	<b>2,108,835</b>	<b>1,554,123</b>	-	<b>554,712</b>	<b>515,847</b>	<b>38,865</b>
<b>Balance at 30 June 2024</b>	<b>7,769,627</b>	<b>6,727,831</b>	-	<b>1,041,796</b>	<b>968,590</b>	<b>73,206</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### Reconciliation for the year ended 30 June 2023

	Total	AFRC - Excl LRC	AFRC - LRC	Total AIC	AIC - BEL	AIC - RA
<b>Balance at 1 July 2022</b>	<b>2,399,933</b>	<b>2,234,985</b>	-	<b>164,948</b>	<b>150,576</b>	<b>14,372</b>
<b>Recognised in statement of comprehensive income</b>	<b>(934,917)</b>	<b>(1,806,998)</b>	-	<b>872,081</b>	<b>852,112</b>	<b>19,969</b>
Reinsurance expenses - contracts measured under the PAA	(1,806,998)	(1,806,998)	-	-	-	-
Recognised in net income (expenses) from reinsurance contracts held	872,434	-	-	872,434	852,471	19,963
Incurring claims recovery	1,023,370	-	-	1,023,370	989,083	34,287
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(150,936)	-	-	(150,936)	(136,612)	(14,324)
Reinsurance finance income or expenses	(353)	-	-	(353)	(359)	6
<b>Cash flows</b>	<b>4,195,776</b>	<b>4,745,721</b>	-	<b>(549,945)</b>	<b>(549,945)</b>	-
Reinsurance premiums received during the period	4,745,721	4,745,721	-	-	-	-
Claims paid recovery	(549,945)	-	-	(549,945)	(549,945)	-
<b>Net movement for the period</b>	<b>3,260,859</b>	<b>2,938,723</b>	-	<b>322,136</b>	<b>302,167</b>	<b>19,969</b>
<b>Balance at 30 June 2023</b>	<b>5,660,792</b>	<b>5,173,708</b>	-	<b>487,084</b>	<b>452,743</b>	<b>34,341</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>13.3 Insurance contracts comprise the following balances</b>		
Reinsurance contract asset (Asset for incurred Claims)	1,041,798	487,084
Reinsurance contract asset (Asset for remaining Coverage)	6,727,829	5,173,708
	<u>7,769,627</u>	<u>5,660,792</u>

## 14. Property, plant and equipment

### 14.1 Accounting policies

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

#### *Depreciation*

Depreciation is charged over the estimated useful lives of the plant, property and equipment in the Statement of Profit or Loss and Other Comprehensive Income.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Measurement base</b>	<b>Depreciation rate</b>
Furniture, Fixtures and Fittings	Diminishing value basis	10.50%
Leasehold improvements	Diminishing value basis	30%
Motor vehicles	Diminishing value basis	31%-36%
Computer equipment	Diminishing value basis	26%-50%
Office equipment	Diminishing value basis	11% - 67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.



# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 14.2 Balances at year end and movements for the year

	Leasehold improvements \$	Motor vehicles \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
<b>Reconciliation for the year ended 30 June 2024</b>						
<b>Balance at 1 July 2023</b>						
At cost	94,716	58,016	65,876	78,580	125,052	422,240
Accumulated depreciation	(52,838)	(44,317)	(17,284)	(56,018)	(105,594)	(276,051)
<b>Carrying amount</b>	<b>41,878</b>	<b>13,699</b>	<b>48,592</b>	<b>22,562</b>	<b>19,458</b>	<b>146,189</b>
<b>Movements for the year ended 30 June 2024</b>						
Additions from acquisitions	-	-	-		10,209	10,209
Depreciation	(12,563)	(6,849)	(5,103)	(6,693)	(10,919)	(42,127)
<b>Property, plant and equipment at the end of the year</b>	<b>29,315</b>	<b>6,850</b>	<b>43,489</b>	<b>15,869</b>	<b>18,748</b>	<b>114,271</b>
<b>Closing balance at 30 June 2024</b>						
At cost	94,716	58,016	65,876	78,580	135,260	432,448
Accumulated depreciation	(65,401)	(51,166)	(22,387)	(62,711)	(116,512)	(318,177)
<b>Carrying amount</b>	<b>29,315</b>	<b>6,850</b>	<b>43,489</b>	<b>15,869</b>	<b>18,748</b>	<b>114,271</b>
<b>Reconciliation for the year ended 30 June 2023</b>						
<b>Balance at 1 July 2022</b>						
At cost	94,716	58,016	65,876	78,580	125,052	422,240
Accumulated depreciation	(33,030)	(25,612)	(11,154)	(43,612)	(74,921)	(188,329)
<b>Carrying amount</b>	<b>61,686</b>	<b>32,404</b>	<b>54,722</b>	<b>34,968</b>	<b>50,131</b>	<b>233,911</b>
<b>Movements for the year ended 30 June 2023</b>						
Depreciation	(19,808)	(18,705)	(6,130)	(12,406)	(30,673)	(87,722)
<b>Property, plant and equipment at the end of the year</b>	<b>41,878</b>	<b>13,699</b>	<b>48,592</b>	<b>22,562</b>	<b>19,458</b>	<b>146,189</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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	Leasehold improvements \$	Motor vehicles \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
<b>Closing balance at 30 June 2023</b>						
At cost	94,716	58,016	65,876	78,580	125,052	<b>422,240</b>
Accumulated depreciation	(52,838)	(44,317)	(17,284)	(56,018)	(105,594)	<b>(276,051)</b>
<b>Carrying amount</b>	<b>41,878</b>	<b>13,699</b>	<b>48,592</b>	<b>22,562</b>	<b>19,458</b>	<b>146,189</b>

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# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>15. Deferred tax</b>		
<b>The analysis of deferred tax assets and deferred tax liabilities is as follows:</b>		
<b>Deferred tax assets:</b>		
Employee benefits	23,409	34,203
Lease liability	49,583	112,166
Losses carried forward	3,626,928	3,296,876
Other accrued expenses	7,852	-
	<u>3,707,772</u>	<u>3,443,245</u>
<b>Deferred tax liabilities:</b>		
Right of use asset	(42,449)	(97,754)
<b>Net deferred tax assets</b>	<u><b>3,665,323</b></u>	<u><b>3,345,491</b></u>
<b>16. Trade and other payables</b>		
<b>16.1 Accounting policies</b>		
Trade payables and other accounts payable are recognised when the Branch becomes obliged to make future payments resulting from the purchase of goods and services.		
Claims float payable represents funds received from reinsurance partners in order to manage cashflow requirements for claims ceded under a reinsurance treaty.		
<b>16.2 Trade and other payables comprise:</b>		
Trade payables	908,426	1,761,222
Accrued expenses	14	27,951
Other payables	119,531	1,223
Withholding tax	(746)	170,076
Profit share provision	(37,324)	1,899
Claims float payable	2,583,827	701,438
GST payable	90,650	35,435
<b>Total trade and other payables</b>	<u><b>3,664,378</b></u>	<u><b>2,699,244</b></u>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 17. Insurance contract liabilities

#### 17.1 Accounting policies

Insurance contracts are contracts under which the entity accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The entity uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the entity has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The entity recognises a group of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

There are three measurement approaches for the accounting of insurance contracts:

- General Measurement Model (GMM)
- Premium Allocation Approach (PAA)
- Variable Fee Approach (VFA)

An entity may simplify the measurement of a group of insurance contracts using the Premium Allocation Approach if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced by applying the general measurement model, or
- the coverage period of each contract in the group is one year or less.

On initial recognition, the entity measures a group of insurance contracts under the Premium Allocation Approach as the total of the fulfilment cash flows, which comprise:

- Estimates of future cash flows;
- An adjustment to reflect the time value of money and the financial risks related to the future cash flows; and
- A risk adjustment for non-financial risk.

The carrying amounts of a group of insurance contracts under the Premium Allocation Approach are subsequently remeasured at the end of each reporting period as the total of:

- The liability for remaining coverage, comprising the fulfilment cash flows related to future service allocated to the group at that date.
- The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

#### Liabilities for incurred claims

Outstanding claims liabilities are recognised when contracts are entered into and loss events have occurred and are based on the estimated ultimate cost of the claims incurred but not settled at the year-end date, together with related claims handling costs and reduction for the expected value of salvage and reinsurance recoveries.

A central estimate is made of the present value of claims reported but not paid and incurred but not enough reported. A risk adjustment is added to this central estimate to allow for the inherent uncertainty in the central estimate.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these claims cannot be known with certainty at the balance date. The liability is calculated at the reporting date using projection techniques based on historical data, trends and current assumptions. The liability is discounted for the time value of money, where material using the risk free government stock rate. Changes in claims that have occurred, but which have not been settled, are reflected by adjusting the liability. The liability is derecognised when the claim is discharged or withdrawn.

### Deferred acquisition costs

Acquisition costs incurred in obtaining and recording insurance contracts are deferred in recognition when they represent future benefits. Deferred acquisition costs are only recognised if they can be reliably measured and are expected to give rise to future benefits. Deferred acquisition costs are amortised over the expected pattern of the incidence of risk under the insurance contract.

### Onerous contracts

Insurance contracts are onerous when the liability for remaining coverage is insufficient to pay future claims and other insurance service expenses attributable to the contracts.

Contracts that are measured using the premium allocation approach are assumed not to be onerous unless facts and circumstances indicate otherwise. In identifying facts and circumstances that may be indicators of onerous contracts, the Company considers management information for Company planning and performance management, in combination with other indicators where relevant. If there are facts and circumstances that may indicate the existence of possible onerous contracts, the onerous contract losses are measured based on the extent to which the fulfilment cash flows attributable to the group of contracts exceed the liability for remaining coverage for that group.

The initial assumption is that Pacific's contracts are not onerous unless facts and circumstances suggest otherwise.

If a group of contracts is onerous, Pacific will immediately recognise a loss component within the liability for remaining coverage.

### Insurance risk and sensitivity

The Branch has insurance contracts which transfer insurance risk from the policy holder to the Branch. The insurance risk taken on by the Branch is the possibility that an insured event occurs when that event will occur and the uncertainty surrounding the amount of any resulting claim. The Branch has estimated in these financial statements the likely amounts which are expected to be paid out both with respect of claims incurred and expected future claims. The Branch is however still at risk that the carrying amounts of insurance liabilities and assets recognised in the financial statements will be exceeded by the amount of the actual claim. This could occur when there are more claims than expected or where a claim is greater than the severity expected.

The Company's objective is to minimise this insurance risk to within acceptable levels through the policies which manage its insurance risk. The Company's approach to manage this risk includes the diversification of risk. The Company has developed an underwriting strategy which diversifies the types of insurance contracts written. Within each type of insurance written the Company's policy is to ensure that there is a sufficient volume of contracts to reduce the variability in the expected outcome. The Company also cedes reinsurance which includes the Branch's insured risks. The reinsurance programme is an excess of loss arrangement whereby cover is provided on the basis of claims notified on policies issued or renewed during the period of cover.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 17.2 Balances at year end and movements for the year

#### Reconciliation for the year ended 30 June 2024

	Total	LFRC - Excl LRC	LFRC - LC	Total LIC	LIC - BEL	LIC - RA
<b>Balance at 1 July 2023</b>	<b>6,449,524</b>	<b>5,319,628</b>	-	<b>1,129,896</b>	<b>1,019,417</b>	<b>110,479</b>
<b>Recognised in statement of comprehensive income</b>	<b>(5,122,820)</b>	(16,736,159)	-	<b>11,613,339</b>	11,552,478	60,861
Recognised in insurance revenue	<b>(18,594,666)</b>	(18,594,666)	-	-	-	-
Recognised in insurance service expenses	<b>13,445,635</b>	1,858,507	-	<b>11,587,128</b>	11,531,090	56,038
Claims incurred during the period and other incurred insurance service expenses	<b>11,202,418</b>	-	-	<b>11,202,418</b>	11,048,887	153,531
Changes related to past service	<b>384,710</b>	-	-	<b>384,710</b>	482,203	(97,493)
Amortisation of insurance acquisition cash flows	<b>1,858,507</b>	1,858,507	-	-	-	-
Insurance finance income or expenses	<b>26,211</b>	-	-	<b>26,211</b>	21,388	4,823
<b>Cashflows</b>	<b>8,672,857</b>	19,108,587	-	<b>(10,435,730)</b>	(10,435,730)	-
Premiums received during the period	<b>21,619,616</b>	21,619,616	-	-	-	-
Claims paid during the period	<b>(9,195,373)</b>	-	-	<b>(9,195,373)</b>	(9,195,373)	-
Administration and other expenses	<b>(1,240,357)</b>	-	-	<b>(1,240,357)</b>	(1,240,357)	-
Insurance acquisition cash flows	<b>(2,511,029)</b>	(2,511,029)	-	-	-	-
<b>Net movement for the period</b>	<b>3,550,037</b>	2,372,428	-	<b>1,177,609</b>	1,116,748	60,861
<b>Balance at 30 June 2024</b>	<b>9,999,561</b>	<b>7,692,056</b>	-	<b>2,307,505</b>	<b>2,136,165</b>	<b>171,340</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### Reconciliation for the year ended 30 June 2023

	Total	LFRC - Excl LRC	LFRC - LC	Total LIC	LIC - BEL	LIC - RA
<b>Balance at 1 July 2022</b>	<b>2,826,181</b>	<b>2,069,729</b>	-	<b>756,452</b>	<b>680,665</b>	<b>75,787</b>
<b>Recognised in statement of comprehensive income</b>	<b>(2,925,147)</b>	<b>(11,140,631)</b>	-	<b>8,215,484</b>	8,180,792	34,692
Recognised in insurance revenue	(12,650,883)	(12,650,883)	-	-	-	-
Recognised in insurance service expenses	9,719,694	1,510,252	-	8,209,442	8,175,868	33,574
Claims incurred during the period and other incurred insurance service expenses	8,491,004	-	-	8,491,004	8,382,001	109,003
Changes related to past service	(281,562)	-	-	(281,562)	(206,133)	(75,429)
Amortisation of insurance acquisition cash flows	1,510,252	1,510,252	-	-	-	-
Insurance finance income or expenses	6,042	-	-	6,042	4,924	1,118
<b>Cashflows</b>	<b>6,548,490</b>	<b>14,390,530</b>	-	<b>(7,842,040)</b>	(7,842,040)	-
Premiums received during the period	16,695,720	16,695,720	-	-	-	-
Claims paid during the period	(6,801,866)	-	-	(6,801,866)	(6,801,866)	-
Administration and other expenses	(1,040,174)	-	-	(1,040,174)	(1,040,174)	-
Insurance acquisition cash flows	(2,305,190)	(2,305,190)	-	-	-	-
<b>Net movement for the period</b>	<b>3,623,343</b>	<b>3,249,899</b>	-	<b>373,444</b>	338,752	34,692
<b>Balance at 30 June 2023</b>	<b>6,449,524</b>	<b>5,319,628</b>	-	<b>1,129,896</b>	<b>1,019,417</b>	<b>110,479</b>

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>17.3 Insurance contract liabilities comprise the following balances</b>		
Insurance contract liability (Liability for incurred claims)	2,307,503	1,129,893
Insurance contract liability (Liability for remaining coverage)	7,692,058	5,319,631
	<u>9,999,561</u>	<u>6,449,524</u>

## 17.4 Assumptions adopted in calculation of general insurance liabilities

The actuarial report was prepared by Aaron Cutter, who is a Fellow of the Institute of Actuaries of Australia and the New Zealand Society of Actuaries, and is employed by Finity Consulting Pty Ltd. The Actuary is satisfied as to the accuracy of the data upon which the calculation of insurance liabilities has been made and is satisfied that the accounting provisions held in respect of the insurance liabilities are adequate.

The key assumptions which have the greatest effect on the net outstanding claims liabilities are:

	2024	2023
Inflation rate implicit	Implicit	Implicit
Discount rate	4.27%	4.27%
Claims handling expense rate	10%	10%
Future loss ratios	49%	51%
Risk adjustment	6.30%	8.80%
Weighted average expected term to settlement	0.56 years	0.44 years

## 17.5 Sensitivity analysis

The impact of changes in key variables on the outstanding claims provision is summarised in the table below:

	Movement in outstanding claims	Profit before taxation	Profit after taxation	Equity
5% Increase in loss ratios across all portfolios	123,698	(1,265,953)	(911,486)	3,142,296
10% additional Pet IBNR development for Mar-24 onwards	292,038	(1,434,293)	(1,032,691)	3,021,091
10% increase in Pet loss ratios	234,183	(1,376,438)	(991,035)	3,062,747

Note: The table highlights what the result would be in the event that the variable movement is realised.



# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### Process for determining the risk adjustment

**The risk adjustment was determined by allowing for uncertainty taking into account the following:**

- i. Independent risks, comprising variation in future claims costs due to the randomness inherent in the insurance process and random variation in the historical claims costs affecting the parameters selected for use in the actuarial models.
- ii. External systemic risk, comprising variation in future claims costs due to risks external to the modelling process, for example, catastrophic events or changes in the legislative environment.
- iii. Internal systemic risk which represents variation in future claims costs due to the models not being fully representative of the underlying insurance process and due to errors in the data on which the models are based.

The risk adjustment is intended to achieve a provision which will have 75% probability of sufficiency.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 17.6 Claims development

The following table shows the development of outstanding claims relative to the ultimate claims costs for the eight most recent years:

	Prior \$000s	2018 \$000s	2019 \$000s	2020 \$000s	2021 \$000s	2022 \$000s	2023 \$000s	2024 \$000s	Total \$000s
At the end of accident year	-	85	55	47	548	3,456	7,560	9,186	20,938
One year later	156	84	101	28	536	3,359	7,850	-	12,114
Two years later	167	95	103	29	541	3,405	-	-	4,339
Three years later	168	95	121	29	540	-	-	-	954
Four years later	168	98	121	29	-	-	-	-	417
Five years later	168	98	121	-	-	-	-	-	387
Six years later	168	98	-	-	-	-	-	-	266
Seven years later	168	-	-	-	-	-	-	-	168
Central estimate of ultimate incurred claims at 30 June 2024	168	98	121	29	540	3,405	7,850	9,186	21,397
Payments to 30 June 2024	168	98	121	29	540	3,405	7,748	7,833	19,942
Net undiscounted liability for incurred claims	-	-	-	-	-	-	102	1,353	1,455
Discount to present value	-	-	-	-	-	-	30	21	51
Net discounted liability for incurred claims	-	-	-	-	-	-	72	1,332	1,404
Claims handling costs	-	-	-	-	-	-	7	126	133
Risk adjustment	-	-	-	-	-	-	5	92	97
Net liability for incurred claims	-	-	-	-	-	-	84	1,549	1,634

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 17.7 Maturity profile of the net insurance contract liabilities

The maturity profiles below set out Pacific's expectation of the period over which the cash flows arising from net insurance contract liabilities will be settled.

<b>2024</b>	<b>1 year or less \$000s</b>	<b>1 to 2 years \$000s</b>	<b>2 to 3 years \$000s</b>	<b>3 to 4 years \$000s</b>	<b>4 to 5 years \$000s</b>	<b>Over 5 years \$000s</b>	<b>Total \$000s</b>
Net Insurance Contract Liabilities	1,320	82	1	0	0	0	1,404
<b>2023</b>							
Net Insurance Contract Liabilities	746	47	1	0	0	0	793

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>18. Lease liabilities</b>		
<b>18.1 Lease liabilities comprise:</b>		
Lease - Auckland, New Zealand	177,081	400,594
Non-current liabilities	75,327	229,190
Current liabilities	101,753	171,404
	<b>177,081</b>	<b>400,594</b>
<b>18.2 Additional disclosures</b>		
Lease obligation payable within 12 months	101,753	171,404
Lease obligation payable after 12 months	75,327	229,190
	<b>177,081</b>	<b>400,594</b>
<b>18.3 Amounts recognised in the statement of financial position</b>		
<b>Right-of-use assets</b>		
Part Level 16, AIA Building, 5-7 Byron Avenue, Takapuna, Auckland	151,605	349,122
<b>18.4 Amounts recognised in the statement of profit or loss and other comprehensive income</b>		
Depreciation	(184,032)	(177,233)
Interest expense	(17,199)	(20,433)
	<b>(201,231)</b>	<b>(197,666)</b>
<b>18.5 Amounts recognised in the statement of cash flows</b>		
Total cash outflow for leases	(223,513)	(182,106)

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024 \$	Restated 2023 \$
<b>19. Head office account</b>		
<b>19.1 Accounting policies</b>		
<p>The Head office account is used to provide Head Office funding to support the financial soundness of the Branch. The Head office account is repayable on demand, subject to regulatory rules in New Zealand. No interest is charged by the Company to the Branch on any outstanding balance. Foreign currency translation reserve is reflected in the Head Office account.</p>		
<b>19.2 Head office account detail</b>		
<b>Authorised</b>		
Balance as at 1 July	12,832,120	5,163,343
Cash transferred from Head Office	-	7,668,777
	<u>12,832,120</u>	<u>12,832,120</u>

## 20. Credit rating

The Company received a financial strength rating of B++ (Good) from the USA rating agency A.M. Best on the 29th February 2024. The credit rating is an indication of the Company's current and future claims paying ability.

## 21. Capital management and solvency

The Company considers share capital, retained earnings and reserves to be capital. The Company aims to retain a sufficient level of capital to achieve a 1.65:1 solvency coverage ratio to maintain its claims paying ability. The minimum capital requirement imposed by the Australian Prudential Regulatory Authority (APRA) is a minimum of \$34,094,052. As at year end the Company had a surplus capital of \$44,544,816 above the APRA requirement. The below values are disclosed in Australian Dollar(AUD).

Post migration the Minimum Solvency Capital requirement for the Company is outlined below.

As at year end the Company solvency margin is:

	2024 \$000s	2023 \$000s
Actual Solvency Capital	78,639	52,141
Prudential / minimum capital requirement	(34,094)	(29,308)
Solvency margin	<u>44,545</u>	<u>22,833</u>
<b>Solvency ratio</b>	<u>230.65%</u>	<u>177.91%</u>

The methodology for determining the Solvency Margin is in accordance with the requirements of the Prudential Standards for a General Insurance business as published by the Australian Prudential Regulation Authority.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 22. Related parties

#### 22.1 Group companies

Badger Australia Holdings Pty Ltd

Badger Australia Holdings Pty Ltd (Badger) became the 100% shareholder of Pacific International Insurance Pty Ltd as part of the group restructure. Badger is an investment holding company with almost no trading activities. Badger has injected additional share capital into Pacific International Insurance Pty Ltd to stimulate growth.

Badger Software Pty Ltd

Badger Software Pty Ltd is the development company of the proprietary policy administration and claims system for the Badger Group. Badger Software Pty Ltd provides the full end to end development for all products and services that the group offer and the platform that Pacific International Insurance Pty Ltd uses for its policy administration and claims management.

Goshawk Capital Pty Ltd  
(previously Blue Badge Insurance Australia Pty Ltd)

Goshawk is a private Equity investment company that invests in insurance related businesses. Previously this entity was known as Blue Badge Insurance Australia but after the sale of all its clients to Pacific the entity name and purpose was changed. It is a 100% subsidiary of Badger Holdings Australia Pty Ltd.

Rapid Training Pty Ltd

Rapid Training Pty Ltd offers accredited training to the pest control industry and is considered a "value add" opportunity for Pacific. The Company charged Pacific International Insurance Pty Ltd a risk mitigation fee for training provided in the past to its insured clients.

#### 22.2 Other related parties

Badger International (Pty) Ltd SA

Badger International (Pty) Ltd is a holding company in South Africa that also provides administrative services.

Badger Holdings Pty Ltd SA

Badger Holdings Pty Ltd SA is a holding company in South Africa that also provides administrative services.

Dotsure Insurance Limited

Dotsure Insurance Limited is a insurance company in South Africa that provides non-life insurance services.

# Pacific International Insurance Pty Limited New Zealand Branch

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

### 22.3 Related party transactions and balances

	Badger International (Pty) Ltd SA	Badger Holdings Pty Ltd SA	Dotsure Insurance Limited	Total \$
<b>Year ended 30 June 2024</b>				-
<b>Related party transactions</b>				
Admin and management fees paid	-	-	3,151	<b>3,151</b>
<b>Total related party transactions</b>	<b>-</b>	<b>-</b>	<b>3,151</b>	<b>3,151</b>

	Badger International (Pty) Ltd SA	Badger Holdings Pty Ltd SA	Dotsure Insurance Limited	Total \$
<b>Year ended 30 June 2023</b>				-
<b>Related party transactions</b>				-
Admin and management fees paid	27,297	17,687	59,194	<b>104,178</b>
<b>Total related party transactions</b>	<b>27,297</b>	<b>17,687</b>	<b>59,194</b>	<b>104,178</b>

### 23. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

### 24. Cash flows from operating activities

	2024	Restated 2023
<b>Loss for the year</b>	<b>(822,423)</b>	<b>(2,837,182)</b>
<b>Adjustments for:</b>		
Income tax expense	(319,832)	(1,109,805)
Finance income	(129,630)	(175,403)
Finance costs	25,219	86,886
Depreciation and amortisation expense	226,197	265,092
Bad debt	1,111	-
Gains and losses on foreign exchange realised in profit or loss	-	(5,188)
Right of use asset modification	12,373	-
<b>Change in operating assets and liabilities:</b>		
Increase in trade and other receivables	(1,211,970)	(1,160,044)
Increase in trade and other payables	965,134	1,724,687
Decrease in deferred income	-	(85,799)
Increase in employee benefits	40,100	17,057
Increase in reinsurance contract assets	(2,108,835)	(3,260,859)
Increase in insurance contract liabilities	3,550,037	3,623,343
<b>Net cash flows from operations</b>	<b>227,481</b>	<b>(2,917,215)</b>



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF PACIFIC INTERNATIONAL INSURANCE PTY LIMITED – THE NEW ZEALAND BRANCH

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the New Zealand Branch of Pacific International Insurance Pty Limited (the Branch), which comprise the statement of financial position as of 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information for the Branch.

In our opinion, the Branches financial statements present fairly, in all material respects, the financial position of the Branch as of 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards.

This report is made solely to the Branch's shareholders, as a body. Our audit work has been undertaken so that we might state to the Branch's shareholders those matters which we are required to state to them in the 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 Branch's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). 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 are independent of the Branch in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code') and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

Why it is significant	How our audit addressed the key audit matter
<p><b><u>Insurance Contract Liability (\$9,999,561)</u></b> Refer to Note 17.2 to the Financial Report.</p> <p>Insurance Contract Liability is a key audit matter as a result of significant complexity relating to:</p> <p><b><i>Valuation of Insurance Contract Liability</i></b></p> <p>The valuation of Insurance Contract Liability is significant to the key audit matter as:</p> <ul style="list-style-type: none"> <li>• The significant judgement required by the Branch and the inherent uncertainty in estimating the expected future payments for claims incurred, including those not yet reported;</li> <li>• The uncertainty related to catastrophe events, particularly those occurring closer to year end, and in relation to classes of business where there is a greater length of time between the initial claim event and settlement, because of the inherent difficulty in assessing amounts until further evidence is available;</li> <li>• Models used to calculate the net outstanding claims liability across the Company are complex and judgement is applied in determining the appropriate construct of the models;</li> <li>• The higher degree of auditor judgement and effort in performing procedures and evaluating audit evidence related to significant assumptions, particularly loss ratios, claim frequencies and average claim sizes, and allowance for future claims inflation; and</li> <li>• The audit effort required the use of experts with specialised skills and knowledge.</li> </ul>	<p>To address the key audit matter, together with PKF's actuarial experts, our audit procedures included:</p> <p><b><i>Valuation of Insurance Contract liability</i></b></p> <p>We assessed the selection of methods and key assumptions to consider evidence of management bias.</p> <p>We challenged the actuarial methods and key assumptions by performing an assessment of the accuracy of previous estimates and comparability to the industry and with previous periods.</p> <p>We interpreted and evaluated the Branch's actuarial modelling processes and methodology for determining the level of provisions for outstanding claims. We also considered the work and findings of the appointed actuary of the branch.</p> <p>Our procedures around the financial records and controls included, amongst others:</p> <ul style="list-style-type: none"> <li>• testing the design and implementation of accounting and actuarial controls such as the reconciliation of key data;</li> <li>• testing the design and implementation of key controls over claims case estimates; and</li> <li>• testing a sample of paid claims and claims case estimates.</li> </ul>
<p><b><i>Risk margins and probability of adequacy</i></b></p> <p>The evaluation of the risk margins and probability of adequacy is significant to the key audit matter as it is complex and necessitated a significant level of judgment by us in our audit.</p> <p>Insurance Contract Liability include statistically determined risk margins developed by the Branch to make allowance for the inherent uncertainty in estimating ultimate claim settlements. The risk margins are included to achieve a specified probability of adequacy for the total outstanding claims reserves.</p>	<p><b><i>Risk margins and probability of adequacy</i></b></p> <p>We assessed the Branch's estimation of risk margins with a view to identifying management bias. We evaluated the Branch's actuarial methodologies for consistency with those used in the industry and with prior periods.</p>



## Information Other than the Financial Statements and Auditor's Report

The directors of the Branch are responsible for the Annual Report, which includes information other than the financial statements and audit report which is expected to be made available to us prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

## Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of the Branch for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards, 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, on behalf of the Branch, for assessing the Branch'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 Branch or cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Branch's financial reporting process.

## 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) 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.

## Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



PKF

25 SEPTEMBER 2024

SYDNEY, NSW