mas

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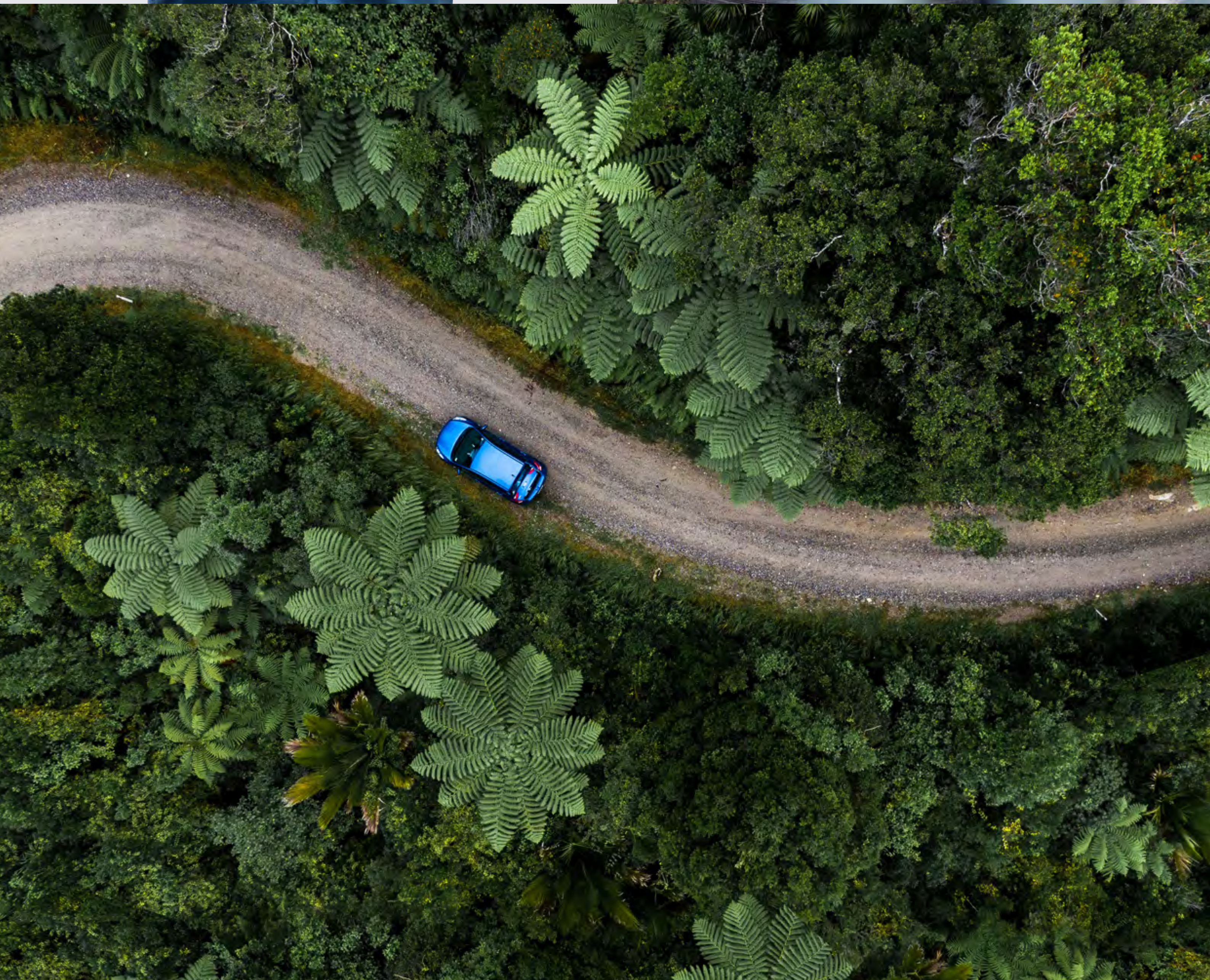
It's just the start.

Annual Report 2021





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One hundred years and counting

In 1921, a group of doctors met in a drawing room in Napier to set up an insurance company. The mutual they founded grew out of their experiences in the Great War and the Spanish influenza pandemic and, almost immediately, it was faced with an economic slump through the 1920s and the devastation of the 1931 Napier earthquake.

A century later, your mutual finds itself grappling once again with a global pandemic, and the socio-economic uncertainty it has generated. However, we are well placed to continue supporting our Members through these challenges, thanks not only to our strong financial position but also to the experience that comes with a century of service.

This is a year for celebrating what we have achieved and how far MAS has come. However, it is also a time for taking stock of the current health of our organisation, and what's needed to thrive as we look to the future.

Your mutual is in a strong position

It is my great pleasure to announce your mutual begins its second century in a strong position.

In February 2021, we welcomed our 40,000th Member to MAS, and our membership grew by around 9% on an annualised basis. We had further cause for celebration in December 2020, when we were awarded the Consumer NZ People's Choice Award for house, car, contents, and life insurance for an extraordinary fifth consecutive year.

The awards are based on Consumer NZ's customer satisfaction surveys, conducted with their members and supporters. We topped the surveys by a large margin, with overall satisfaction scores above 90% for each of the house, contents and car insurance categories. We also led the life insurance category with an overall satisfaction score of 76% - 39 percentage points higher than the second-ranked insurer.

It is also pleasing to see that our Net Promoter Score – a measure out of 100 of how likely our Members are to recommend us – remains extraordinarily high. Month after month, we score well into the 60s, while for many other New Zealand insurers, this score lies in negative territory. However, we do not take the goodwill of our Members lightly, and we are aware that, as we grow, we will need to adapt our business to ensure we continue to provide excellent customer service.

In addition to strong membership growth and the backing of our Members, we are in an enviable financial position. We recorded a net surplus of $16.5 million due to the remarkable rallying of financial markets during the financial year. By the end of 2020/21, MAS Group reserves had grown to $230.8 million, up $16.6 million from last year.

I want to note, however, that before our investments were factored in, we recorded a net operating loss of $17.2 million. This operating loss is partly because we provided for the estimated cost of correcting historical errors. We are undergoing a review of current and closed business to ensure we have charged the correct amount for the insurance cover provided. We will communicate transparently with affected Members and where appropriate reimburse them accordingly.

General Insurance

Growth in our general insurance business was strong this year, with 6.1% growth in our policy count contributing to a total of $89.9 million in gross written premium. Claims expenses were over $61.9 million on 14,100 claims. There were several hundred claims fewer than the previous financial year by number of claims, however claims expenses increased by $13.1m, driven by the Lake Ōhau fire, Napier floods, historical Canterbury earthquake claims, and an overall increase in large loss claims.

The decrease in general insurance claims by number can be partly attributed to the various COVID-related lockdowns throughout 2020. In August, we announced we were passing back $1.7 million in savings we made during the nationwide lockdown in April and May due to cars being off the roads. These savings were passed back to Members in the form of a 7.2% discount on base premiums for motor vehicle policies for the next renewal period.

This rebate formed part of our broader COVID Relief Package, which also included a $2.0 million Hardship Fund, mental health support delivered via our free Health and Wellbeing Portal, and free EAP counselling. I'm extremely proud of the way MAS responded so quickly and effectively to an extraordinary set of circumstances, delivering much needed reassurance to our Members during stressful times.

Life and Disability insurance

The Life and Disability side of our business continues to grow well, with just over 24,400 policies and $43.8 million in premium revenue – a slight increase on last year of $1.7 million.

During the 2020/21 Financial Year, we supported more Members than ever before with $20.6 million in claim payments, an increase of $5.3m or 35.0% on the previous year. This reinforces the value we provide at a time of need to Members who have trusted us to provide cover for them.

As with other parts of our business, our primary concern this financial year was supporting Members facing financial hardship related to COVID. We provided this support with premium holidays to ensure our Members retained their cover, and we also extended the interim cover we provide Members while they apply for policies, recognising the delays applicants faced in obtaining medical reports.

As I noted earlier, an important part of our response to the COVID pandemic was the launch of our online Health and Wellbeing portal, which is free for all MAS Members. As well as offering advice on physical and nutritional health, the portal is invaluable as a toolkit for mental wellbeing, and forms a central pillar for our response to the mental health challenges facing many of our Members. Since the portal was launched in April 2020, more than 2,300 Members have registered for this resource.

Retirement Savings and KiwiSaver

After witnessing a major slump in fund returns in February and March 2020 as the pandemic severely affected financial markets, our KiwiSaver Plan and Retirement Savings Plan experienced remarkable turnarounds through the 2020/21 Financial Year. Markets rebounded dramatically as governments took measures to limit spread of the virus, and vaccines began to be administered.

By the end of the financial year, our Funds had not only made up all the losses inflicted by COVID but had well and truly surpassed their pre-COVID levels. Thanks in part to this rebound, we now have just under $2.1 billion in funds under management across our Retirement Savings and KiwiSaver Plans, with around 18,000 Members investing with us.

Looking ahead, the 2021/22 Financial Year will be an exciting one for this area of MAS, as we look to dramatically grow our KiwiSaver Plan.

We have offered the MAS KiwiSaver Plan to our Members since KiwiSaver itself began in 2007. Since 2012 the Plan has only been open to new investors who met certain eligibility criteria, which meant we were unable to allow some people to invest. In May 2021, the Financial Markets Authority approved our application for a managed investment scheme licence, which means we are able to open our KiwiSaver Plan to all New Zealanders.

Our strategy for the future

As we begin our second century, our strategy for the immediate future is built around three main pillars – growth, purpose, and technology.

While we are pleased with the growth we have seen in our membership in recent years, we remain a small insurer

by New Zealand standards, let alone global ones. Our size will increasingly become a competitive disadvantage, as the costs of providing our services rise – particularly as new technology becomes available – and as climate change increases both the likelihood and the severity of natural disasters. This means we must continue to grow and, over time, we will seek to attract new Members based not on their profession but on their values.

This is why we have done so much work over the past year towards defining our purpose as an organisation. Put simply, why should new Members join us, and not one of our competitors?

We know that consumers are placing increasing weight on the values of the companies they do business with, and they want to insure with an organisation that does good in the communities it serves. Fortunately for MAS, this drive to prioritise our Members' interests above profit has guided our mutual from the very start. Over time, we've taken steps to reflect the expectations of our Members, whether that be instituting a responsible investment strategy in response to Members' concerns, or

MAS founders (from left) Dr Frank Newenham Harvey, MAS Chairman 1921–1928; Dr Henry Ferdinand Bernau; Dr John Patrick Daunt Leahy and Dr John James Edgar

gaining charitable status to help us better invest in our communities.

In this respect, then, the work we have carried out over the course of the year to define our purpose has been about distilling the essence of what makes MAS unique. In recognition of our heritage and traditions, we have defined our purpose as being 'to inspire a healthier Aotearoa'.

We seek to do this in various ways, most obviously by protecting the assets and financial health of our Members, which in turn enables them to live the lives they want to lead. But we also want to encourage healthier living through our Health and Wellbeing Portal and through our partnerships with organisations like the Sustainable Business Network, Wāhine Connect, and other health professional organisations we have supported for many years. And we believe we can do much to inspire a healthier Aotearoa through our philanthropic arm, the MAS Foundation.

Defining our purpose with greater clarity is one aspect of a much broader stream of work towards developing our Corporate Social Responsibility (CSR) strategy, which we hope to launch in the coming year. This strategy will bring together various initiatives – from our responsible investment strategy, to the MAS Foundation's work, to our sustainability efforts – to guide our work as a good corporate citizen. The establishment of the Foundation has catalysed this development process, with the Foundation's commitment to honouring the principles of Te Tiriti o Waitangi driving our thinking on diversity and inclusion at MAS.

The third pillar of our strategy is the effective use of new technology, which will be crucial to achieving our growth aspirations and living up to our purpose and CSR obligations. We are conducting a full review of the various options for our backend policy administration systems, and the digital capability that supports them. Ultimately, these investments will allow us to offer better products to our Members and more flexibility in the way they interact with us.

The MAS team has had an outstanding year, responding with skill, enthusiasm and immense patience to the challenges posed by COVID. Throughout the various lockdowns the country has been through, their primary goal has been to help our Members however they can. On behalf of the Board, I thank all our staff for the wonderful work they have done this year, and I look forward to working with you all as we embark on our second century.

Finally, I want to thank our Members. We are grateful to have all of you with us in our centenary year. On behalf of everyone at MAS, we thank you for your continued support of your mutual, and wish you, your families and communities all the very best as we move beyond the COVID pandemic and reconnect with the world.

Harley Aish
Chairman

Ka tae tēnei ki te kotahi rau tau, e haere tonu nei

I te tau 1921, i hui tētahi rōpū tākuta i tētahi rūma noho i tētahi kāinga i Ahuriri, ki te whakatū kamupene inihua. I toko ake te whakaaro whakatū kamupene tauawhi i ō rātou wheako i te Pakanga Tuatahi o Te Ao me te mate urutā Paniora, ā, i muri tata tonu iho ka pāngia a Aotearoa e te tūpuhi nui o ngā tau mai i 1920, me te pānga taumaha o te rū whenua o Ahuriri, o te tau 1931.

Kotahi rau tau i muri mai, kua nonoke anō tō kamupene tauawhi ki tētahi urutā nui ā-ao, me ngā pānga pāpori-ōhanga hoki i hua ake i muri. Ahakoa tērā, he pai tō mātou tū i ēnei rā, kua āhei tonu te kamupene ki te tautoko i ā matou Mema mā roto i ēnei wero, ehara i te mea nā te pakari o ngā pūtea anake i pērā ai, engari nā te tautōhito i muri i ngā mahi o te rau tau ka hipa.

He tau tēnei hei whakanui i ngā mea kua tutuki, me te ara i takahia e MAS. Ahakoa tērā, kua tae hoki ki te wā me tātari te hauora o tō tātou whakahaere, me ngā mea e tika ana kia tupu ai te ora, i a mātou e anga nei ki te ara kei mua.

Kei te pakari te tū o tō kamupene tauawhi

Ka nui taku hari ki te whakapuaki kei te pakari te tū o tō kamupene tauawhi i te tīmatanga o tōna rau tau tuarua.

I te marama o Pēpuere 2021, i pōwhiritia e mātou tō mātou Mema 40,000 ki roto i MAS, ā, i tupu te tokomaha o tō tātou tira mema mā te 9% ā-tau. I wehe anō mātou i te rekareka i te marama o Tīhema 2020, nā te whakawhiwhinga mai a te People's Choice Award a Consumer NZ mō te inihua whare, motokā, taputapu, oranga hoki mō tētahi tau tuarima, kāore he whatinga, he mea whakamīharo.

E whakawhiwhia ana ēnei hōnore nā ngā rangahau harikoa kiritaki a Consumer NZ, ka kawea ki ā rātou mema, kaitautoko hoki. Kei runga rawa atu mātou, he āputa nui ki te hunga tuarua, me te eke tonu i ngā piro harikoa ki runga ake i te 90% mō ia kāwai inihua whare, taputapu, motokā hoki. Kei mua hoki mātou mō te kāwai inihua oranga, ko ngā piro harikoa i eke ki te 76% - 39 ngā piro te tuwhenetanga i te kamupene inihua i tuarua.

E hari ana anō kia kite e noho tonu ana ō mātou Piro Kaitaunaki More – he inenga ka pēhea pea te kakama o ā mātou mema ki te taunaki i a mātou - ki runga rawa atu. Ka taka he marama, ka taka he marama, kei ngā 60 tonu mātou, engari mō ētahi atu kaiinihua o Aotearoa, e noho ana ēnei piro i te korenga e pai. Ahakoa tērā, kāore mātou e noho noa iho kia mihia mātou e ā mātou Mema, kāo, e mōhio ana mātou i a mātou e tupu nei, me whakaurutau ngā āhuatanga e tika ana kia pai tonu te āwhina i ā mātou kiritaki.

I tua atu i te tino tupuranga o ngā mema, me te tautoko o ō mātou mema, kei te pakari tonu tō mātou tū i te taha pūtea. I noho mai tētahi tuhene more $16.5 miriona, nā te pueatanga whakamīharo o ngā mākete pūtea i roto i te tau pūtea. Nō te taenga ki te mutunga o 2020/21, kua piki ngā pūtea o MAS Group ki tētahi $230.8 miriona, he pikinga ake $16.6 miriona te rahi, mai i tērā tau.

Ahakoa rā, ko tāku ki a koutou, i mua i te homaitanga o ā mātou haumitanga ki ngā whika, i tūpono mātou ki tētahi korenga whakahaere $17.2 miriona te rahi. Ko tētahi wāhanga o tēnei korenga whakahaere i takea mai i tā mātou whakarite tikanga mō te utu matapae o te whakatika i ngā hapa o tau kē. E whakahaeretia ana e mātou tētahi arotake o ngā kirimana o nāianei, ngā kirimana kua kati hoki, kia mōhio he tika tā mātou nama i te tangata mō te kapinga inihua i whakaritea. Ka tino hāngai tonu ā mātou whakawhitinga kōrero ki ngā Mema i pāngia, me te whakahoki moni ki aua Mema i ngā wāhi e tika ana.

Te Inihua Torowhānui

He pakari te tupunga o tō mātou umanga inihua torowhānui i tēnei tau, arā, 6.1% te tupunga ake i tō mātou tatauranga kirimana, nāna i whakawhiwhi mai tētahi $89.9 miriona kirimana tapeke. I piki atu ngā utu kerēme ki runga ake i te $61.9, mō ngā kerēme 14,100. I iti iho ngā kerēme mā te hia rau, tēnā i tō mua tau pūtea, ahakoa tērā, i piki ake ngā utu kerēme mā te $13.1m, i takea mai ēnei i te ahi i Te Roto o Ōhau, i ngā waipuke i Ahuriri, i ngā kerēme rū whenua tawhito o Waitaha, me tētahi pikinga whānui o




MAS founders (from left) Dr Frank Newenham Harvey, MAS Chairman 1921–1928; Dr Henry Ferdinand Bernau; Dr John Patrick Daunt Leahy and Dr John James Edgar

ngā kerēme taumahatanga nunui.

Mō ētahi o ngā kerēme inihua whānui i takea mai i ngā katinga nui i ara ake i te COVID, puta noa i te tau 2020. I te marama o Ākuhata, i whakapuaki mātou e whakahokia ana e mātou tetāhi penapenatanga $1.7 miriona, i riro i a mātou i te katinga o ngā marama o Āperira me Mei, nā te kore motokā i runga i ngā huarahi. I whakahokia ēnei penapenatanga ki ngā Mema mā roto i tētahi whakahekenga utu 7.2% mō ā mātou utu taketake mō ngā kirimana motokā mō te wā whakahou e tū mai nei.

I noho tēnei whakahekenga hei wāhi o tō mātou Mōkihi Awhina mō COVID, kei roto nei hoki tētahi Pūtea Taumahatanga $2.0 miriona, ētahi tautoko hauora hinengaro i tukua ki te iwi mā roto i te Tomokanga Hauora, Toiora kore-utu, me ngā mahi tohutohu EAP kore-utu. Ka nui rā taku hari mō te kakama me te whai hua o ngā mahi a MAS i roto i ēnei raruraru ohotata, me tana hora i te āwhina me te whakaruruhau ki ā mātou mema i ērā wā taumaha.

Te Inihua Oranga, Tāngata Whai Ora hoki

E pai tonu ana te tupu o te taha ki te Inihua Oranga, Tāngata Whai Ora hoki o tō mātou umanga, ā, neke atu i te 24,400 ngā kirimana, $43.8 miriona hoki ngā whiwhinga pūtea kapa tuatahi – he pikinga iti anō tēnei i tō tērā tau, me tōna $1.7 miriona.

I roto i te Tau Pūtea 2020/21 he maha atu ngā Mema i tautokona i ō mua tau katoa, arā, $20.6 miriona ngā utunga kerēme, he pikinga ake tēnei o $5.3m, otirā, he 35.0% te pikinga ake i tō mua tau. Ka kitea i konei te hua o ā mātou mahi mō ā matou Mema, e whakapono nui nei ki a mātou hei kaiwhakaruruhau mō rātou.

Rite tonu ki ētahi atu wāhanga o tō mātou umanga, ko te aronga taketake o tēnei tau he tautoko i ā mātou mema i pāngia e ngā taumahatanga i te taha pūtea, nā runga i te COVID. I horaina e mātou tēnei tautoko mō ngā hararei tira tuatahi kia pai ai te pupuri a ā mātou mema i ā rātou inihua, ā, i whakawhānuitia hoki e mātou te kapinga tārewa ka horaina e mātou ki ngā Mema i a rātou e takatū nei mō ngā kaupapa here, me te whakaae tonu ki ngā taurewatanga ka pā ki ngā tāngata, i a rātou e tono nei ki ngā pūrongo tākuta.

E ai ki taku kōrero i runga ake nei, ko tētahi wāhi hira o tō mātou urupare ki te urutā COVID ko te whakarewatanga o tō mātou tomokanga Hauora, Toiora hoki, he kore-utu mō ngā Mema katoa o MAS. I tua atu i te tāpae tohutohu mō te hauora hinengaro, kai tōtika hoki, he rawe te tomokanga hei kete utauta mō te toiora hauora hinengaro, ka noho hoki hei pou whirinaki mō tā mātou urupare ki ngā wero hauora hinengaro kei mua i te huhua o ā mātou Mema. Mai i te whakarewatanga o te tomokanga i te marama o Aperira 2020, neke atu i te 2,300 ngā Mema kua rēhita mai mō tēnei rauemi.

Ngā Penapenatanga Whakatahi, me KiwiSaver

I muri i te kitenga i te horonga nui o ngā hua moni mai i ngā pūtea haumi i te marama o Pēpuere me Māehe 2020 i te wā o te tukinga o te urutā ki ā mātou mākete pūtea, i tino turapa anō ā mātou Mahere KiwiSaver me tō mātou Mahere Penapenatanga Whakatahi

hoki, mā roto i te Tau Pūtea 2020/21. I tino piki anō ngā mākete, me te mīharo anō, i te tahuritanga o ngā kāwanatanga ki te aukati i te toronga o te wheori, me te tīmatanga o te whāngai kano ārai.

Nō te taenga ki te mutunga o te tau pūtea, kua ea katoa anō ngā korenga nā COVID i kawe mai, otirā, kua piki ki runga rawa ake i ngā taumata o mua atu o COVID. Nā tēnei pikinga ake anō, me kī koirā te take matua, kua noho mai tētahi $2.1 piriona e whakahaeretia ana i ā mātou Mahere KiwiSaver me tō mātou Mahere Penapenatanga Whakatahi hoki, ā, 18,000 ā mātou Mema i haumi me mātou.

I a mātou e titiro whakamua nei ki te Tau Pūtea 2021/22, ka taea te kī he tau whakamīharo, mō tēnei wāhanga o ngā mahi a MAS, i a mātou e whai nei kia tino whakawhanaketia tō mātou Mahere KiwiSaver.

Kua whakawāteatia e mātou te Mahere KiwiSaver o MAS mai i te tīmatanga tonutanga o KiwiSaver i te tau 2007. Mai i te tau 2012 kua wātea te Mahere ki ngā Kaihaumi hou anake i tutuki i a rātou ētahi paearu āheinga, te tikanga o tērā kīhai i taea e mātou te whakaae ki ētahi tāngata kia haumi mai. I te marama o Mei 2021, nā te Mana Tātai Hokohoko i whakaae ki tā mātou tono mō tētahi raihana kaupapa haumi whakahaere, te tikanga o tērā, kua wātea tā mātou Mahere KiwiSaver ki ngā tāngata katoa o Aotearoa.

Tō mātou rautaki mō ngā rā kei mua

I a mātou e tīmata nei i tō mātou rau tau tuarua, e hangaia ana tō mātou rautaki huri noa i ētahi pou e toru – te tupuranga, te whāinga me ngā hangarau.

Ahakoa e hari ana mātou mō te tupuranga o te tira mema i ēnei tau tata, he kamupene inihua iti mātou ina whakaritea ki ētahi atu o Aotearoa, waihoki ngā kamupene rahi o te ao. Ka noho ko tō mātou iti tētahi raru whakataetae i roto i ngā tau, nā te pikinga ake o ngā utu o te hora ratonga – ka pērā tonu i te wāteatanga mai o ngā hangarau hou – i te pikinga hoki o te kurunga o te panonitanga huarere me ngā aituā ā-taiao. Te tikanga o tēnei me anga tonu mātou kia tupu, ā, i roto i te wā kia rapua he Mema hou, ehara i te mea nō tētahi umanga ahumahi anake, engari i roto i te ao uara ōrite.

Koia mātou i mahi nui ai i roto i te tau ka hipa ake nei hei tautuhi i tō mātou whāinga hei hinonga. Me kī, he aha te take e piri mai ai he Mema hou ki a mātou, kaua ki ō mātou hoa tauwhāinga?

E mōhio ana mātou kei te āta titiro te kiritaki o ēnei rā ki te pai o ngā uara o ngā umanga e mahi tahi nei ia, ko tana hiahia kia inihua ki tētahi hinonga he maha ōna mahi papai i tōna hapori. He mea pai tēnei mō MAS, nā te mea nā te aronga kētanga ki te oranga o ō mātou Mema, i runga rawa atu i te tuwhene, kua piki tō tātou kamupene tauawhi ki runga rawa, mai i te tīmatanga. I roto i te takanga o te wā, kua whai mātou i ētahi huarahi whakaata i ngā tūmanako o ō mātou Mema, ko te whakatū rautaki haumi tōtika hei urupare ki ngā āwangawanga o ngā Mema tērā, ko te kimi tūranga ā-ture mahi aroha kia pai ake ai tā mātou haumi ki ō tātou hapori hoki tērā.

Mō ēnei āhuatanga, ko ngā mahi i mahia e mātou i roto i te tau hei tautuhi i tō mātou whāinga, he whakamahine i te matū o tō mātou kamupene o MAS. Hei whakatairanga i ō tātou tātai tuku iho me ōna ritenga katoa o mua, kua āta tautuhi anō mātou i tō mātou whainga 'kia whakahihiri i Aotearoa kia hauora kē atu'.

He maha ō mātou ara kia pērā, heoi anō, ko te mea nui kia tiakina ngā rawa me te hauora pūtea o ā mātou Mema, mā konei ka āhei rātou ki te kōwhiri i te āhua o tō rātou noho i te ao nei. Heoi anō e hiahia ana mātou kia whakatenatenatia te noho hauora kē atu, mā tō mātou Tomokanga Hauora, Toiora me ō mātou kōtuinga ki te Sustainable Business Network, ki Wāhine Connect, me ētahi atu hinonga hauora ngaio kua tautokona e mātou mō te hia tau. E whakapono ana mātou tērā noa ake te huhua o ngā mahi ka taea e mātou kia hauora kē atu a Aotearoa mā tō mātou pekanga mahi aronga, te MAS Foundation.

Ko te āta tautuhi i ō mātou whāinga tētahi wāhanga kotahi o tētahi awa mahi whānui kē noa atu, hei whakawhanake i tō mātou rautaki Corporate Social Responsibility (CSR), ā, ko te tūmanako kia whakarewaina e mātou i roto i te tau e heke mai nei. Mā tēnei rautaki e tuitui ngā kōkiri huhua – mai i tō mātou rautaki haumi tōtika, ki te mahi a MAS Foundation, mō ngā whāinga toitū – hei ārahi i tā mātou mahi hei kirirarau ā-ao pai. Nā te whakatūranga o te Foundation i whakahihiko tēnei hātepe whakawhanake, ā, ka noho ko te ū o te Foundation ki ngā mātāpono o Te Tiriti o Waitangi hei punga mō ā mātou whakaaro mō te kanorau me te whāinga wāhi mō te katoa.

Ko te pou tuatoru o tō mātou rautaki he whakamahi whai hua i ngā hangarau hou, ā, ka noho tenei hei mea taketake mō te tutukitanga o ō mātou wawata tupuranga, me te whakatutuki i tō mātou whāinga, herenga CSR anō hoki. E kawea ana e mātou tētahi arotakenga whānui o ngā whiringa huhua mō ō mātou pūnaha whakahaere kaupapa here o muri, me ngā āheinga punarua hei tautoko i aua mahi. I te mutunga, mā ēnei haumitanga ka ngāwari tā mātou whakawātea hua pai ake ki ō mātou Mema, ka tāwariwari kē atu hoki ngā ara mō rātou ina whakatata mai ki a mātou.

He tino tau whakamīharo tēnei mō te tira o MAS, i kitea ai ngā pūkenga, te ngākau-nui me te manawa-roa i roto i ngā wero mai o COVID. Rā roto i ngā aukatinga nui katoa o te motu, ko te whāinga tuatahi anake kia āwhinatia ō mātou Mema, ahakoa pēhea te ara. Mō te Poari, tēnei au te whakamoemiti atu nei ki ā tātou kaimahi katoa mō ā rātou mahi ātaahua i tēnei tau, me te tūmanako nui kia mahi tahi tonu tātou, i a tātou e aukaha nei i te waka mō tō tātou rau tau tuarua.

Hei kupu whakamutunga, e whakamoemiti ana au ki ā tātou Mema. Ka nui te hari kei konei tonu koutou me mātou i tēnei huringa rau tau. Tēnei mātou te tū nei hei kanohi mō te tira katoa o MAS ki te whakamoemiti ki a koe mōu i tautoko mai i tō kamupene tauawhi, me te tuku i te aumihi nui ki a koe me tō whānau i a tātou e nuku whakamua nei ki tua atu i ēnei rā o te mate urutā o COVID, me te tūhono anō ki te ao.

Harley Aish
Heamana

$15.7m	Pre-tax surplus
$230.8m	MAS Group reserves
$16.6m	MAS Group reserves increase on 2019/20
9.0%	Membership growth
40,495	Members
5 years	in a row Consumer People's Choice
$89.9m	General Insurance gross premium
$43.8m	Life and Disability premium revenue
$2.1bn	Member funds under management

Investing in our community

293

Here for Good Hours taken by 46 MAS staff members

MORE THAN

$160,000

invested in community programmes like Wāhine Connect and Te Ora

Sponsored 6.5km Fun Run/Walk at Wellington's Brendan Foot Supersite Round the Bays

5,800

entries in this category

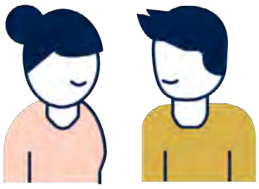
195

MAS Members entered across all event categories

39

MAS staff members entered across all event categories

Investing in our Members



1,265

Members registered for the Health & Wellbeing Portal (HWP)

$384,000

invested in professional organisations

MORE THAN

150,000

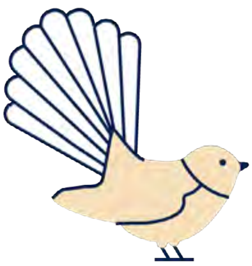
HWP page views

$236,000

in support provided to **261 Members** through the COVID Hardship Fund

$114,000

invested in student and young professional programmes



Investing in the health of New Zealand

592

hours volunteered by MAS staff to support MAS Foundation

$916,000

in grants made by MAS Foundation

The MAS Foundation is tackling health inequities in Aotearoa.

As I noted in last year's report, the MAS Foundation had a whirlwind start to life in 2020, going from being formally established to making its first round of emergency COVID-related grants within the space of a couple of months.

I am deeply proud of the way we were able to respond so rapidly to a major health crisis, and this baptism of fire has shaped our thinking about the role the MAS Foundation can play over the long term.

If there is a silver lining to come out of the COVID pandemic, it is the much-needed attention it directed towards health inequity in Aotearoa, and the difficulties predominantly Māori and Pasifika communities face in accessing basic health services.

Following extensive discussions this year, the Foundation has begun developing a grant-making strategy that will focus on addressing these inequities to ensure our children and young people have the best start to life and are able to thrive as they mature.

As well as identifying where we want to target Foundation grants, we have also done a lot of work over the past year establishing how we want to make our grants. In our view, it is not enough to simply hand out funding and hope for the best. Instead, we will make our grants with a view to long-term engagement with recipients based on a Te Tiriti o Waitangi partnership model, which recognises the mana of the recipients of our funding.

Far from a traditional philanthropic model that tends to reinforce existing power structures – where power resides in the philanthropist – our approach will emphasise power-sharing between the two parties. In the past, it has been difficult for philanthropic organisations in New Zealand to adopt this sort of model, given the lack of diversity we see in the philanthropic sector. A 2019 report from Philanthropy New Zealand found 85% of philanthropic CEOs and managers were NZ Pākehā/European, while just 5% identified as Māori or another ethnicity.

That is why we are excited about the appointments we made in March 2021 to serve as joint Heads of Foundation – Dr Julie Wharewera-Mika (Ngāti Awa, Ngāi Tūhoe, Te Whānau-ā-Apanui and Dutch descent) and Mafi Funaki-Tahifote, who is Tongan.

Julie brings extensive experience as a senior clinical psychologist with her own kaupapa Māori clinical practice, and as a board member for the Initial Health and Wellbeing Commission. A registered dietitian, Mafi has worked for more than two decades in Pasifika community health, including her most recent role as Manager Pacific Health at the National Heart Foundation of New Zealand.

Just as important as their expertise, however, is their cultural heritage and their connections to the communities with which the Foundation wishes to engage. If we are to live up to our goal of being a partnership-based, Treaty-led philanthropic institution, what better way to begin than by having the Heads of Foundation embody the two parties to Te Tiriti – tangata whenua and tangata tiriti (Treaty partners)?

We are delighted to welcome Julie and Mafi to the Foundation, and the Trustees look forward to working with them over the years to come.

In the 2020/21 Financial year, the Foundation made $916,000 worth of grants, $563,000 of which were made in April and May 2020 in response to COVID.

Many of these COVID-related grants were directed towards supporting Māori and Pasifika communities get through the nationwide lockdowns and through the post-lockdown recovery. Given the future direction of the Foundation's grant-making, however, particularly notable were the grants we made to support youth-oriented programmes, such as the $78,000 provided to Te Whanau Tokotokorangi Trust in Rotorua. This

Mafi Funaki-Tahifote and Dr Julie Wharewera-Mika

funding will go towards supporting a community-based programme for at-risk youth, based on the influential te whare tapa wha model of wellbeing led by MAS Member Sir Mason Durie.

With a similar focus on the wellbeing of tamariki and their whānau, we also invested $13,000 in two summer research scholarships to help Dr Abby Baskett at the University of Auckland investigate the availability and quality of breastfeeding support and education in tertiary health programmes around New Zealand.

By far the largest grant made last year was the $340,000 in funding we have committed to over two years, to form a partnership with Health Coalition Aotearoa and the Helen Clark Foundation. This grant will support a full-time Equity Research Fellow based in the Helen Clark Foundation to produce evidence-based insights to stimulate public debate and policy action around reducing death and disease caused by unhealthy food, tobacco, and alcohol.

We are excited about the future of these partnerships, and of the future direction of the Foundation in general. None of this would be possible without the groundwork done by our inaugural Head of Foundation, Dr Emma Lawrey, who stepped down towards the end of the financial year to return to full-time work as an emergency physician. On behalf of my fellow Foundation Trustees, I would like to express our deep appreciation for the work Emma did getting the Foundation up and running, and overseeing our initial round of grants. We are also very grateful to our philanthropic consultant Michelle Wanwimolruk for providing ongoing support to the Trustees, to Emma, and now to Julie and Mafi over the course of the year.

I want to offer my personal thanks to my fellow Trustees for the contributions they have made to a very successful first year for the Foundation. Their experience and expertise has been invaluable as we look to make a lasting difference to the health of Aotearoa. I would like to also thank Martin Stokes, his executive team, and all of the people at MAS for the enthusiasm with which they have embraced the Foundation's mission and the practical support they have provided over the course of an extremely busy year.

Finally, I would like to extend my warmest wishes to all the MAS Members who have supported the MAS Foundation along our journey thus far. We are excited about building on the wonderful work MAS Members do for our communities in their professional lives, and we are honoured to be a part of MAS's own journey as it looks towards a second century of service.

As I think about the Foundation's own future, I keep thinking of a whakataukī Julie shared with the Trustees when we interviewed her and Mafi for the Heads of Foundation positions:

He toa kei te kōkiri - hei hāpai i te oranga o te iwi.

Through our combined strength and unity of purpose, the wellbeing and development of our people is assured.

Jennifer Gill, ONZM
Chair, MAS Foundation

Tēnei te MAS Foundation te anga atu nei ki ngā korenga o te whiwhinga taurimatanga hauora ōrite mō ētahi, i Aotearoa

E ai tā taku pūrongo o tērā tau, he tāwhangawhanga te tū ake o MAS Foundation i te tau 2020, ina hoki, i muri tata iho i tōna whakatūranga i raro i te ture, i riro nāna i toha ētahi pūtea ohotata e pā ana ki COVID, i roto i ngā marama ruarua noa.

He nui atu taku hari mō te ara i whāia e mātou me ngā mahi i oti i tēnei o ngā rarunga hauora tino nui, ā, nā tēnei pūtakenga mai i te pae o te pakanga i tārei ngā whakaaro mō te tūranga me ngā kawenga mō MAS Foundation hei raurangi.

Kotahi anake pea te painga ka taea te tautohu i puta i te mate urutā o COVID, koia tēnei ko te aronga o te motu ki te korenga e whiwhi taurimatanga hauora ōrite o ētahi i Aotearoa, me ngā uauatanga kei mua i ngā hapori Māori, me ō Te Moana-nui-a-Kiwa mō te tomo ki ngā ratonga hauora taketake.

I muri i ngā kōrero whānui o tēnei tau, kua tīmata te Foundation ki te tārei i tana rautaki toha pūtea hei whakatika i ēnei korenga, kia pai ai te tīmata o ā tātou tamariki, taiohi hoki i te ao nei, kia tupu hoki rātou ki tō rātou tino teitei i tō rātou tupuranga ake.

I tua atu i te tautohu i ngā wāhi tika hei tuku atu i ngā pūtea o te Foundation, he nui hoki ā mātou mahi i te tau ka mahue ake nei, mō te pēheatanga o ā mātou tohanga pūtea. Ki a mātou, kāore i te pai kia tukuna noatia atu he pūtea me te tūmanako kia eke ki ngā taumata. Tēnā ko tēnei, ka tukua e mātou ā mātou pūtea i runga i te hiahia kia tūhono ki te hunga whiwhi mō te wā roa, i raro i tētahi tauira hoa kōtui i raro i Te Tiriti o Waitangi, e whakanui nei i te mana o te hunga whiwhi pūtea.

He rerekē noa atu tēnei i ō mua tauira rōpū atawhai, i noho ai aua rōpū hei pou mō ngā mana o te whenua – me te whakaaro kia noho tonu te mana i te kaituku – ko tā mātou ināianei ka whakapūmau i te puritanga tahitanga o te mana e ngā taha e rua. I ngā tau o mua kua uaua te tahuri o ngā rōpū atawhai i Aotearoa ki tēnei momo tauira, nā te korenga e kitea ngā kanohi matahuhua i te rāngai rōpū atawhai. I tētahi pūrongo i 2019 nā Philanthropy New Zealand ka kitea 85% o ngā tumu whakarae me ngā kaiwhakahaere o ngā rōpū atawhai he Pākehā/European nō Aotearoa, ā, e 5% noa iho i kī he Māori rātou, he momo kē atu rānei.

Koia tēnā te take i hari ai te ngākau mō ā mātou tohutanga o te marama o Māehe 2021 i ētahi tāngata kia noho hei Tumuaki Tū Tahi o te Foundation – ko Tākuta Julie Wharewera-Mika (Ngāti Awa, Ngāi Tūhoe, Te Whānau-ā-Apanui, Tatimana hoki) rāua ko Mafi Funaki-Tahifote, nō Tonga.

He tautōhito tonu a Julie hei kaimātai hinengaro mātāmua, ā, he tari kaupapa Māori motuhake tōna, he mema poari hoki mō te Initial Health and Wellbeing Commission. He mātanga mātai kai rēhita a Mafi, ā, neke atu i te rua tekau tau ia e mahi ana i te hauora hapori Moana-nui-a-Kiwa, tae atu ki tōna tūranga o nakuanei hei Kaiwhakahaere Hauora Moana-nui-a-Kiwa i te National Heart Foundation of New Zealand.

Hāunga tō rāua tautōhito, me aropū hoki ki ō rāua pānga ā-ahurea, me ō rāua hononga ki ō rāua hapori, e hiahia nei te Foundation ki te tuitui atu. Ki te hiahia tātou kia eke tātou ki te taumata e whāia nei, o te noho hei hinonga atawhai hoa kōtui, i raro i te Tiriti, he aha i tua atu i te noho mai o ētahi Tumuaki o te Foundation hei whakaahua i ngā hoa kōtui e rua o Te Tiriti, – te tangata whenua me te tangata tiriti?

Nui atu tō mātou hari ki te pōwhiri i a Julie rāua ko Mafi ki te Foundation, ā, e hiahia ana ngā Kaitiaki ki te mahi tahi me rāua hei ngā tau e tū mai nei.

I te tau Pūtea 2020/21, nā te Foundation i toha pūtea $916,000; neke atu i te $563,000 o ērā i tukua i ngā marama o Paengawhāwhā/Āperira me Haratua/Mei 2020 hei urupare ki COVID.

He maha tonu ēnei tukunga pūtea i pā ki COVID hei tautoko i ngā hapori Māori, Moana-nui-a-Kiwa hoki kia puta ora i ngā katinga nui ā-motu, me te hokinga anō ki te ora i muri i te katinga nui. Nā runga i te ahunga mō te

Mafi Funaki-Tahifote and Dr Julie Wharewera-Mika

tohanga pūtea a te Foundation mō ngā tau e tū mai nei, me kōrero rā ngā tukunga pūtea ki ētahi kaupapa aro ki te rangatahi, pēnei i te $78,000 i tohaina ki Te Whanau Tokotokorangi Trust i Rotorua. Ka haere ēnei pūtea hei tautoko i tētahi kaupapa ā-hapori hei tautoko i te rangatahi noho mōrearea, he mea whakatauira i runga i te tauira whare tapa whā ingoa nui e ārahina nei e tēnei mema o MAS, e Tā Mason Durie.

Rite tonu ki te aronga o te oranga o ngā tamariki me ō rātou whānau, i haumitia hoki e mātou tētahi $13,000 ki ētahi karahipi raumati e rua hei āwhina ia Tākuta Abby Baskett o te Whare Wānanga o Tāmaki Makaurau kia tūhura i te wātea me te kounga o ngā tautoko me ngā akoranga whāngote i ngā kaupapa hauora mātauranga matua huri noa i te motu.

Ko te tohanga pūtea nui noa atu o te tau ka hipa ake nei ko te pūtea $340,000 i whakaūngia e mātou mō ngā tau e rua hei whakapiri kōtui ki Health Coalition Aotearoa me te Helen Clark Foundation. Hei tautoko tēnei pūtea i tētahi Hoa Rangahau Whiwhinga Ōrite i roto i te Helen Clark Foundation, māna hei whakaputa māramatanga i tautokona e ngā taunakitanga hei whakaara i ngā whakawhiti kōrero me ngā kōkiri kaupapa here mō te whakaheke i te mate rawa me te tahumāero, nā te kai koretake, nā te tupeka me te waipiro te take.

E tino hari ana ō mātou ngākau mō ngā rā kei mua mō ēnei kōtuinga, me te ahunga whānui tonu o te Foundation. Me kore ake te tumuaki Tuatahi o tō mātou Foundation, a Tākuta Emma Lawrey, i heke atu i tana tūranga i te mutunga o te tau pūtea, kia hoki ki te mahi tūturu hei tākuta ohotata. Tēnei te mihi ake mō ngā mahi a Emma, arā, hei māngai au mō aku hoa Kaitiaki o te Foundation, me whakamihi āna mahi nui mō te whakatūranga o te Foundation, me tana arataki i te huringa tohanga pūtea tuatahi. Ka nui hoki te koa mō ngā mahi o tā mātou kaitohutohu mahi atawhai, a Michele Wanwimolruk, mō tana tautoko i ngā kaitiaki, i a Emma hoki, otirā i a Julie rāua ko Mafi i roto i te tau.

E hiahia ana au ki te tāpae i āku ake whakamoemiti ki aku hoa Kaitiaki mō ngā takoha nā rātou i tāpae mai mō te tau tuatahi whai hua o te Foundation. Nui noa atu te hua o tō rāua tautōhito, o ō rāua pūkenga hoki, i a mātou e anga nei ki te whakapiki i te pai o te hauora o Aotearoa. E whakamoemiti ana hoki au ki a Martin Stokes, ki tana tira whakahaere, me ngā tāngata katoa i MAS mō tō rātou hihiri ki te tautoko i te kaupapa o te Foundation, me ngā tautoko mō mātou i tēnei tau mutunga mai o te mahi nui.

Hei kupu whakamutunga, me tuku hoki au i aku mihi ki ngā Mema katoa o MAS, mō rātou i tautoko i te hīkoi o MAS Foundation, tae noa mai ki tēnei rā. E hari ana mātou ki te whakapūmau atu i ngā mahi whakamīharo o ngā mema o MAS mō ō mātou hapori i ō rātou ao ngaio, ā, ka noho whakaiti mātou ki te āwhina i ngā mahi a MAS i āna anō haere ki roto i te rau tau āwhina tuarua.

I a au e whakaaro ana ki te ara kei mua i te Foundation, kua hokihoki aku whakaaro ki te whakataukī nā Julie i tāpae mai i tō rāua uiuinga ko Mafi mō ngā tūranga Tumuaki o te Foundation:

He toa kei te kōkiri - hei hāpai i te oranga o te iwi.

Through our combined strength and unity of purpose, the wellbeing and development of our people is assured.

Nā Jennifer Gill, ONZM
Tumuaki, Ngā Kaitiaki o te MAS Foundation

Our Board of Directors

Brett Sutton
Deputy Chairperson

Appointed to the Board 15 February 2016
Appointed as Deputy Chair 28 September 2019

Brett is an experienced independent director. He is currently Chair of Stevenson Group and Mint Asset Management, Deputy Chair of the Co-operative Bank, and a Director of H J Asmuss & Co, and Woolyarns Holdings. His previous employment experience included senior investment roles at the NZ Superannuation Fund and the Todd Corporation.

Harley Aish
Chairperson

Appointed to the Board 26 June 2013
Appointed as Chair 30 August 2017

Harley has been working as a General Practitioner in Otara, South Auckland since 1997. He has been in various local and national Primary Care Governance roles since 2000. His current Governance roles are Chair of ProCare Networks Ltd (since 2014), Director of MAS Group (since 2013), and he also serves as an interim appointed Trustee to the MAS Foundation.

Frank Frizelle
Appointed 28 August 2013

Frank is Professor of Surgery at Otago University in Christchurch, and works as a specialist colorectal surgeon in public and private practice. He is a Patron of Canterbury Ostomy Society and serves as a Trustee for the Cotter Medical History, the Canterbury Charity Hospital and the Christchurch Cancer Foundation. Frank is also a director of Geordie Hill Station, and the Christchurch Colorectal Group.

Danelle Dinsdale
Appointed 28 August 2013

Danelle is a commercial lawyer who spent most of her legal career overseas advising boards and senior executives on change management, mostly in the insurance and banking sectors. Since returning to New Zealand, she has been working on a portfolio of commercial property and agricultural interests, and she is also a Director for Crown Infrastructure Partners Limited. Prior to becoming a director of MAS, Danelle served as an independent director for Medical Securities Limited (MSL) from 30 November 2010 to August 2013.

Lindsay Knowles

Appointed 25 June 2014

Lindsay is managing director of New Zealand import distribution business, Acme Supplies Limited. He is an experienced independent director having served on several other boards in varied industries. His previous employment experience included 15 years as a corporate banker with ANZ Bank New Zealand Limited, specialising in capital markets debt raising and asset securitisation. Lindsay is a CA member of Chartered Accounts Australia New Zealand, and a Chartered Member of the Institute of Directors.

Kate Baddock

Appointed 1 April 2016

Dr Kate Baddock is the immediate past Chair of the New Zealand Medical Association, a Fellow of the Royal NZ College of General Practitioners, and a member of the Institute of Directors. She has been Chair of various organisations in the primary care sector since 1998, and has also served as Chair of the General Practice Leaders Forum for the past five years. She gained her medical degree at the University of Otago and currently works full-time as a GP and partner at Kawau Bay Health in Warkworth. She teaches undergraduate medical students, postgraduate doctors, and registrars in the General Practice training programmes. In the past five years, she has completed two separate Masters degrees – one in the Health Sciences, and an MS in the Science of Healthcare Delivery.

Doug Hill

Appointed 29 August 2018

Dr Douglas Hill is a General Practitioner and a Director of Broadway Medical Centre, Dunedin. He has a special interest in GPSI medicine in dual roles of Orthopaedics and skin cancer surgery.

Doug's roles outside of General Practice are Chair of Columba College Board of Proprietors and Chair of Wellsouth Primary Health Network. He is a member of the NZ Advisory Board of the Skin Cancer College of Australasia. He is also a chartered fellow of the NZ Institute of Directors. Doug is a previous winner of The Otago Institute of Directors Aspiring Director Award.

Suzanne Wolton

Appointed 29 April 2020

Suzanne is a professional director, senior leader, speaker, chartered accountant, qualified hypnotherapist and financial services expert. She has more than 25 years' experience as a board member and senior executive in some of New Zealand's and the UK's leading organisations.

Steve Merchant

Appointed 26 August 2020

Steve is a veterinarian and director of the NZ SPCA, and has previously held numerous directorships, particularly in the veterinary profession. He was a Board member of the NZ Veterinary Association from 2005-2016, and served as Chair/ President from 2013-2015. On stepping down from these roles, he was recognised with the NZVA Outstanding Service Award. Previously, he served as director and CEO of Pet Doctors Group, New Zealand's largest group of companion animal veterinary clinics. As a co-founder, he led the business through to the Group's sale to an ASX-listed company in 2018.

MAS Foundation Trustees

Jennifer Gill
Chairperson

Appointed to the Board 1 December 2019
Appointed as Chair 1 April 2020

Jennifer has had a long and distinguished career in philanthropy in New Zealand, including 10 years as CEO of the Roy McKenzie Foundation, 10 years as CEO of Fulbright NZ and 15 years as CEO of Foundation North, New Zealand's largest philanthropic grant making trust.

Jennifer has had extensive experience as a trustee and chair of a number of philanthropic trusts including Philanthropy New Zealand and the J R McKenzie Trust, and she is currently Deputy Chair of The Princes Trust NZ, a board member of Water Safety NZ and a Trustee of the Vodafone Foundation. In 2017, Jennifer was made an Officer of the New Zealand Order of Merit for services to philanthropy and was the inaugural winner of the Philanthropy NZ - Perpetual Guardian Lifetime Achievement in Philanthropy Award.

Sharon Shea

Ngāti Ranginui, Ngāti Haua, Ngāti Hine and Ngāti Hako

Appointed 1 December 2019

Sharon is widely recognised as a leader in health and disability sector strategy, resilience and positive psychology, equity strategy and practice, change management, and systems and service design.

She holds a variety of Board memberships including Ministerial appointed roles. These roles include chairing the Māori Expert Advisory Group for the Health and Disability System Review, and serving on the boards of the Auckland and Northland DHBs, and Healthcare Applications Ltd. She was recently awarded an MNZM for services to Māori health and development.

Associate Professor Julia Ioane

Appointed 1 December 2019

O le ala i le pule o le tautua. In order to lead, one must serve.

Julia is a bilingual New Zealand-born-Samoan, raised in South Auckland with a Matai title from the village of Fasitoouta, Samoa. Julia teaches in the Clinical Psychology programme at Massey University and holds a private practice as a clinical psychologist working primarily in Justice and Health with Māori and Pasifika communities. She has board and governance experience in both the public and not-for-profit sectors.

Professor Boyd Swinburn

Appointed 1 December 2019

Boyd is an internationally recognised public health physician with more than 30 years' experience in health research (obesity prevention, food policy), whole-of-community programs to improve child nutrition, and food policy advocacy. He is Professor of Population Nutrition and Global Health at the University of Auckland; co-chair of the high-profile Lancet

Commission on Obesity; and Chair of Health Coalition Aotearoa. He has been an advisor on many government committees, WHO consultations, and large scientific studies internationally. He has also advised health-focused philanthropic organisations internationally including Bloomberg Philanthropies, Wellcome Trust, UK Health Foundation, and Robert-Wood Johnson Foundation.

Dr Carrie Bryers

Ngāpuhi

Appointed 1 December 2019

Carrie has a diverse background in Māori health, and nursing and medicine. She is an advanced trainee in Public Health and recently completed her Master of Public Health (First Class Honours). Her dissertation focused on Māori health inequities.

With a focus on eliminating health inequities and upholding Te Tiriti, Dr Bryers's work includes hauora Māori research, health promotion, education and the wider determinants of health.

Dr Harley Aish

MAS Board delegate

Appointed 27 March 2020

Heads of the MAS Foundation

Dr Julie Wharewera-Mika

Ngāti Awa, Ngāi Tuhoe, Te Whānau-a-Apanui

Appointed 29 March 2021

Julie completed a doctorate in Clinical Psychology at the University of Auckland and has extensive experience in the health and wellbeing field as a senior clinical psychologist and kaupapa Māori researcher. Julie joins the MAS Foundation after recently completing a postdoctoral research fellowship with Brain Research NZ and a career as Director of Manu Ārahi – The Flying Doctors.

Julie has held multiple governance roles, including Bi-cultural Director of the NZ Psychological Society and as a board member of the government-appointed initial Mental Health and Wellbeing Commission. She is passionate about advancing system transformation to enhance Māori & Pasifika wellbeing, including values-based leadership that embodies collaboration and partnerships empowering community-led and whānau-centred approaches.

Mafi Funaki-Tahifote

Appointed 29 March 2021

Mafi has extensive experience in the health field, having worked for the National Heart Foundation of New Zealand for twenty years holding both dietetic and managerial roles. She has recently completed an MBA from the University of Auckland and brings strong strategic experience. Mrs Funaki-Tahifote also has considerable governance experience, including her current ministerial appointment as a board member of Te Hiringa Hauora/Health Promotion Agency; as a past Chair on the Board for Action Nutrition Aotearoa; a former Co-Chair to the Pacific Islands Food and Nutrition Action Group; and as a former member of her local school's Board of Trustees. She has also worked with Te Hiringa Hauora previously, in her role as a member of the Pacific Advisory Group.

Financial Report

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

	Note	2021 $000	2020 $000
Fire and General Insurance Revenue			
Gross Premium Revenue		89,884	86,941
Reinsurance Premiums		(22,384)	(21,261)
Change in Provision for Unearned Premium		(2,990)	(3,455)
Net Premium Revenue		64,510	62,225
Claims		(61,934)	(48,824)
Reinsurance Recoveries		4,748	3,076
Other Recoveries		2,327	2,258
Net Claims	5	(54,859)	(43,490)
Net Revenue from Fire and General Insurance		9,651	18,735
Life Assurance Revenue			
Premium Revenue		43,830	42,140
Reinsurance Premiums		(13,401)	(12,593)
Net Premium Revenue		30,429	29,547
Net Claims, Surrenders and Maturities		(29,652)	(22,785)
Reinsurance Recoveries		14,314	9,980
Movement in Life Policy Liabilities	11	(1,030)	(200)
Net Revenue from Life Assurance		14,061	16,542
Lending Revenue	14	432	844
Funds Management Revenue		19,052	16,768
Other Revenue from Contracts with Customers	19	2,293	1,848
Expenses			
Salaries		(27,618)	(25,077)
Interest Expense	13	(442)	(540)
Administration Expenses	20	(34,664)	(23,665)
Total Expenses		(62,724)	(49,282)
Net (Loss) / Income from Operations		(17,235)	5,455
Investment and Sundry Income	21	32,951	1,656
Net Surplus Before Taxation		15,716	7,111
Taxation Credit	22	757	5,361
Net Surplus After Taxation		16,473	12,472
Other Comprehensive Income and Expense			
Movement on revaluation of Buildings		84	(153)
Other Comprehensive Income and Expense After Taxation		84	(153)
Total Comprehensive Income		16,557	12,319

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

Consolidated Statement of Changes In Equity
for the year ended 31 March 2021

	Note	2021 Share Capital $000	2021 Retained Earnings $000	2021 Asset Revaluation Reserve $000	2021 Total $000
Opening balance 1 April 2020		110	211,923	2,177	214,210
Current Year Surplus		–	16,473	–	16,473
Other Comprehensive Income and Expense		–	–	84	84
Total Comprehensive Income		–	16,473	84	16,557
Closing balance 31 March 2021	23	110	228,396	2,261	230,767

	Note	2020 Share Capital $000	2020 Retained Earnings $000	2020 Asset Revaluation Reserve $000	2020 Total $000
Opening balance 1 April 2019		110	199,451	2,330	201,891
Current Year Surplus		–	12,472	–	12,472
Other Comprehensive Income and Expense		–	–	(153)	(153)
Total Comprehensive Income		–	12,472	(153)	12,319
Closing balance 31 March 2020	23	110	211,923	2,177	214,210

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

Consolidated Statement of Financial Position as at 31 March 2021

	Note	2021 $000	2020 $000
Funds Employed			
Equity			
10,000 Voting Shares	23	110	110
Retained Earnings		228,396	211,923
Asset Revaluation Reserve		2,261	2,177
Total Equity		230,767	214,210
Liabilities			
Trade and Other Payables and Provisions	15	25,836	15,166
Other Insurance Liabilities	16	2,627	2,780
Fees in Advance		257	248
Employee Benefits Provision	17	3,995	3,282
Provision for Unearned Premium	6	46,089	43,099
Provision for Outstanding Claims	5, 12	97,543	74,676
Provision for Taxation		–	1,789
Life Policy Liabilities	11	(2,664)	(3,694)
Lease Liabilities	30	10,192	11,020
Total Liabilities		183,875	148,366
Total Funds Employed		414,642	362,576
Assets			
Cash and Cash Equivalents	24	3,227	3,686
Trade and Other Receivables	25	3,123	1,799
Taxation Receivable		1,549	–
Other Insurance Assets		–	44
Investments	26	305,417	259,982
Prepayments		994	629
Premiums Outstanding	7	35,371	33,739
Reinsurance Recoveries Outstanding	8	40,219	32,092
Claims Recoveries Outstanding	9	950	871
Loans	14	1,414	3,234
Intangibles	28	4,093	7,287
Right-of-use Assets	30	9,344	10,370
Property, Plant and Equipment	27	7,998	8,135
Deferred Acquisition Costs	29	943	708
Total Assets		414,642	362,576

Approved for issue for and on behalf of the Board of Medical Assurance Society New Zealand Limited on 30 June 2021.

Director **Director**

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

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 $000	2020 $000
Cash Flows From Operating Activities			
Receipts from Policyholders		130,762	127,188
Interest Revenue Received on Loans		195	850
Loan Repayments		2,065	9,921
Loan Advances		–	(7)
Other Revenue and Income from Investment Funds		22,661	21,046
Rent Received		13	17
Payments to Suppliers and Employees		(80,765)	(75,475)
Reinsurance Recoveries Received		10,935	14,810
Payment of Claims		(66,471)	(66,119)
Income Tax Paid		(5,458)	(1,200)
Interest Paid on Funding		(442)	(547)
Interest Received		5,343	6,943
Dividend Received		3,570	2,063
Net Cash Flows From Operating Activities	33	22,408	39,490
Cash Flows For Investing Activities			
Contributions to Investment Funds		(73,364)	(84,962)
Withdrawals from Investment Funds		52,260	54,565
Proceeds from Sale of Property, Plant and Equipment		–	4
Purchase of Property, Plant, Equipment and Intangibles		(764)	(1,600)
Net Cash Flows For Investing Activities		(21,868)	(31,993)
Cash Flows For Financing Activities			
Payment of Principal Portion of Lease Liability		(999)	(1,301)
Decrease in Bank Borrowing		–	(7,000)
Net Cash Flows For Financing Activities		(999)	(8,301)
Net Decrease in Cash Held		(459)	(804)
Opening Cash Balance Brought Forward		3,686	4,490
Cash And Cash Equivalents Carried Forward		3,227	3,686
Cash And Cash Equivalents Comprise			
Cash And Deposits		3,227	3,686
	24	3,227	3,686

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

Notes to and forming part of the financial statements for the year ended 31 March 2021

1. Corporate Information

REGISTERED OFFICE

19-21 Broderick Road
Johnsonville
Wellington

Medical Assurance Society New Zealand Limited ("the Company", "the Parent" or "MAS") operates on mutual principles within New Zealand, and the control is vested in its Members. The subsidiaries engage in the provision of financial services to Members of MAS and work to make a difference to the health of people in New Zealand, particularly those communities traditionally underserved by our health system.

These financial statements are the consolidated financial statements of the Parent and its subsidiaries as detailed in Note 4. The Parent together with its subsidiaries are referred to as the Group in this financial report.

The Parent is incorporated and domiciled in New Zealand and is an FMC reporting entity under the Financial Markets Conduct Act 2013.

The head office is situated in Wellington and there are branch sites throughout New Zealand.

2. Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared in accordance with the Companies Act 1993, the Financial Markets Conduct Act 2013 and the Charities Act 2005.

The Parent was registered as a charity under the Charities Act 2005 on the 1st of December 2019. The registration number is CC57178. The Group is registered as the "MAS Charitable Group" and all subsidiaries are members of the Charitable Group. The Parent remains a profit-oriented entity for financial reporting purposes.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities as outlined in the accounting policies.

(b) Presentation Currency

The presentation currency is New Zealand dollars ($). The financial statements are presented in New Zealand dollars and rounded to the nearest thousand dollars unless stated otherwise.

(c) Basis of Consolidation

The Group financial statements incorporate the financial statements of Medical Assurance Society New Zealand Limited and its subsidiaries. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, or when the Parent has the ability to appoint and remove Directors or Trustees of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. All intercompany transactions, balances and unrealised profits are eliminated on consolidation.

(d) General Insurance: Gross Premium Revenue and Provision for Unearned Premium

Gross Premium Revenue comprises amounts charged to policyholders for insurance policies. It is expressed net of levies and charges which are collected on behalf of Fire and Emergency New Zealand and the Earthquake Commission ("EQC"), and net of Goods and Services Tax ("GST").

Premium revenue is recognised in the Statement of Comprehensive Income when it has been earned. That is, from the date of attachment of the risk, over the period of the policy (which is generally one year). Given the absence of any significant seasonal factors, exposure to risk is assumed to be even over the policy period and premium is recognised accordingly.

Unearned premiums are those proportions of premium written in a year, that relate to periods of risk after the balance date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is recognised in the Statement of Financial Position as a Provision for Unearned Premium.

(e) General Insurance and Life Insurance: Reinsurance Premiums and Reinsurance Recoveries

Premiums ceded to reinsurers under reinsurance contracts are recorded as an expense and are recognised over the period of indemnity of the contract. Ceded reinsurance does not relieve the Group from its obligations to policyholders.

During the normal course of the Group's activities claims are paid which will result in a contractual right to seek recovery from its reinsurers. At any point in time there will be amounts owing by these counterparties which will be represented by assets on the Statement of Financial Position. Fair value is equal to the carrying value of the reinsurance assets.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies

2. Accounting Policies — Continued

and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. The Group does not consider any of its reinsurance recoveries to be impaired.

(f) General Insurance: Claims and Provision for Outstanding Claims

Claims expense represents payments for claims and the movement in the Provision for Outstanding Claims. Claims represent the benefits paid or payable to the policyholder on the occurrence of an event giving rise to loss or accident according to the terms of the policy. Claims expenses are recognised in the Statement of Comprehensive Income as incurred which is usually the point in time when the event giving rise to the claim occurs.

The liability for any outstanding claims is carried in the Statement of Financial Position as the Provision for Outstanding Claims. It is measured as the central estimate of the present value of the expected future payments against all claims incurred at reporting date. A risk margin is also included over and above the central estimate, to allow for the inherent uncertainty in the central estimate of the outstanding claims liability. The details of risk margins and the process for their determination are set out in Note 5. The expected future payments include those in relation to claims reported but not yet paid, incurred but not reported ("IBNR") and the direct costs of settling those claims.

(g) General Insurance: Provision for Unearned Premium / Liability Adequacy Test

At each reporting date a Liability Adequacy Test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in profit and loss.

The proportion of premiums not earned at reporting date is recognised in the Statement of Financial Position as Provision for Unearned Premium. The Provision for Unearned Premium is calculated separately for each group of contracts which are subject to broadly similar risks and managed together as a single portfolio. Any unexpired risk liability is recognised immediately.

The expected value of claims is calculated as the present value of the expected cash flows relating to future claims and includes a risk margin to reflect the inherent uncertainty in the central estimate.

(h) Life Insurance: Premium Revenue

There are no specific deposit components in the premiums payable and hence the entire premium amount is treated as revenue.

Premium revenue is recognised in the Statement of Comprehensive Income when it has been earned. That is, from the date of attachment of the risk, over the period of the policy (which is generally one year).

(i) Life Insurance: Payments under Policies and Claims Outstanding

Claims

Claims are recognised as an expense as soon as the liability to a policyholder under an insurance risk contract has been established.

Surrenders

Surrenders occur where a policyholder with a participating policy elects to withdraw from any future contractual position. The policy gets cancelled, and a surrender value is paid to the policyholder and recognised as an expense. Policy Liabilities are reduced accordingly.

The liability for any outstanding claims is carried in the Statement of Financial Position. This liability relates solely to claims made under a risk policy where liability has been accepted, but payments remain outstanding at balance date.

(j) Life Insurance: Policy Liabilities

Life insurance policy liabilities are calculated using the Margin on Services ("MoS") methodology in accordance with the New Zealand Society of Actuaries' Professional Standard No. 20 - Valuation of Life Insurance Policy Liabilities and NZ IFRS 4 Insurance Contracts of the External Reporting Board.

(k) Loan Interest Revenue and Interest Expense

Loan Interest Revenue and Interest Expense are recognised in the Statement of Comprehensive Income as they accrue, using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs, over the expected life of the financial asset or liability. The application of the method has the effect of recognising income and expense on the financial asset or liability evenly in proportion to the amount outstanding over the period to maturity or repayment.

(l) Impairment Provisions

Expected Credit Losses on Loans

Losses for impaired loans are recognised immediately when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment losses are calculated on individual loans and loans assessed collectively.

2. Accounting Policies — Continued

Expected credit losses ("ECL") represent the present value of all cash shortfalls related to default events expected over the next 12 months or over the life of the loan where there has been a significant increase in credit risk since initial recognition. All reasonable and supportable information is considered at each reporting date. Forward looking information is considered when it is available without undue cost and effort.

Individually Assessed Loans

At each balance date, the entity assesses on a case by case basis whether there is any objective evidence that a loan is impaired. This assessment considers factors such as amount of debt, repayment and dishonour history, and the time since loan origination.

Where an increase in credit risk has been significant, a loss allowance at an amount equal to lifetime ECL is recognised. If no significant increase in credit risk is recognised, a loss allowance equal to a 12 month ECL continues to be recognised.

Collectively Assessed Loans

Impairment is assessed on a collective basis in two circumstances:

- to cover for losses which have been incurred but have not yet been identified on loans subject to individual assessments; and
- for groups of loans that are not considered individually significant, these are placed in pools of similar assets with similar risk characteristics.

Individually assessed loans for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an expected credit loss over the next 12 months.

Provision for Credit Impairment

The Provision for Credit Impairment (specific and collective) is deducted from loans in the Statement of Financial Position and the movement in the provision for the reporting period is reflected in the Statement of Comprehensive Income as part of Credit Impairment or Recovery.

Where impairment losses recognised in previous periods are subsequently decreased or no longer exist, such impairments are reversed in the Statement of Comprehensive Income.

Loan Write-offs

When a loan is uncollectible, it is written off against the Provision for Credit Impairment. Subsequent recoveries of amounts previously written off are taken to the Statement of Comprehensive Income.

Claims Recoveries Outstanding

Where third parties are responsible for occurrences which lead to fire and general insurance claims being made there is often a contractual right to recovery from that party. The details of the impairment assessment are set out in Note 9.

Impairment of Property, Plant, Equipment and Intangibles

The Group conducts an annual review of asset values to determine whether there are any indicators of impairment. This review considers economic, technological and business changes that may impact on an asset's value. If any indicators of impairment exist, the asset's value is written down to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell, or its value in use.

(m) Revenue from Funds Management

Revenue from Funds Management primarily represents fees for the management of the Medical Assurance Society Retirement Savings Plan and the Medical Assurance Society KiwiSaver Plan ("the Plans").

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring services to the Plans. Revenue is calculated and accrued daily for management services provided to the Plans, based on the daily funds under management balance. For part of the comparative year revenue was calculated quarterly.

(n) Other Revenue from Contracts with Customers

Other Revenue from Contracts with Customers is comprised of fee income from mortgage referrals and revenue from other services including administration services and HealthyPractice® operations.

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring services to customers. Mortgage referral fee income is recognised when a mortgage is drawn down and a fee is payable to the Group. Revenue from other services is typically recognised monthly as services are provided.

(o) Income and Other Taxes

Provision for Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date. The Group became a registered Charitable group on 1 December 2019. As such, its activities from that date are no longer subject to income tax. The effect of this for the year ended 31 March 2021 is outlined in Note 22.

2. Accounting Policies — Continued

Other Taxes

Revenue, expenses and assets are recognised net of goods and services tax ("GST") except when the GST incurred on a purchase of goods and services is not recoverable from Inland Revenue, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of Trade and Other Receivables or Trade and Other Payables in the Statement of Financial Position.

Any commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, Inland Revenue.

(p) Other Insurance Liabilities

Reinsurance Premium Payable

Accrued but not yet paid reinsurance premiums.

Premiums Received in Advance

Premium revenue received in advance from policyholders for policies starting subsequent to balance date.

(q) Employee Benefits Provision

(i) Wages, annual leave and sick leave

Liabilities for wages, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and periods of service of current and former employees. Expected future payments are discounted using New Zealand Government Stock rates that most closely match the maturity term.

(r) Cash and Cash Equivalents

Cash and cash equivalents include liquid assets and amounts due from other financial institutions, with an original term to maturity of less than three months.

(s) Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets and liabilities are recognised initially at fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs.

(i) Financial Assets

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The Group measures financial assets at amortised cost if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the Statement of Comprehensive Income when the asset is derecognised, modified or impaired. The Group uses a provision matrix to calculate ECLs for Trade and Other Receivables and Claims Recoveries Outstanding.

Investments

Investments are classified as financial assets at fair value through profit or loss and any movements in fair value, interest and dividend income, and fund distributions are recognised in the Statement of Comprehensive Income as Investment Income. The valuation techniques used are detailed in Note 31.

The Group's policy is to manage investments to give the best possible yield whilst taking a prudent approach to risk. Investment funds are split by asset class in Note 26.

Funds are invested in both unitised or pooled vehicles and direct holdings. Investment fund values for unitised or pooled vehicles are supplied by the relevant fund manager. Investments held directly by the Group are valued at fair value each reporting date based on the current bid price where one is available. In the absence of a bid price, valuation is based on recent arms length transactions. Directly held investment funds are managed by JBWere (NZ) Limited and Bancorp Treasury Services Limited.

Trade and Other Receivables

Classified as a financial asset measured at amortised cost. The details of the impairment assessment and total expected credit losses are set out in Note 25.

Claims Recoveries Outstanding

Classified as a financial asset measured at amortised cost. During the normal course of the Group's activities, claims are paid which will result in a contractual right to seek recovery from third parties (which may include other insurers). The details of the impairment assessment and total expected credit losses are set out in Note 9.

2. Accounting Policies — Continued

Loans

Classified as a financial asset measured at amortised cost. The details of the impairment assessment and total expected credit losses are set out in Note 2(l).

ii) Financial Liabilities

Financial liabilities are classified as subsequently measured at amortised cost or financial liabilities at fair value through profit or loss. All financial liabilities held by the Group are measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process.

Trade and Other Payables and Provisions

Classified as a financial liability measured at amortised cost. Payables are recognised when the Group becomes obliged to make future payments resulting from the purchases of goods and services. They represent liabilities for goods and services provided to the Group prior to the end of the financial year but which are unpaid at reporting date.

(t) Premiums Outstanding

A significant number of policyholders elect to spread premium payments over the term of the cover. Accordingly, at any one time there is a large balance of premiums which are outstanding but not overdue. They are initially recognised at fair value. All outstandings are constantly reviewed for collectability and immediately written off where deemed to be uncollectible. Fair value is equal to the carrying value of the premiums receivable.

(u) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans are initially recognised at fair value including transaction costs that are directly attributable to the issue of the loan. They are subsequently measured at amortised cost using the effective interest method, less any impairment loss.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(v) Policy Acquisition Costs

(i) General Insurance

Policy acquisition costs comprise the costs of acquiring new business, including sales costs, underwriting costs and policy issue costs. These costs are deferred when they can be reliably measured and it is probable that they will give rise to premium revenue that will be recognised in subsequent reporting periods. Costs are amortised systematically in accordance with the expected pattern of the incidence of risk to which they relate. This pattern of amortisation corresponds to the earning pattern of the corresponding premium revenue.

An impairment review is performed at each reporting date as part of the Liability Adequacy Test. When the recoverable amount is less than the carrying value an impairment loss is recognised in the Statement of Comprehensive Income.

(ii) Life Insurance

The actuary's assessment of life insurance contract liabilities takes account of the deferral and future recovery of acquisition costs. These costs are capitalised by way of movement in Life Policy Liabilities, then amortised over the period in which they will be recoverable.

(w) Assets Backing Insurance Liabilities

All investment assets of Medical Life Assurance Society Limited, the Group's life insurance company, are assets backing the policy liabilities of the life insurance business.

All investment assets of Medical Insurance Society Limited, the Group's general insurance company, are assets backing the insurance liabilities of the general insurance business.

All investment assets backing insurance liabilities are measured at fair value through profit or loss.

(x) Property, Plant and Equipment, and Depreciation

Land and Buildings are revalued at appropriate intervals to fair value, which is determined by reference to the asset's highest and best use by an independent valuer. Revaluations are made with sufficient regularity to ensure that carrying value does not materially differ from fair value. Revaluation surpluses are recognised in Other Comprehensive Income to the extent they offset previous devaluations recognised in net surplus. Except as above, revaluation surpluses are taken directly to the Asset Revaluation Reserve. Decreases in value are debited directly to the Asset Revaluation Reserve to the extent that they reverse previous surpluses within the individual asset concerned and are otherwise recognised as expenses.

2. Accounting Policies — Continued

All other fixed assets are held at cost and are depreciated on a straight line basis over their estimated economic lives as follows:

- Buildings 50 years
- Furniture, Fittings and Equipment 3 - 10 years

(y) Intangibles

Intangible assets represent software and software work in progress and are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangibles are amortised over their estimated useful life as follows:

- General use software 5 years
- Core systems 3 - 10 years

(z) Lease Liabilities and Right-of-use Assets

At the commencement date of a lease, the Group recognises a lease liability and right-of-use asset. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted by the Group's incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability, reducing the carrying amount to reflect lease payments made and adjusting for any lease modifications or changes in lease payments.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made before the commencement date and any initial direct costs incurred. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any adjustments to the lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor Vehicles 1 - 3 years
- Buildings 2 - 15 years

The Group has elected to apply the recognition exemptions for short-term leases and low value assets. Short-term leases are leases with terms of 12 months or less.

(aa) Changes in Accounting Policies and Disclosures

Several amendments and interpretations apply for the first time in the period ended 31 March 2021, but do not have an impact on the financial statements of the Group. There have been no changes to accounting disclosures or policies during the current period.

The following new standard has been issued but is not yet effective for the period ended 31 March 2021, and has not been applied in preparing these financial statements. The Group has given consideration to the impact of the following standard but hasn't progressed the assessment to a point where the impact (if any) can be quantified. The Group's implementation project is ongoing and a detailed assessment of the impact of the standard on the Group is underway, however significant changes in the presentation and disclosure of the Group's financial statements is anticipated.

NZ IFRS 17 Insurance Contracts, which replaces NZ IFRS 4 Insurance Contracts, is a comprehensive new accounting standard which establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The standard is effective for reporting periods beginning after 1 January 2023. Early application is permitted.

(ab) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency with the current year.

3. Significant Accounting Judgements, Estimates and Assumptions

These financial statements are prepared in accordance with New Zealand equivalents of the International Financial Reporting Standards and other authoritative accounting pronouncements. In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors. All judgements, estimates and assumptions are based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions.

Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below. Further details are also provided within the relevant note disclosure.

Outstanding Claims Liability

The outstanding claims liability is measured as the central estimate of the present value of expected future claims payments (including claims incurred and not reported) plus a risk margin.

The estimated cost of claims includes expenses to be incurred in settling those claims, net of the expected value of salvage and other recoveries. Medical Insurance Society Limited ("MIS") takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Given the uncertainty in establishing claims provisions, it is almost certain that the final outcome will prove to be different from the original liability established.

There is significant uncertainty regarding the net claims arising from the Canterbury earthquakes and significant judgement is required for elements such as increases in building claim costs, litigation, reopening of claims, apportionment between earthquake events, claim handling expenses and future additional claims being received from EQC. Due to these uncertainties a higher risk margin is carried for earthquake claims than for non-earthquake claims.

All claims reported are estimated with due regard to the claim circumstance as reported by the insured, legal representative, assessor, loss adjuster and / or other third party, and then combined, where appropriate, with historical evidence on the cost of settling similar claims. Estimates are reviewed regularly and are updated as and when new information arises.

The ultimate net outstanding claims provision also includes an additional (risk) margin to allow for the uncertainty within the estimation process.

Reinsurance and Other Recoveries Assets

As is the case for claims, reinsurance and other recoveries must be estimated at reporting date. The recoverability of these assets is assessed on a periodic basis to ensure that as best can be determined, the balance is reflective of the amounts which will ultimately be received, taking into consideration factors such as counterparty credit risk.

Policy Liabilities

Policy liabilities for life insurance contracts are calculated using statistical or mathematical methods. They are made by a suitably qualified person, and are based on recognised actuarial methods, with due regard to relevant actuarial standards.

The methodology takes into account the risks and uncertainties of the particular classes of life insurance business written. The key factors that affect the estimation of these liabilities and related assets are:

- the cost of providing benefits and administering these insurance contracts;
- mortality and morbidity experience on life insurance products, including enhancements to policyholder benefits;
- discontinuance experience; and
- the amounts credited to policyholders' accounts compared to the returns on invested assets through asset and liability management and tactical asset allocation.

In addition, factors such as competition, interest rates, taxes and market and general economic conditions affect the level of these liabilities. Details of specific actuarial policies and methods adopted are contained in Note 10.

Software Intangibles

Assessing the useful life and any impairment of core software systems involves judgement and estimation. The application of NZ IAS 38 Intangible Assets includes accounting considerations required for capitalisation of IT projects. Areas of judgement include consideration of impairment indicators, economic useful life, future IT investment plans and previous impairment decisions.

Leases

Key estimates and assumptions used in calculating lease liabilities and right-of-use assets are the incremental borrowing rates and the lease terms. The Group considers economic and credit risk factors, and the underlying right-of-use asset when determining

3. Significant Accounting Judgements, Estimates and Assumptions — Continued

the incremental borrowing rates. Lease terms are determined using the non-cancellable period of the lease and the lease renewals, when the Group is reasonably certain the renewal option will be exercised.

Remediation

The Group anticipates that remediation payments will be made to Members. A team has been established to work through potential issues.

The provision carried represents management's best estimate. The provision includes an allowance for premium refunds, inconvenience payments relating to the refunds and administration costs. Refer to Note 15.

4. Related Party Transactions

Medical Assurance Society New Zealand Limited ("MAS") is the holding company of the following wholly owned subsidiary companies:

- Medical Insurance Society Limited ("MIS")
- Medical Life Assurance Society Limited ("MLA")
- Medical Securities Limited ("MSL")
- Medical Funds Management Limited ("MFM").

MAS controls the following entity:

- MAS Foundation ("the Foundation").

The Foundation was registered as a charity under the Charities Act 2005 on the 1st of December 2019. One non-voting distribution share in the capital of MAS has been issued to the Foundation. The Foundation is controlled by MAS as the Directors of MAS are able to appoint and remove the Trustees of the Foundation.

The Medical Assurance Society Retirement Savings Plan and the Medical Assurance Society KiwiSaver Plan ("the Plans") are registered superannuation plans distributed by Medical Assurance Society New Zealand Limited. Medical Funds Management Limited provides management services to the Plans.

Advances to and from subsidiary companies are unsecured and repayable on demand. Interest on advances is charged at the 90 day bank bill rate plus 1%. As at 31 March 2021 interest was charged at 1.35% for all subsidiaries (2020: 1.49%).

All inter-Group transactions are eliminated on consolidation. All transactions with Members, Directors and employees are at market rates.

5. Claims – Medical Insurance Society Limited

Claims Expense	2021 $000	2020 $000
Claims paid during the year	45,894	50,874
Recoveries received during the year	(3,414)	(8,270)
Provision for Outstanding Claims at year end (new claims incurred during the year)	26,615	17,758
Provisioning at year end for Outstanding Claims incurred in prior years	22,734	19,374
Reinsurance and Other Recoveries Outstanding at year end	(14,078)	(12,665)
Increase / (Decrease) in IBNR (claims incurred but not reported) Provision at year end	64	(8)
Provision for Outstanding Claims at previous year end (excluding IBNR)	(36,532)	(41,292)
Reinsurance and Other Recoveries Outstanding at previous year end	12,665	18,319
Increase / (Decrease) in Risk Margin	912	(600)
Net Claims Expense per Statement of Comprehensive Income	54,859	43,490

Provision for Outstanding Claims	2021 $000	2020 $000
Expected Future Claim Payments (undiscounted)	39,455	26,638
IBNR Claims at year end	1,892	1,828
Risk Margin	10,806	9,894
Provision for Outstanding Claims	52,152	38,360

Assumptions adopted in calculation of claim provisions

A significant portion of the general insurance claims provision relates to earthquake claims. The claims estimate is subject to a degree of uncertainty as a number of issues are yet to be resolved.

The following key assumptions have been used in determining general insurance net outstanding claims liabilities:

	2021	2020
Risk margin – earthquake claims	25.00% - 50.20%	25.00% - 61.20%
Risk margin – non earthquake claims	13.10%	12.60%
Weighted average expected term to settlement – non earthquake	within 1 year	within 1 year
Weighted average expected term to settlement – earthquake	within 1 year	within 1 year

5. Claims – Medical Insurance Society Limited — Continued

Risk Margin

The initial amount calculated is the central estimate (the mean of the distribution of the probable outcomes). That is, it is intended to contain no deliberate, or conscious over or under estimation. Over and above the central estimate, and to reflect the inherent uncertainty in determining it, a risk margin is added in arriving at the carrying amount of the liability. This increases the probability that the liability will ultimately prove to be sufficient. The potential uncertainties include those relating to the actuarial model and assumptions, the quality of the underlying data used, general statistical uncertainty and the insurance environment.

The risk margin is applied to the net outstanding claims for MIS. However an assessment of the uncertainty and the determination of a risk margin is done by individual class of business (Motor Vehicle, House, Contents etc.). The entity risk margin is assessed to be less than the sum of the individual classes, reflecting the benefit of diversification in general insurance. The percentage risk margin applied is 13.10% (2020: 12.60%) for non earthquake claims and 25.00% - 50.20% (2020: 25.00% - 61.20%) for earthquake claims. The level of sufficiency or probability of adequacy is 75.00% (2020: 75.00%).

Claims Development Table

The following table shows the development of net undiscounted outstanding claims relative to the current estimate of ultimate claims costs for the five most recent years. The majority of the claims that pre-date 2017 are Canterbury earthquake claims.

				Incident Year			
Ultimate Claim Cost Estimate	**Prior $000**	**2017 $000**	**2018 $000**	**2019 $000**	**2020 $000**	**2021 $000**	**Total $000**
At end of incident year (including IBNR)		48,598	38,623	39,127	43,289	51,296	
One year later		52,449	39,424	40,389	44,435	–	
Two years later		53,473	39,870	40,552	–	–	
Three years later		53,912	40,006	–	–	–	
Four years later		53,874	–	–	–	–	
Current estimate		53,874	40,006	40,552	44,435	51,296	
Payments		(53,815)	(39,859)	(40,434)	(43,850)	(32,684)	
Central estimate	21,825	59	147	118	585	18,612	41,346
Risk margin							10,806
Gross outstanding claims liabilities							52,152
Recoveries from reinsurers and third parties							(14,078)
Net outstanding claims liabilities							38,074

6. Provision for Unearned Premium - Medical Insurance Society Limited

	2021 $000	2020 $000
Balance at the beginning of the financial year	43,099	39,644
Premiums written during the year	89,884	86,941
Premiums earned during the year	(86,894)	(83,486)
Balance at the end of the financial year	46,089	43,099

Liability Adequacy Test

The Appointed Actuary, Peter Davies, FIA, a Fellow of the New Zealand Society of Actuaries ("NZSA"), has reported on the Liability Adequacy Test undertaken by him as at 31 March 2021. He has concluded that the Provision for Unearned Premium as at that date, is not deficient (2020: no deficiency). In forming this opinion he has assessed the current estimates of the present value of the expected future cash flows relating to future claims arising from the rights and obligations under all current contracts. Included within the claims figure is a risk margin to reflect the inherent uncertainty in the central estimate. His conclusion is that the provision exceeds the prospective claims value. He is satisfied with the nature, extent, and accuracy of the data used for this valuation. The financial statements have not been adjusted to recognise the surplus.

7. Premiums Outstanding

	2021 $000	2020 $000
Premiums Owing by Policyholders of MIS Policies	21,822	20,482
Premiums Owing by Policyholders of MLA Policies	13,549	13,257
	35,371	33,739

A significant number of policyholders elect to pay premiums in instalments spread evenly over the term of the cover. Accordingly, at any one time, including balance date, there will be large outstandings relative to premium which has been billed but not collected.

Where any instalments are overdue (direct debits dishonoured) or alternatively where annual payments are overdue, the related debts are assessed for impairment and where it is evident adjusted immediately.

The carrying amounts reasonably approximate fair value.

8. Reinsurance Recoveries Outstanding

	2021 $000	2020 $000
Gross Recoveries – Medical Insurance Society Limited	13,128	11,794
Gross Recoveries – Medical Life Assurance Society Limited	28,433	20,927
Discount to Present Value	(1,342)	(629)
Reinsurance Recoveries Outstanding	40,219	32,092

At any time, balance date included, the settlement of claims will have led to a receivable being created related to the amount recoverable from the Group's reinsurers.

Such amounts due are assessed for impairment and where it is evident, adjusted immediately. The carrying amounts reasonably approximate fair value.

Medical Insurance Society Limited

MIS's insurance operations are protected from the impact of large losses and catastrophic events, by way of a comprehensive reinsurance programme arranged with some of the world's strongest reinsurance companies and syndicates.

The programme is developed once external professional advice, involving comprehensive modelling, is obtained to establish potential exposures to earthquake claims and to assess how much any claim or series of claims MIS can retain for its own account. MIS's catastrophe cover exceeds the Reserve Bank of New Zealand's solvency requirements for reinsurance cover for a 1 in 1,000 year event.

9. Claims Recoveries Outstanding – Medical Insurance Society Limited

	2021 $000	2020 $000
Gross Claims Recoveries Owing by Third Parties	4,240	3,956
Allowance for expected credit losses	(3,290)	(3,085)
Net Claim Recoveries Outstanding	950	871

	2021 $000	2020 $000
As at 1 April	(3,085)	(2,377)
Movement in provision for expected credit losses	(205)	(708)
As at 31 March	(3,290)	(3,085)

Whilst the majority of claims recoveries come from reinsurers, MIS often has a contractual right to recover from other third parties. These third parties may be individuals or entities who were at fault and responsible for the claim made, or may be their insurer or EQC.

MIS recognises a loss allowance for expected credit losses on claim recoveries owed by third parties. The loss allowance is measured based on the lifetime expected credit losses, as significant increases in credit risk occur after initial recognition as the older a claim, the lower the likelihood of claim recovery from third parties.

Credit losses are assessed on a collective basis, considering all reasonable and supportable information at each reporting date. Forward looking information is considered when it is available without undue cost and effort.

9. Claims Recoveries Outstanding – Medical Insurance Society Limited — Continued

Based on historical credit loss experience and recognising current economic conditions, losses are recognised as follows:

- amounts owing by other insurers: 55% impairment (2020: 55%)
- accounts placed with a collection agency: 90% impairment (2020: 90%)
- amounts for which a regular payment arrangement is agreed with the debtor: 55% impairment (2020: 55%)
- amounts referred to the Disputes Tribunal: 100% impairment (2020: 100%).

Claims recoveries are non-interest bearing. Amounts that reduce the liability to the insured such as excesses, are not claims recoveries and are offset against claims expense.

10. Actuarial Policies and Methods – Medical Life Assurance Society Limited

The effective date of the actuarial report on the policy liabilities and prudential reserves is 31 March 2021.

The actuarial report was prepared by the Appointed Actuary, Peter Davies, FIA, a Fellow of the New Zealand Society of Actuaries ("NZSA"). The actuary is satisfied as to the accuracy of the data upon which the calculations of policy liabilities have been made.

The amount of policy liabilities has been determined in accordance with the methods and assumptions disclosed in these financial statements and with the standards established by the NZSA.

Disclosure of Assumptions

Policy liabilities have been determined in accordance with Professional Standard No. 20 of the NZSA.

The profit carriers used for the major product groups in order to achieve the systematic release of planned margins are:

Major Product Group	Profit Carrier
Risk insurances including: • Term Life • Dread Disease • Total Permanent Disablement	Premiums
Traditional participating business	Bonuses
Income protection business	Premiums

Discount Rates

The discount rate assumed equals the estimated risk-free rate of return on 13-year swap rates as at the valuation date of 2.194% (2020: 10-year bond rate of 1.08%), gross of tax.

Inflation Rates

Inflation impacts on the valuation in broadly two ways. Some contracts provide for the increase of future benefits in line with the Consumer Price Index (CPI), subject to a minimum materiality level. The CPI for lump sum policy increases is assumed to be 2.5% per annum (2020: 2.5%). The assumed indexation for income protection benefits varies between 0.5% and 1.6% depending on the product (2020: between 0.4% and 1.4%). The assumed rate of expense inflation is assumed to be 2.0% per annum (2020: 2.0%).

Element Impacted	Assumed Rate
Benefit indexation – Lump sum risk benefits	2.50%
Benefit indexation – Income Protection	0.50 - 1.60%
Expenses	2.00%

The lump sum indexation assumption applies to those products that offer indexation benefits, and those policyholders with that product that have opted for the indexation benefit (2020: no change). The income protection indexation assumption applies to all covers of each respective product type (2020: no change).

It has been assumed that the sums insured of all yearly renewable term Life, TPD and Trauma policies will increase by 0% per year (2020: 0%) resulting from clients requesting increases in their level of cover.

Commissions

As MLA does not remunerate by way of commission, no allowance is required.

Future Expenses

Maintenance expenses
The standard maintenance expense allowance for lump sum risk policies is $380 (2020: $383) gross per cover per year. Certain policy groups have non-standard allowances. These expenses are assumed to be increased in line with the indexation assumption above. The maintenance expense allowance for income protection covers is $514 (2020: $509) per cover per year.

10. Actuarial Policies and Methods – Medical Life Assurance Society Limited — Continued

Acquisition expenses
The standard acquisition expense allowance for new lump sum covers written is $899 (2020: $932).

The standard acquisition expense allowance for new income protection covers written is $1,955 (2020: $2,007). The unit expenses are based upon a broad analysis of MLA's actual expenses for the year.

Maintenance costs of permanent assurances are estimated to equal 2.2 times those for risk policies. This is the same relativity as was used in the previous valuation.

Investment expenses
Investment expenses equalled 0.1% of funds under management (2020: 0.1%).

The breakdown of expenses used for valuation purposes is below.

	2021 $000	2020 $000
Maintenance expenses	12,028	11,286
Acquisition expenses	3,258	3,044
Investment expenses	69	70
	15,355	14,400

Mortality and Morbidity

The basic rates of mortality assumed for life products were:

Males	63% of IA95-97M (2020: no change)
Females	63% of IA95-97F (2020: no change)

Modifications have been made from these base tables to reflect smoker/non-smoker habits and duration in force (unchanged from 2020).

The experience for dread disease and total and permanent disability contracts is assumed to equal 85% of the reinsurance risk premium rates, net of GST (2020: 85%).

Increased loadings are applied to mortality and morbidity risks above the age of 60 to allow for selective lapsing (no change from 2020 loadings).

Income protection claim frequencies and claim terminations are based on adjustments to the CIDA table, reflecting MLA's experience. Claim frequencies have increased from the previous year's valuation, and termination rates reduced, a combined additional allowance of 40% compared to 2020.

Discontinuances

Risk insurances including: • Term Life • Dread Disease • Total Permanent Disablement	Yearly renewable contracts: 5% per annum with additional selective lapses above age 60 (2020: 5.5%) Level term contracts: 6.00% per annum (2020: no change)
Traditional participating business	5.00% per annum (2020: no change)
Income Protection	5.00% per annum, higher for some closed legacy policies (2020: 6.00%)

Future Participating Business

MLA's philosophy is to set bonus rates such that over longer periods, the returns to participating policyholders will be commensurate with the investment returns on the assets held. Distributions are split between policyholders and shareholders with shareholders assumed to be entitled to 25% of the distribution to policyholders. Assumed rates of future bonus have been set so that the present value of the policy liabilities equals the present value of the assets supporting the business. Allowance is made for the shareholders' right to participate in the distributions.

Assumed future bonus rates for participating policies were:

Bonus rate on sum assured	$8.60 per mille (2020: $1.03 per mille)
Bonus rate on existing bonuses	$14.60 per mille (2020: $1.75 per mille)

The increase in the supportable bonus rates arises from the favourable investment performance over the past year, and the increase in the assumed future interest rates.

11. Policy Liabilities – Medical Life Assurance Society Limited

	2021 $000	2020 $000
Gross future claims	324,565	296,152
Future reinsurance premiums	204,567	204,958
Future reinsurance recoveries	(164,606)	(153,049)
Future policy bonuses	759	102
Future expenses	121,416	120,281
Future profit margins	138,563	145,622
Balance of future premiums	(628,058)	(617,760)
Policy Liabilities before bonus	(2,794)	(3,694)
Bonus declared at year end	130	–
Total Policy Liabilities at period end	(2,664)	(3,694)
Total Policy Liabilities at previous period end	(3,694)	(3,894)
Movement in Policy Liabilities for the period	(1,030)	(200)

MLA operates a sub-fund in respect of its participating policyholders as required under the Insurance (Prudential Supervision) Act 2010 and Regulations. The progress of the participating sub-fund over the year has been as follows:

	2021 $000	2020 $000
Participating fund at previous balance date	4,382	4,745
Investment income less claims and expenses	482	(363)
Profit distributed to shareholders	(33)	–
Participating fund at balance date	**4,831**	**4,382**
Policyholder retained earnings at previous balance date	105	198
Profit distributed as bonuses to participating policyholders	(130)	–
Policyholder share of profit (80%)	403	(93)
Policyholder retained earnings at balance date	**378**	**105**
Shareholder retained earnings at previous balance date	26	48
Profit distributed to shareholders	(33)	–
Shareholder share of profit (20%)	101	(22)
Shareholder retained earnings at balance date	**94**	**26**

Based on the recommendations of the Appointed Actuary, the Board has approved a bonus declaration for participating policyholders as follows:

Bonus on sum insured	2.40% (2020: 0.00%)
Bonus on existing bonuses	3.80% (2020: 0.00%)

12. Outstanding Claims – Medical Life Assurance Society Limited

The following table shows the development of undiscounted outstanding claims relative to the current estimate of ultimate disability claims costs for the five most recent years. Due to the long tail nature of disability claims, MLA has a number of active claims that pre-date 2017.

The outstanding claims liability has been determined by the Appointed Actuary. There are a number of significant judgements made in determining the claims estimate including the expected duration of disablement and the amount of benefit payable to the claimant. The average future duration of disability claims is 5.5 years (2020: 4.6 years).

				Incident Year			
Ultimate Claim Cost Estimate	**Prior $000**	**2017 $000**	**2018 $000**	**2019 $000**	**2020 $000**	**2021 $000**	**Total $000**
At end of incident year		6,549	7,577	6,630	9,231	14,054	
One year later		10,151	9,018	8,389	14,006	–	
Two years later		11,761	11,349	8,663	–	–	
Three years later		14,243	9,772	–	–	–	
Four years later		16,625	–	–	–	–	
Current estimate		16,625	9,772	8,663	14,006	14,054	
Payments		(8,381)	(5,317)	(6,159)	(5,635)	(2,246)	
Undiscounted central estimate	10,394	8,244	4,455	2,503	8,371	11,808	45,775
Discount to present value	(456)	(538)	(352)	(168)	(461)	(582)	(2,557)
Discounted central estimate	9,938	7,706	4,103	2,335	7,910	11,226	43,218

Life claims are excluded from the above analysis as they are typically settled within a short timeframe of the claim being recognised.

	2021 $000	**2020 $000**
Disability claims outstanding	43,218	34,421
Life claims outstanding	2,172	1,895
	45,390	36,316

13. Interest Expense

	2021 $000	**2020 $000**
Bank Interest	–	50
Interest Paid on Derivatives	–	24
Interest Expense on Lease Liabilities	442	466
Total Interest Expense	442	540

14. Loans

	2021 $000	2020 $000
Loans – Current	155	902
Loans – Non Current	1,377	2,655
Less Provision for Credit Impairment	(118)	(323)
Net Loans	1,414	3,234
Impaired Loan Provision		
Collective Loan Provision	73	159
Specific Loan Provision	45	164
Total Loan Provision	118	323
Collective Loan Provision		
Opening Balance	159	232
Movement in Collective Loan Provision	(86)	(73)
Closing Balance	73	159
Specific Loan Provision		
Opening Balance	164	230
Less: Specific Loan Provision Subsequently Written Off	(8)	(101)
Less: Reversal of Specifically Impaired Assets	(133)	(26)
Addition to Specific Impairment Provision	22	61
Closing Balance	45	164

$24,301 of income was received on specifically impaired loans for the period ending 31 March 2021 (2020: $19,127).

	2021 $000	2020 $000
Credit Impairment		
Movement in Collective Provision	(86)	(73)
Movement in Specific Provision	(119)	(66)
Impaired Assets Written Off	8	101
Recoveries on Impaired Assets Written Off	(47)	(25)
Credit Recovery	(244)	(63)

14. Loans — Continued

Lending Revenue	2021 $000	2020 $000
Loan Interest Revenue	188	781
Credit Recovery	244	63
Total Lending Revenue	432	844

15. Trade and Other Payables and Provisions

	2021 $000	2020 $000
Government Levies Payable	2,975	2,530
GST Payable	3,829	3,825
Incentive Remuneration Payable	624	665
Trade and Other Payables	6,029	7,265
Remediation Provision	12,379	881
Total Trade and Other Payables and Provisions	25,836	15,166

Set out below is the movement in the remediation provision:	2021 $000	2020 $000
As at 1 April	881	–
Remediation Additions	11,498	881
As at 31 March	12,379	881

All payables are due within twelve months of balance date.

The Group has established a Conduct and Remediation Committee to review and where appropriate remediate Members for issues that have been identified. The remediation provision reflects management's best estimate of the amount to meet these obligations. The provision covers refunds, inconvenience payments and the cost of administering the remediation programme.

16. Other Insurance Liabilities

	2021 $000	2020 $000
Reinsurance Premium Payable	1,126	1,566
Premiums Received in Advance	1,501	1,214
Total Other Insurance Liabilities	2,627	2,780

17. Employee Benefits Provision

	2021 $000	2020 $000
Employee Benefits - Current	1,915	1,284
Employee Benefits - Non-Current	2,080	1,998
	3,995	3,282

Employee Benefits - Current includes annual leave, sick leave and long service leave that employees are entitled to.

Employee Benefits - Non-Current represents a provision for the expected future long service leave that will be payable. Refer to Note 2(q) for further details.

18. Compensation Paid to Key Management Personnel

	2021 $000	2020 $000
Salaries and other short-term employee benefits	3,558	3,353
Termination benefits	487	–
MAS Directors' fees	687	671
Total compensation	4,732	4,024

No shares nor pension entitlements are provided to Directors or staff.

Key management personnel is defined as Directors and members of the Executive Management Team.

19. Other Revenue from Contracts with Customers

Type of service	2021 $000	2020 $000
Mortgage Referral Fee Income	457	302
Other Services	1,836	1,546
Total Other Revenue from Contracts with Customers	2,293	1,848
Timing of Revenue Recognition		
Services transferred over time	1,618	1,355
Services transferred at a point in time	675	493
Total Other Revenue from Contracts with Customers	2,293	1,848

Other services includes administration services and HealthyPractice® operations.

20. Administration Expenses

Included in Administration Expenses are the following:	**2021 $000**	**2020 $000**
Fees to auditors - for the audit of financial statements	166	166
Fees to auditors - for other assurance and related services	32	35
Fees to auditors - for agreed upon procedures	16	–
Fees to auditors - for other services	47	33
Directors' fees	687	671
Loss on disposal of property, plant, equipment and intangibles	15	111
Impairment of intangibles and work in progress	698	–
Depreciation and amortisation	4,594	4,409
Donations and Koha	992	60

The auditor of the Group is Ernst & Young (EY). Other assurance and related services relate to reviews of regulatory reporting (2020: no change) and are required by legislation to be provided by the auditor. Fees to auditors for agreed upon procedures relate to the Group's final tax return following its registration as a charity (2020: no services provided). Fees to auditors for other services is for remuneration advice (2020: no change). The Board has considered the non-audit work carried out by the auditor and is satisfied the work did not compromise auditor objectivity and independence. Total fees to EY were $261,000 (2020: $234,000).

Included in Administration Expenses are costs in relation to remediation. Refer to Note 15 for further details.

Depreciation and amortisation includes $1.2 million of depreciation charges on the right-of-use lease assets (2020: $1.1 million).

21. Investment and Sundry Income

	2021 $000	**2020 $000**
Income from Investment Funds	30,283	1,548
Rent Received	13	17
Interest on Cash and Deposits	8	48
Sundry Income	2,647	43
Total Investment and Sundry Income	32,951	1,656
Realised Income	9,450	6,498
Unrealised Income / (Loss)	23,501	(4,842)
Total Investment and Sundry Income	32,951	1,656

22. Taxation

	2021 $000	2020 $000
Net Surplus before Taxation	15,716	7,111
Taxation at 28%	4,400	1,991
Prior Period Adjustment	(757)	(15)
Taxation Effect of Permanent Differences	–	(1,522)
Taxation Credits / Imputation Credits	–	(45)
Deferred taxation no longer recognised	–	(7,450)
Taxation effect of net surplus not subject to taxation	(4,400)	1,680
Taxation Credit for the Year	(757)	(5,361)
Taxation Credit for the Year comprises:		
Current Taxation	(757)	1,493
Deferred Tax	–	(6,854)
Taxation Credit per Statement of Comprehensive Income	(757)	(5,361)

The Group became a registered charity on 1 December 2019. As such, its activities from that date are no longer subject to income tax.

Imputation Credit Account ("ICA")	2021 $000	2020 $000
Closing Balance	40,173	40,173

23. Contributed Equity

	2021 $000	2020 $000
10,000 Voting Shares	110	110
1 Non-Voting Distribution Share	–	–
	110	110

All voting shares carry the same voting rights. Directors have no plans to issue further shares. One non-voting distribution share in the capital of the Parent has been issued to the Foundation at a cost of $0.

Capital Management Policies and Objectives
When managing capital, management's objective is to ensure the Group continues as a going concern, adheres to regulator requirements, and maintains optimal returns to shareholders (Members and the Foundation) and benefits for other stakeholders. The Foundation receives distributions from the Group and funds health initiatives in line with the Group's charitable purpose.

Target levels of capital for the Parent and subsidiary entities are outlined in Board approved capital management plans. These plans consider the expected levels of capital over the next five years. Scenario and stress testing of the current and future capital position is carried out.

Capital Requirements
The Group as a group is not subject to any externally imposed capital requirements. However, a number of the subsidiary companies are. These requirements include:

Medical Insurance Society Limited ("MIS") and Medical Life Assurance Society Limited ("MLA")
Both MIS and MLA are licensed insurers under the Insurance (Prudential Supervision) Act 2010 ("IPSA"). Conditions are imposed as part of licencing including maintaining a solvency margin of at least $0. That

23. Contributed Equity — Continued

is, actual solvency capital as determined under the solvency standard should be at or above the minimum solvency capital level. The solvency margins have been determined in accordance with the requirements of the solvency standards issued under the Insurance (Prudential Supervision) Act 2010.

MIS and MLA have capital management plans and reporting processes in place to assist the companies in maintaining continuous and full compliance with the solvency standard.

At 31 March 2021, MIS was not in breach of any of its regulatory requirements, nor has it been at any stage during the current reporting period (2020: no breaches).

MIS' solvency position as per the solvency standard is as follows:

	2021 $000	2020 $000
Actual Solvency Capital	40,409	43,240
Minimum Solvency Capital	24,733	18,011
Solvency Margin	15,676	25,229
Solvency Ratio	1.63	2.40

The Medical Life Assurance Statutory Fund encompasses all the assets and liabilities of MLA. The solvency position of the statutory fund is the same as MLA.

At 31 March 2021, MLA was not in breach of any of its regulatory requirements, nor has it been at any stage during the current reporting period (2020: no breaches).

MLA's solvency position as per the solvency standard is as follows:

	2021 $000	2020 $000
Actual Solvency Capital	61,060	63,151
Minimum Solvency Capital	49,081	48,046
Solvency Margin	11,980	15,105
Solvency Ratio	1.24	1.31

24. Cash and Cash Equivalents

	2021 $000	2020 $000
Cash at Bank	3,227	3,686
	3,227	3,686

Cash at Bank earns interest at floating rates based on daily deposit rates. The carrying amount approximates fair value.

The Parent company's bank overdraft facility of $1.0 million is secured by a first mortgage over its commercial property at Broderick Road, Johnsonville.

25. Trade and Other Receivables

	2021 $000	2020 $000
GST Receivable	201	141
Management Fee Receivable for Funds Management	1,881	1,425
Trade and Other Receivables	1,971	233
Allowance for expected credit losses	(930)	–
	3,123	1,799

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2021 $000	2020 $000
As at 1 April	–	–
Movement in provision for expected credit losses	(930)	–
As at 31 March	(930)	–

Trade receivables are non-interest bearing and are generally on terms of 30 days.

26. Investments

The Group's investment securities are all financial assets classified as fair value through profit or loss. Fair value adjustments and realised gains or losses are recognised in the Statement of Comprehensive Income.

During the year, the Group has been advised by JBWere (NZ) Limited and Bancorp Treasury Services Limited on the management of investments. The majority of funds are invested in unitised or pooled vehicles. From 6 July 2020, the Group commenced investing into the Wholesale Funds managed by Medical Funds Management Limited (MFM).

Investments by Class	2021 $000	2020 $000
On Call and Term Deposits	96,913	121,888
Domestic Fixed Interest	27,240	33,969
MAS Wholesale NZ Fixed Interest Fund	8,118	–
International Fixed Interest (Unit Trust)	74,074	50,735
MAS Wholesale Australasian Equities Fund	34,034	–
Australasian Equities (Managed Fund)	–	17,121
MAS Wholesale International Equities Fund	65,038	–
International Equities	–	36,269
Total Investments	305,417	259,982

26. Investments — Continued

Investments by Entity	2021 $000	2020 $000
Life Assurance Investment Funds (MLA)	73,244	68,576
General Insurance Investment Funds (MIS)	109,387	98,426
Funds Management Investment Funds (MFM)	2,762	–
MAS Foundation Investment Funds	2,151	–
Other Investment Funds	117,873	92,980
Total Investments	305,417	259,982

27. Property, Plant and Equipment

	Land $000	Buildings $000	Furniture, Fittings and Equipment $000	Total $000
Cost / Valuation				
Balance as at 1 April 2020	2,975	2,095	9,763	14,833
Additions	–	–	748	748
Disposals	–	–	(786)	(786)
Balance as at 31 March 2021	2,975	2,095	9,725	14,795
Accumulated Depreciation and Impairment Losses				
Balance as at 1 April 2020	–	–	6,698	6,698
Depreciation charge	–	52	818	870
Disposals	–	–	(771)	(771)
Balance as at 31 March 2021	–	52	6,745	6,797
Net Book Value 31 March 2021	2,975	2,043	2,980	7,998

27. Property, Plant and Equipment — Continued

	Land $000	Buildings $000	Furniture, Fittings and Equipment $000	Total $000
Cost / Valuation				
Balance as at 1 April 2019	2,975	2,305	10,339	15,619
Additions	–	–	885	885
Disposals	–	–	(1,461)	(1,461)
Revaluations	–	(210)	–	(210)
Balance as at 31 March 2020	2,975	2,095	9,763	14,833
Accumulated Depreciation and Impairment Losses				
Balance as at 1 April 2019	–	58	7,306	7,364
Depreciation charge	–	–	737	737
Disposals	–	–	(1,345)	(1,345)
Revaluations	–	(58)	–	(58)
Balance as at 31 March 2020	–	–	6,698	6,698
Net Book Value 31 March 2020	2,975	2,095	3,065	8,135

Revaluation of Land and Buildings

The most recent market valuation of Land and Buildings was completed by Martin Veale, ANZIV, SPINZ, a registered valuer from TelferYoung (Wellington) Limited on 31 March 2020. The valuation approach used was the Income Approach. The resulting fair value figure of $5.1 million was recognised by decreasing the carrying value of the Buildings at 31 March 2020 by $0.2 million. The value of the land was unchanged. Significant unobservable inputs used in the valuation include the capitalisation rate/yield. Changes to the inputs may result in a significantly higher or lower fair value measurement.

The effective date of the revaluation was 31 March 2020.

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. The fair value is assessed as a level 3 disclosure under the fair value hierarchy. There were no transfers in levels during the year (2020: no transfers).

If Land and Buildings were measured using the cost model the carrying amounts would be as follows:

	2021 $000	2020 $000
Land	821	821
Buildings	4,611	4,611
Accumulated Depreciation on Buildings	(3,974)	(3,859)
	637	752

28. Intangibles

	Software $000	Work in Progress $000	Total $000
Cost			
Balance as at 1 April 2020	33,429	7,806	41,235
Additions	32	–	32
Transfers	–	–	–
Write-off	–	(7,806)	(7,806)
Balance as at 31 March 2021	33,461	–	33,461
Accumulated Amortisation and Impairment Losses			
Balance as at 1 April 2020	26,840	7,108	33,948
Amortisation charge	2,528	–	2,528
Write-off	–	(7,806)	(7,806)
Impairment Loss	–	698	698
Balance as at 31 March 2021	29,368	–	29,368
Net Book Value 31 March 2021	4,093	–	4,093

	Software $000	Work in Progress $000	Total $000
Cost			
Balance as at 1 April 2019	36,000	7,165	43,165
Additions	74	698	772
Transfers	57	(57)	–
Disposals	(2,702)	–	(2,702)
Balance as at 31 March 2020	33,429	7,806	41,235
Accumulated Amortisation and Impairment Losses			
Balance as at 1 April 2019	26,946	7,108	34,054
Amortisation charge	2,596	–	2,596
Disposals	(2,702)	–	(2,702)
Balance as at 31 March 2020	26,840	7,108	33,948
Net Book Value 31 March 2020	6,589	698	7,287

Work in Progress

Work in Progress represents the development costs of software which has not been completed at the end of the financial period.

29. Deferred Acquisition Costs – Medical Insurance Society Limited

	2021 $000	2020 $000
Opening balance	708	458
Acquisition costs deferred during the year	943	708
Current period amortisation	(708)	(458)
Closing balance	943	708

30. Lease Liabilities and Right-Of-Use Assets

Under NZ IFRS 16 Leases, the Group recognises a lease liability and right-of-use asset in the Statement of Financial Position at commencement of a lease, except when the lease is a short-term lease. The Group is a party to lease contracts for properties, motor vehicles and printers.

The Group applied the practical expedient for short-term leases and recognised payments associated with short-term leases of properties, motor vehicles and printers on a straight-line basis as an expense in the Statement of Comprehensive Income. The expense for the year ended 31 March 2021 was $38,000 (2020: $274,000).

The Group recognised $442,000 (2020: $466,000) of interest expense on the lease liabilities and $1.2m (2020: $1.1m) of depreciation expense on the right-of-use assets for the year. The estimated useful life of right-of-use assets is the term of the lease.

Right-of-use assets	Properties $000	Motor Vehicles $000	Total $000
Cost			
Balance at 1 April 2020	10,890	556	11,446
Additions	–	426	426
Disposals	(255)	–	(255)
Balance at 31 March 2021	10,635	982	11,617
Accumulated Depreciation			
Balance at 1 April 2020	857	219	1,076
Depreciation Expense	850	346	1,197
Balance at 31 March 2021	1,707	565	2,273
Net Book Value 31 March 2021	8,928	416	9,344

Right-of-use assets	Properties $000	Motor Vehicles $000	Total $000
Cost			
Balance at 1 April 2019	10,497	197	10,694
Additions	393	359	752
Balance at 31 March 2020	10,890	556	11,446
Accumulated Depreciation			
Balance at 1 April 2019	–	–	–
Depreciation Expense	857	219	1,076
Balance at 31 March 2020	857	219	1,076
Net Book Value 31 March 2020	10,033	337	10,370

30. Lease Liabilities and Right-Of-Use Assets — Continued

Lease Liabilities	**2021 $000**	**2020 $000**
Current	965	895
Non-current	9,227	10,125
Total lease liabilities	10,192	11,020

Changes in lease liabilities	**2021 $000**	**2020 $000**
Balance at 1 April	11,020	11,103
Cash flows	(1,433)	(1,301)
Accretion of interest	442	466
Lease additions	426	752
Disposal of leases	(262)	–
Balance at 31 March	10,192	11,020

31. Fair Value of Financial Assets and Liabilities

Fair Value Methodologies
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values are based on relevant information available as at balance date. While judgement is used in obtaining the fair value of financial instruments, there are inherent weaknesses in any estimation technique. Many of the estimates involve uncertainties and matters of significant judgement, and changes in underlying assumptions could significantly affect these estimates. Furthermore, market prices or rates of discount are not available for many of the financial instruments valued and surrogates have been used which may not reflect the price that would apply in an actual sale.

The methodologies and assumptions used when determining fair value depend on the terms and risk characteristics of the various instruments and include the following:

Cash and Cash Equivalents
For Cash and Short Term Deposits, balances with other financial institutions with maturities of less than three months and other types of short term financial assets, the carrying values of these financial instruments are considered to approximate their fair values as they are short term in nature or are receivable on demand.

Domestic Fixed Interest
The fair value for fixed interest investments is determined by reference to quoted prices in active markets for similar assets or liabilities. Where not available or the market is considered to be lacking sufficient depth to be active, fair value is determined by reference to other significant inputs that are based on observable market data, for example interest rate yield curves and the maturity profile.

Unit Trust and MAS Wholesale Funds
The fair value for investments in managed funds is determined based on unit prices provided by the relevant fund manager.

Loans
The carrying value of Loans approximates fair value, as it is based on the discounted estimated future cash flows net of the provision for credit impairment.

Other Financial Assets
For all other financial assets, the carrying value is considered to be a reasonable estimate of fair value. Prepayments and Other Insurance Assets are not considered to be financial assets.

Fair Value Hierarchy
The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. The only assets that the Group recognises on a fair value basis are its investments (refer to Classification of Financial Instruments in Note 32 for details of the classification categories).

31. Fair Value of Financial Assets and Liabilities — Continued

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
31 March 2021				
Financial Assets				
On Call and Term Deposits	–	96,913	–	96,913
Domestic Fixed Interest	–	27,240	–	27,240
MAS Wholesale NZ Fixed Interest Fund	–	8,118	–	8,118
International Fixed Interest (Unit Trust)	–	74,074	–	74,074
MAS Wholesale Australasian Equities Fund	–	34,034	–	34,034
MAS Wholesale International Equities Fund	–	65,038	–	65,038

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
31 March 2020				
Financial Assets				
On Call and Term Deposits	–	121,888	–	121,888
Domestic Fixed Interest	–	33,969	–	33,969
International Fixed Interest (Unit Trust)	–	50,735	–	50,735
Australasian Equities (Managed Fund)	–	17,121	–	17,121
International Equities	36,269	–	–	36,269

A level 1 financial asset or liability comprises those assets and liabilities that are valued by reference to published quotes in an active market and the price reflects actual and regularly occurring market transactions on an arm's length basis.

A level 2 financial asset or liability is measured using industry standard valuation techniques and are based on market observable inputs but where the prices have not been determined in an active market.

A level 3 financial asset or liability value is determined in part, or in whole, using valuation techniques based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data.

There have been no transfers between the levels during the year (2020: no transfers).

32 . Financial Instruments and Risk Management

Effective risk management is key to achieving the Group's strategic goals. The Board approves the Risk Appetite Statement which sets the levels and limits of risk the Group is willing to take. Other key documents within the risk management framework include:

- risk management programmes for the core subsidiaries;
- business continuity and disaster recovery plans;
- capital management plans for the Parent entity and all subsidiaries;
- reinsurance management policies for the insurance entities.

The Group operates the Three Lines of Defence model.

The main risks arising from the financial instruments and the business the Group engages in are insurance risk, credit risk, market risk, asset management risk, liquidity risk and operating risk.

Insurance Risk

Insurance risk is the risk that either inadequate or inappropriate product design, pricing, underwriting, reserving, claims management or reinsurance management will expose the Group to financial loss and, in the worst case a consequent inability to meet its liabilities when they fall due.

There are a number of key policies in place which mitigate insurance risk, including:

- the recruitment, retention and ongoing training of suitably qualified personnel;
- delegated authorities for the underwriting of risks, claims acceptance and settlement;
- the use of external actuarial expertise to assist in determining premium levels and monitoring claims patterns;
- the use of reinsurance to limit the Group's exposure to large single claims and accumulations of claims that arise from a singular event;
- the monitoring of a reinsurer's credit risk rating to control exposure to reinsurance counterparty default;
- the reduction in the variability in loss experience through diversification over classes of insurance business; and
- the modelling and monitoring of concentrations of risk which are particularly relevant in the case of natural disasters and catastrophes and accordingly must be recognised in the development of the reinsurance programme.

The concentration of insurance risk is mitigated through the use of reinsurance and the diversification of risk across a number of products (both life and general insurance).

Credit Risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitment in full and on time, or from losses arising from the change in value of a financial instrument as a result of changes in credit risk on that instrument. Credit risk principally arises from the Group's fixed interest and cash investments, policyholder premiums and reinsurance exposures. The maximum credit risk exposures are the carrying amounts.

The Group manages credit risk in its insurance operations by:

- the use of standard credit control techniques which ensure that premium payments are made within a reasonable timeframe, or cover and hence exposure to claim is cancelled;
- the placement of reinsurance cover in accordance with the Group's reinsurance policies. The policies contain requirements to limit the level of exposure to an individual reinsurer and requires reinsurers to have a minimum Standard & Poor's credit rating of A- at the time of placement; and
- ongoing monitoring of a reinsurer's credit risk rating.

32. Financial Instruments and Risk Management — Continued

Statement of Financial Position credit exposures:

	2021 $000	2020 $000
Cash and Cash Equivalents	3,227	3,686
Trade and Other Receivables	3,123	1,799
Other Insurance Assets	–	44
Investments	305,417	259,982
Premiums Outstanding	35,371	33,739
Reinsurance Recoveries Outstanding	40,219	32,092
Claims Recoveries Outstanding	4,240	3,956
Loans	1,532	3,557
	393,129	338,855

Counterparty Exposures

While the Group may be subject to credit losses up to the notional principal amount in the event of non-performance by its counterparties, it does not expect such losses to occur other than as already provided for.

The following table discloses the number of counterparties the Group has an exposure to in excess of 10% of equity. All of the Group's counterparty exposures in excess of 10% of equity hold a Standard & Poor's credit rating (or equivalent) of at least A.

	2021	2020
10% - 20% of equity	2	1
> 20% of equity	–	1

The investment portfolio, which potentially exposes the Group to credit risk, consists of cash on-call, short term deposits and fixed interest securities, and indirectly through investments in Wholesale Funds and Unit Trusts which invest in short term domestic deposits, domestic and international fixed interest securities and Australasian and international equities. The maximum exposure to credit risk is the carrying value of these financial instruments.

Investment funds in part back the insurance operations and in part support share capital and retained earnings. Investment mandates have been structured accordingly and are formalised by way of Statements of Investment Policy and Objectives ("SIPOs"). The Group's Investment Committee meets regularly to develop and review investment strategy and monitor manager performance.

32. Financial Instruments and Risk Management — Continued

Statement of Financial Position investment exposures

	2021 $000	2020 $000
Cash and Cash Equivalents	3,227	3,686
On Call and Term Deposits	96,913	121,888
Domestic Fixed Interest	27,240	33,969
MAS Wholesale NZ Fixed Interest Fund	8,118	–
International Fixed Interest (Unit Trust)	74,074	50,735
MAS Wholesale Australasian Equities Fund	34,034	–
Australasian Equities (Managed Fund)	–	17,121
MAS Wholesale International Equities Fund	65,038	–
International Equities	–	36,269
	308,644	263,668

The following table provides information on the credit risk exposure for financial assets with external credit ratings and highlights the credit quality of the Group's exposures. Investment grade financial assets are classified within the range of AAA to BBB, with AAA being the highest possible rating. The 'Not rated' column discloses those assets not rated by external ratings agencies and principally comprises fixed interest investments with local government authorities.

The credit rating analysis is only shown for fixed interest investments held directly by the Group. An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. Investments in Wholesale Funds and Unit Trusts are not included in the table below as the funds are invested in unitised or pooled vehicles. The underlying credit quality of the funds is mandated by the Statement of Investment Policy and Objectives ("SIPO").

	AAA	AA	A	BBB	Below BBB and Not rated	Carrying value $000
31 March 2021						
Cash and Cash Equivalents	–	100.0%	–	–	–	3,227
On Call and Term Deposits	–	75.4%	24.6%	–	–	96,913
Domestic fixed interest	–	1.9%	5.9%	73.9%	18.3%	27,240
Reinsurance Recoveries	–	34.8%	62.7%	–	2.5%	40,219
31 March 2020						
Cash and Cash Equivalents	–	100.0%	–	–	–	3,686
On Call and Term Deposits	–	69.6%	30.4%	–	–	121,888
Domestic fixed Interest	–	12.1%	10.0%	63.6%	14.3%	33,969
Reinsurance Recoveries	–	77.1%	21.8%	–	1.1%	32,092

32 . Financial Instruments and Risk Management — Continued

Market Risk
Market risk is the risk of loss of current and future earnings from adverse moves in currency, interest rates and the prices of other financial contracts.

Currency Risk
Currency risk is the risk that movements in the New Zealand dollar ("NZD") will have an adverse impact on the profitability and financial stability of the Group. The Group no longer has currency risk exposure as international investments are in unitised or pooled vehicles.

Interest Rate Risk
Interest rate risk is the risk that the value / future value of a financial instrument will fluctuate because of changes in interest rates. The Group uses natural offsets (matching assets with liabilities) to minimise the mismatches within policy limits set by the Board. The Group is primarily exposed to interest rate movements through its domestic fixed interest investments. Interest rate movements also impact the value of the Groups insurance liabilities.

Price risk
The Group is subject to price risk arising from changes in the market values of its Wholesale Fund and Unit Trust investments.

Liquidity Risk
Liquidity risk arises where liabilities cannot be met as they fall due as a result of insufficient liquid funds. The Group's Treasury Policies mandate minimum levels of liquidity that the Group must hold to ensure obligations are met as they fall due.

The following table analyses the Group's financial assets and liabilities at balance date into the relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed below are undiscounted contractual cash flows and therefore not all amounts will agree to the carrying value on the Statement of Financial Position. The Group manages cash flows on a contractual basis.

Liquidity profile of financial instruments:

	0 – 6 months $000	6 – 12 months $000	1 – 2 years $000	2 – 5 years $000	Over 5 years $000	Total $000
31 March 2021						
Financial Assets						
Cash at Bank	3,227	–	–	–	–	3,227
Trade and Other Receivables	3,123	–	–	–	–	3,123
Investments	258,150	21,822	1,601	10,686	13,158	305,417
Claims Recoveries Outstanding	–	29	316	–	605	950
Loans	83	188	416	775	70	1,532
	264,583	22,039	2,333	11,461	13,833	314,249
Financial Liabilities						
Trade and Other Payables and Provisions	25,836	–	–	–	–	25,836
Lease Liabilities	519	446	813	2,233	6,181	10,192
	26,355	446	813	2,233	6,181	36,028

32 . Financial Instruments and Risk Management — Continued

	0 – 6 months $000	6 – 12 months $000	1 – 2 years $000	2 – 5 years $000	Over 5 years $000	Total $000
31 March 2020						
Financial Assets						
Cash at Bank	3,686	–	–	–	–	3,686
Trade and Other Receivables	1,799	–	–	–	–	1,799
Investments	211,463	19,952	1,830	21,576	5,161	259,982
Claims Recoveries Outstanding	–	36	227	–	608	871
Loans	719	568	713	643	1,313	3,956
Right-of-use Assets	564	542	955	2,520	5,789	10,370
	218,231	21,098	3,725	24,739	12,871	280,664
Financial Liabilities						
Trade and Other Payables and Provisions	15,166	–	–	–	–	15,166
Lease Liabilities	455	440	783	2,266	7,076	11,020
	15,621	440	783	2,266	7,076	26,186

Asset Management Risk
The Group is exposed to this risk due to its management of the Medical Assurance Society Retirement Savings Plan and the Medical Assurance Society KiwiSaver Plan (“the Plans”). Management fee revenue earned from these schemes is linked to the amount of funds under management (“FUM”). FUM could reduce due to a number of factors including; poor investment performance, market volatility and the competitiveness of the Plan’s offerings. The Group’s Investment Committee regularly reviews the performance of the Plans and the fund managers to minimise this risk.

Operating Risk
Operating risk is the risk of loss resulting from either external events, inadequate or failed systems or processes, or human error. Operational failures may lead to poor outcomes for Members, health and safety incidents, regulatory or legal implications, financial loss or reputational impacts. These risks are minimised whenever it is commercially sensible to do so.

There are a number of key policies and programmes in place which mitigate operating risk, including:

- management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities;
- Head of Internal Assurance and the Risk and Compliance Team are charged with assisting staff in identifying current and emerging risks and ensuring the sufficiency of and ongoing presence of suitable mitigant;
- regular external review and testing of the Group’s information security including for cyber risks;
- a Conduct and Remediation Committee to ensure behaviours and actions meet Member and other stakeholders expectations;
- identifying critical outsourced providers and having appropriate plans in place in the event of supplier failure;
- regular monitoring and reporting on risks, financial and operational performance to Senior Management and the Board.

Sensitivity Analysis
The Group has two risks which are price sensitive to an extent that they may impact earnings materially. These are Insurance Risk and Market Risk (as it pertains to investments). The following table looks at how a range of reasonably possible movements in key risk variables, with all other variables held constant, can influence profit or loss and equity.

32 . Financial Instruments and Risk Management — Continued

Sensitivity Analysis:
(Medical Life Assurance Society Limited "MLA")

		2021		2020	
Risk Variable	**Movement**	**Effect on future margins $000**	**Effect on policy liabilities $000**	**Effect on future margins $000**	**Effect on policy liabilities $000**
Insurance Risk (MLA):					
Discount rate	Increase by 1%	18,060	2,520	16,540	2,130
	Decrease by 1%	(21,500)	(2,960)	(19,610)	(2,420)
Claims	Increase by 10%	14,830	–	11,770	–
	Decrease by 10%	(14,830)	–	(11,710)	–
Lapses / Surrenders	Increase by 10%	24,460	–	24,150	–
	Decrease by 10%	(28,800)	–	(28,910)	–
Expenses	Increase by 10%	10,760	–	8,630	–
	Decrease by 10%	(10,760)	–	(8,630)	–

Insurance risk exists relative to impacts on the provisioning for outstanding disability claims and the determination of the policy liabilities at period end. Both movements in discounts rates and variations in termination rates can have a material impact on profit and equity.

Sensitivity Analysis:
(Medical Insurance Society Limited "MIS")

		Impact on Profit and Equity	
Risk Variable	**Movement**	**2021 $000**	**2020 $000**
Insurance Risk (MIS):			
Change in outstanding claims	Increase by 1%	(390)	(266)
	Decrease by 1%	390	266
Discount rates	Increase by 1%	(462)	(414)
	Decrease by 1%	481	432

32 . Financial Instruments and Risk Management — Continued

Sensitivity Analysis:
(Medical Assurance Society New Zealand Limited "the Group")

		Impact on Profit and Equity	
Risk Variable	**Movement**	**2021 $000**	**2020 $000**
Market Risk (Group):			
Short term deposit rates	Increase by 1%	1,001	1,256
	Decrease by 1%	(1,001)	(1,256)
Bond interest rates	Increase by 0.50%	(290)	(480)
	Decrease by 0.50%	290	480
Unit prices	Unit price increases by 10%	18,126	6,786
	Unit price decreases by 10%	(18,126)	(6,786)

Classification of Financial Instruments
Financial Assets and Financial Liabilities have been classified into the categories defined in NZ IFRS 9 Financial Instruments in the tables below. The carrying amount of financial assets and liabilities at amortised cost reasonably approximates fair value. No financial assets were reclassified during the year (2020: none).

Financial Assets	2021 $000	2020 $000
Financial assets at amortised cost		
Trade and Other Receivables	3,123	1,799
Claims Recoveries Outstanding	950	871
Loans	1,414	3,234
Financial assets at fair value through profit or loss		
Investments	305,417	259,982
	310,904	265,886

Financial Liabilities		
Financial assets at amortised cost		
Trade and Other Payables and Provisions	25,836	15,166
Lease liabilities	10,192	11,020
	36,028	26,186

33. Reconciliation of Cash Flows

	2021 $000	2020 $000
Reported Surplus after Taxation	16,473	12,472
Add / (Deduct) Non-Cash Items:		
Depreciation, Impairment and Amortisation	5,239	4,409
Loss on Disposal of Property, Plant, Equipment and Intangible	(15)	(4)
Fair Value Change in Derivatives	–	(23)
Revaluation of Buildings	–	58
Reversal of Credit Impairment	(197)	(38)
Addition to Unearned Premium	2,990	3,455
Change in Deferred Acquisition Costs	(235)	(250)
Change in Deferred Taxation Liability	–	(6,854)
Unrealised Investment (Gain) / Loss	(24,183)	6,619
Movement in Expected Credit Loss Provisions	1,135	708
Changes in Operating Assets and Liabilities:		
Trade and Other Payables, Provisions and Liabilities	11,038	2,973
Trade and Other Receivables and Prepayments	(2,575)	1,643
Loans	2,017	9,933
Outstanding Claims	22,788	3,232
Reinsurance Recoveries	(8,127)	1,754
Life Policy Liabilities	1,030	200
Premiums Outstanding	(1,632)	(1,929)
Provision for Taxation	(3,338)	1,132
Net Cash Flows from Operating Activities	22,408	39,490

34. Credit Rating

Two of the Group's subsidiaries are required to be rated. Medical Insurance Society Limited and Medical Life Assurance Society Limited have an A- financial strength rating from Standard & Poor's.

35. Contingent Liabilities

The Group is subject to several legal disputes at 31 March 2021. The disputes are of a type common to any entity engaged in similar activities. Where such disputes lead to formal proceedings they will be defended by the Group. Provisions are not required with respect to these matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not reliably measurable. If settlement becomes probable, a provision is recognised.

36. Subsequent Events

On 14 May 2021, MFM was granted a managed investment scheme licence from the Financial Markets Authority (FMA) to become a manager of a registered scheme under the Financial Markets Conduct Act (FMCA) 2013.

No other material events have occurred after the reporting period.

Independent Auditor's Report to the Shareholders of Medical Assurance Society New Zealand Limited

Building a better working world

Opinion

We have audited the financial statements of Medical Assurance Society New Zealand Limited ("the company") and its subsidiaries (together "the Group") on pages 21 to 62, which comprise the consolidated statement of financial position of the Group as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 21 to 62 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). 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 Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We provided remuneration advice to the Group, agreed upon procedures associated to the final tax payment and regulatory assurance services to certain subsidiaries. We have no other relationship with, or interest in, the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Information other than the Financial Statements and Auditor's Report

The directors are responsible for the Annual Report, which includes information other than the consolidated financial statements and auditor's report.

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

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

Directors' Responsibilities for the Financial Statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing, on behalf of the entity, the Group'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 Group or 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 consolidated 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 International Standards on Auditing (New Zealand) 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx. This description forms part of our auditor's report.

Ernst + Young

Chartered Accountants
Wellington
30 June 2021

Five-year Summary

Statement of Comprehensive Income	2021 $000	2020 $000	2019 $000	2018 $000	2017 $000
Fire and General Insurance					
Gross Premium Income	89,884	86,941	79,565	74,328	69,197
Net Earned Premium	64,510	62,225	58,246	54,036	49,714
Net Claims	(54,859)	(43,490)	(38,076)	(48,365)	(35,401)
Net Income from Fire and General Insurance	9,651	18,735	20,170	5,671	14,313
Life Assurance					
Gross Premium Income	43,830	42,140	40,159	38,524	36,138
Net Premium Income	30,429	29,547	29,469	27,418	25,744
Net Claims, Surrenders and Maturities	(15,338)	(12,805)	(10,641)	(9,516)	(6,706)
Movement in Life Policy Liabilities	(1,030)	(200)	1,802	1,446	1,015
Net Income from Life Assurance	14,061	16,542	20,630	19,348	20,053
Net Income from Lending Operations	432	844	1,336	2,385	4,312
Funds Management Revenue	19,052	16,768	14,672	13,000	11,032
Income from other services	2,293	1,848	1,840	1,829	1,942
Group Operating Expenses	(62,724)	(49,282)	(58,165)	(49,316)	(45,255)
Net (Loss) / Income from Operations	(17,235)	5,455	483	(7,083)	6,397
Investment and Sundry Income	32,951	1,656	16,399	12,046	13,519
Surplus before Tax	15,716	7,111	16,882	4,963	19,916
Tax Credit / (Expense)	757	5,361	(2,153)	154	(3,747)
Surplus after Tax	16,473	12,472	14,729	5,117	16,169

Statement of Financial Position					
Total Assets	414,642	362,576	342,751	354,269	369,822
Total Liabilities	183,875	148,366	140,860	167,131	188,448
Equity	230,767	214,210	201,891	187,138	181,374

Other Information					
Fire and General Claims as a percentage of Net Earned Premium	85.0%	69.9%	65.4%	89.5%	71.2%
Operating Expenses as a percentage of Total Income	33.8%	33.4%	37.9%	34.8%	32.8%
Equity as a percentage of Total Income	124.3%	145.2%	131.7%	132.0%	131.3%
Number of Members	40,495	37,165	33,546	31,543	29,809

Statutory Information

Directors’ Interests

The Director fee pool of $710,000 was approved at the annual meeting on 26 August 2020. Directors’ remuneration paid by the Parent Company, or due and payable, is as follows:

	Board Fee	Committee Fee	Director Fee
HE Aish	119,012	14,532	133,544
BC Sutton	78,866	16,845	95,711
LR Knowles	60,250	11,366	71,616
DJ Hill	60,250	10,784	71,034
KA Baddock	60,250	10,217	70,467
DR Dinsdale	60,250	7,523	67,773
FA Frizelle	60,250	2,313	62,563
SM Wolton	53,205	8,289	61,494
SC Merchant	27,331	1,870	29,201
AR Muthu	23,900	–	23,900
Total	603,564	83,739	687,303

Suzanne Wolton was appointed to the MAS board on 29 April 2020 and to its subsidiary companies (MIS, MLA and MFM) on 24 June 2020.

Stephen Merchant was appointed to the MAS board on 26 August 2020.

Alexandra Muthu retired from the MAS, MIS, MLA and MFM boards on 26 August 2020 and received a gift valued at $500.

Statutory Information (continued)

Employee Remuneration

The table below sets out the number of employees or former employees of MAS who received remuneration exceeding $100,000 for the years ended 31 March 2021 and 31 March 2020. Remuneration includes base salary, performance payments and redundancy or other termination payments. The table does not include contributions of 3% of gross earnings for those individuals who are members of a KiwiSaver scheme.

	Number of employees	
	2021	**2020**
100,000-110,000	20	18
110,000-120,000	15	9
120,000-130,000	13	10
130,000-140,000	16	14
140,000-150,000	12	8
150,000-160,000	8	6
160,000-170,000	7	2
170,000-180,000	4	7
180,000-190,000	6	3
190,000-200,000	4	3
200,000-210,000	1	1
210,000-220,000	3	2
220,000-230,000	1	1
240,000-250,000	2	3
250,000-260,000	1	1
260,000-270,000	2	–
300,000-310,000	–	2
310,000-320,000	–	2
330,000-340,000	–	1
340,000-350,000	1	–
350,000-360,000	2	–
360,000-370,000	2	–
390,000-400,000	–	1
470,000-480,000	1	–
870,000-880,000	–	1
950,000-960,000	1	–

Corporate Governance Statement

Board Structure

The Board of Medical Assurance Society New Zealand Limited ("MAS") supervises the management of MAS and its subsidiary companies. The Board is comprised of the Trustees of the Medical Assurance Society Members' Trust ("the Trust"). At 31 March 2021 there were five Practitioner Trustees (who are elected by Members) and four Commercial Trustees (who are appointed by the Practitioner Trustees). Members approve the appointment of Commercial Trustees. There is a further director on the board of Medical Securities Limited ("MSL"), the MAS Chief Executive Officer, Martin Stokes.

Our Objective

MAS' objective is to promote the health of New Zealanders, and its purpose is to inspire a healthier Aotearoa. MAS does this by operating sound and secure businesses through its group companies, which provide high quality insurance and investment products and services to MAS' Members.

Control and financial returns

Control of MAS group companies ultimately rests with MAS Members via their interest in voting shares held by the Trust.

MAS invests the financial returns of its businesses in two ways. One is to ensure the continued soundness of the group businesses, and to improve the insurance and investments products and services they offer for the benefit of Members. The other is to distribute to the MAS Foundation. MAS Foundation is the MAS Group's philanthropic funder. It has been established with an independent board of trustees, whose role is to fund third parties who further the Group's charitable purpose of promoting health in New Zealand.

Board Operations

The MAS Board approves MAS' strategic objectives, annual budgets and the overall framework within which business is conducted. It oversees the management of MAS to ensure that MAS' activities are carried out in accordance with its charitable purpose and otherwise in the best interests of Members. It also monitors the achievement of goals and plans, but delegates day-to-day management to the Chief Executive Officer. The Board approves transactions relating to any capital expenditure that exceeds delegated authorities, overall financial policy and policy on dividend payment by subsidiary companies to MAS.

The Board encourages open and frank discussion and confidentiality. It is entitled to seek independent professional advice to assist it in meeting its responsibilities and MAS pays for this advice.

A clear separation is maintained between the roles of Chairman and Chief Executive Officer. The Chairman's role is to manage and lead the Board effectively, and to maintain communications with the Chief Executive Officer. There are no Executive Directors other than the Chief Executive Officer who is on the Board of MSL.

Each trustee of the Trust is authorised and directed to act as a Director of MAS. The Trust Deed sets out policies and procedures covering the appointment and removal, proceedings, powers and duties, and remuneration and expenses of trustees.

The Board met eight times during the financial year ended 31 March 2021.

Board Committees

The Board has established five committees. Those committees are:

- Audit and Risk
- Information and Digital Technology
- Investment
- Nominations, and
- People and Remuneration.

Committees are governed by separate charters which are available for inspection at mas.co.nz.

The Audit and Risk Committee meets to assist the Board on financial matters, particularly the financial reporting processes, the system of internal control, the audit process, MAS' process for identifying and managing risk, and monitoring compliance with statutes and MAS policies. As at 31 March 2021, the Committee is comprised of Lindsay Knowles (Chair), Doug Hill, Brett Sutton, and Harley Aish.

The Information and Digital Technology Committee meets to oversee the successful execution of MAS' Information and Digital Technology strategy. As at 31 March 2021, the Committee is comprised of Suzanne Wolton (Chair), Steve Merchant, Doug Hill, Lindsay Knowles, and Suri Bartlett, an appointed technologist who is external to MAS Board and management.

The Investment Committee meets to review investment strategies and policies to ensure that assets are well managed within appropriate risk boundaries and portfolios meet the performance objectives of MAS and MAS' Members. As at 31 March 2021, the Committee is comprised of Brendan O'Donovan (Chair), Kate Baddock, Brett Sutton, Danelle Dinsdale, Suzanne Wolton, and Harley Aish.

The Nominations Committee meets to manage the appointment process for MAS Group trustees and directors and make recommendations to the MAS Board accordingly. As at 31 March 2021, the Committee is comprised of Kate Baddock (Chair), Brett Sutton, Frank Frizelle, and Steve Merchant.

The People and Remuneration Committee meets to assist the Board in appropriate governance of all matters related to people and remuneration strategies. As at 31 March 2021, the Committee is comprised of Harley Aish (Chair), Brett Sutton, Doug Hill, and Danelle Dinsdale.

Northern Region

Regional Manager:
Kevin Trevett

Auckland
61 Constellation Drive
Building 1, Level 1
Rosedale
Auckland 0632

PO Box 30040
110 Don McKinnon Drive
Albany
Auckland 0632

Hamilton
62 Tristram Street
Hamilton Central
Hamilton 3204

PO Box 436
Waikato Mail Centre
Hamilton 3204

Central Region

Regional Manager:
David Gordon

Wellington
19–21 Broderick Road
Johnsonville
Wellington 6037

PO Box 13042
Johnsonville
Wellington 6440

South Island Region

Regional Manager:
Krissy Winter

Christchurch
Unit 8, Level 2
71 Gloucester Street
Christchurch 8013
Christchurch Central
PO Box 36260

Nelson
Lower Queen Street Health
355 Lower Queen Street
Richmond
Nelson 7020

Dunedin
Floor 1, Regus Dunedin Building
Harvest Court Mall
28 George Street
Dunedin 9016

Directory

Senior Executive Team

Martin Stokes
Chief Executive Officer

Matt Judge
Chief Finance and Risk Officer

Mike Davy
Chief Member Advocacy Officer

David Chote
Chief Sales Officer

Huma Houghton
Chief People Officer

Elaine Owen
Chief Product Officer

Mike Paine
Chief Information Officer

Registered Office

19–21 Broderick Road
Johnsonville, Wellington
PO Box 13042

Telephone 0800 800 627

Auditor

Ernst & Young

Solicitors

Minter Ellison Rudd Watts

Bankers

ANZ
BNZ
Westpac

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