

PILOTS MUTUAL BENEFIT FUND

ANNUAL REPORT

2022

Pilot Trustees:

Pip Schofield (Chairperson)	Air NZ Airbus A320 First Officer
Matthew Harrington	Air NZ Airbus A320 Captain
Hamish Murray	Air NZ Airbus A320 Captain
Louise Maihi	Air NZ 787 Second Officer
Alexis Ruth	Air NZ Airbus A320 First Officer
Tom Fitzgerald	Air NZ ATR Captain

Company Trustee:

Craig Tolley	Air NZ GM from 29 April 2021
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Independent Trustees:

Penelope Ryder-Lewis
Paul Kelway

Operations Manager:

Ann Parkinson

Administrator:

Juliette Martin-James

Office:

Unit 8, Level 2
204 Thorndon Quay,
Wellington

Phone:	(04) 478-3632
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Email:	office@pilotsmbf.org.nz
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Website:	www.pilotsmbf.org.nz
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For the year ended 31 March 2022

Please note the following four important points –

- **A reminder to all members that you must notify the MBF office within 90 days of receiving notification of a loss of licence. The website has a link which makes this very easy and quick to do. You need to attach a scan of the notification. “Loss of licence” includes suspension and disqualification. Refer to the Fund’s rules (rule 1) for the full definition.**
- **Please note that the MBF is a separate organisation from NZ ALPA. Therefore, it is necessary for you to advise the MBF Office of any changes to your employment or contact details. For your convenience you can email office@pilotsmbf.org.nz.**
- **Contributions can be paid monthly, 6 monthly or, if you are a member of the Air New Zealand Group by fortnightly salary deduction. Members are expected to be up to date with their contributions.**
- **Please remember the MBF is here to help with a return to flying. We may also help with rehabilitation. While we may be able to help with accessing specialists, some testing, consultations, and advice, we are not and cannot be involved with financial support for medically based treatments.**

CHAIRPERSON’S REPORT

As we approach the middle of 2022, the aviation industry is beginning to see a return to normality. Certainly, overseas the rebound in air travel has been huge, with many international carriers undertaking extensive recruitment. In this part of the world, as restrictions on travel lessen, the general public is regaining confidence and traveling far more. Tasman loadings are a testament to this. It has been fantastic to see colleagues at both Jetstar and Jetconnect back flying, as well as many of the furlough/redundant pilots returning to Air New Zealand.

With the return of the LWOP/furlough/redundant pilots, we have worked hard to ensure that they return to previous levels of MBF cover without hassle. As always, there is a large amount of administration to be completed at our end with these changes, but we are working hard to make the process seamless. As I have said previously, please advise the office as soon as possible when you return.

Our new office team have been working hard to upgrade and streamline our administration processes. Ann and Juliette are generally a first point of contact for members, and they continue to provide critical support to the trustees. We have expanded our use of Xero, making accounting processes easier, and have continued to utilise the benefits of the Microsoft Teams program. Without the latter, communication and Fund oversight would have been incredibly difficult.

Our investments in managed funds have taken a hit this last 6 months, as to be expected with the current conflict in Europe. The trustees continue to monitor investments. Interest rates for term deposits are increasing and overall, we are happy with the Funds position following what has been a turbulent couple of years.

I, along with the Pilot Trustees Hamish, Matt, Lou, Alex and Tom, our independent Trustees Paul and Penelope, and company Trustee Craig Tolley look forward to seeing you in Christchurch for the AGM. If you are unable to attend in person, please RSVP and join via video link.

ADMINISTRATION

Administration services are provided by Mutual Benefit Fund Administration Limited (MBFAL). The MBFAL was set up by the Pilots MBF approximately a decade ago to carry out the administration functions for both the Pilots and ATC Funds. During the FY22, the Directors appointed Ann Parkinson as Operations Manager and Juliette Martin-James as Office Administrator to replace Elaine Brown and Donna Lacey who had left.

The ongoing development of the Fund's operations under our Microsoft Teams framework has allowed the office to work remotely when required under Covid restrictions. Thanks to Matt Harrington for continuing to develop and manage the improvement in our IT capability.

Paul Robinson (trustee of the ATC MBF) continues his role as a Director of the MBFAL. His help in running the MBFAL operating company is vital to the Pilots Fund.

MEDICAL

The Fund uses a number of case managers to facilitate treatment, recovery and, in some cases, contact the regulator. Our case managers are all professional and appropriately qualified.

We rely on advice from our medical professionals when it comes to applying, or not, exclusions. Any advice we receive is considered carefully by all the trustees.

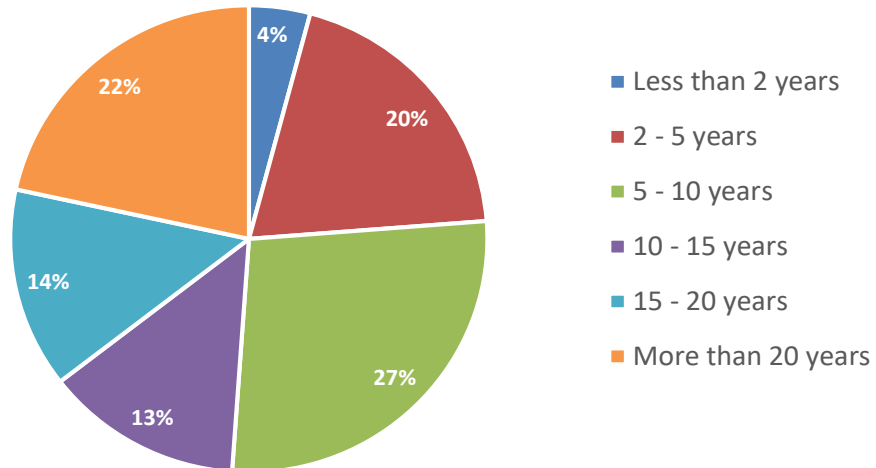
Members need to be open when declaring previous injury or illness. When applying for increased cover you must disclose any health issues. If in doubt as to their significance, you should advise on the application. Not all health issues have exclusions. Members should note that even if an exclusion is applied, it will apply only to that portion of cover which is being increased. Exclusions can also be removed when the medical condition is no longer an issue.

MEMBERSHIP

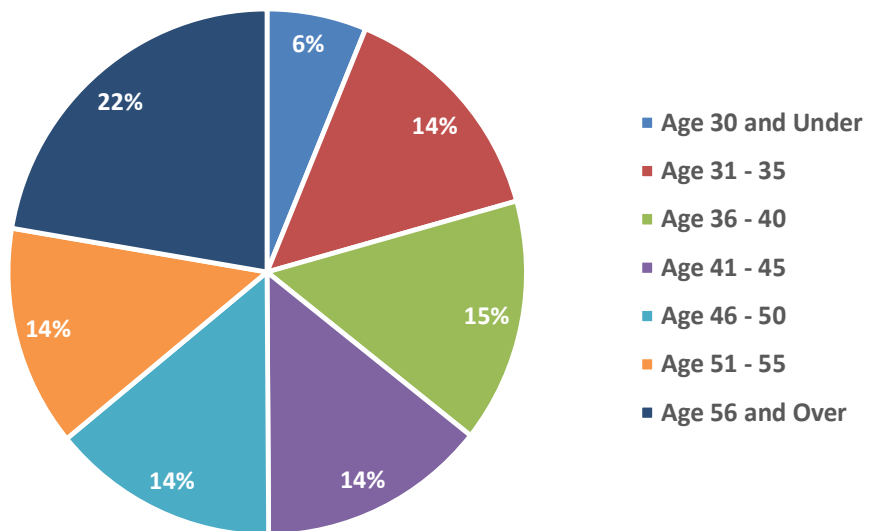
Membership numbers as at 31 March 2022 were 1531, down from 1539 members the previous year.

Some perspectives on membership follow.

Duration of Membership FY 2022



Membership by Age Group FY 2022



Membership groupings by company as at 31 March 2022 are:

	Number of Members	
	YE 2022	YE 2021
Air New Zealand	806	809
Mt Cook	257	243
Air Nelson	195	203
Jet Connect	88	93
Jet Star	36	35
Virgin	1	1
Other	70	70
Redundant (minimum cover)	78	85
Total	1531	1539

FINANCIAL

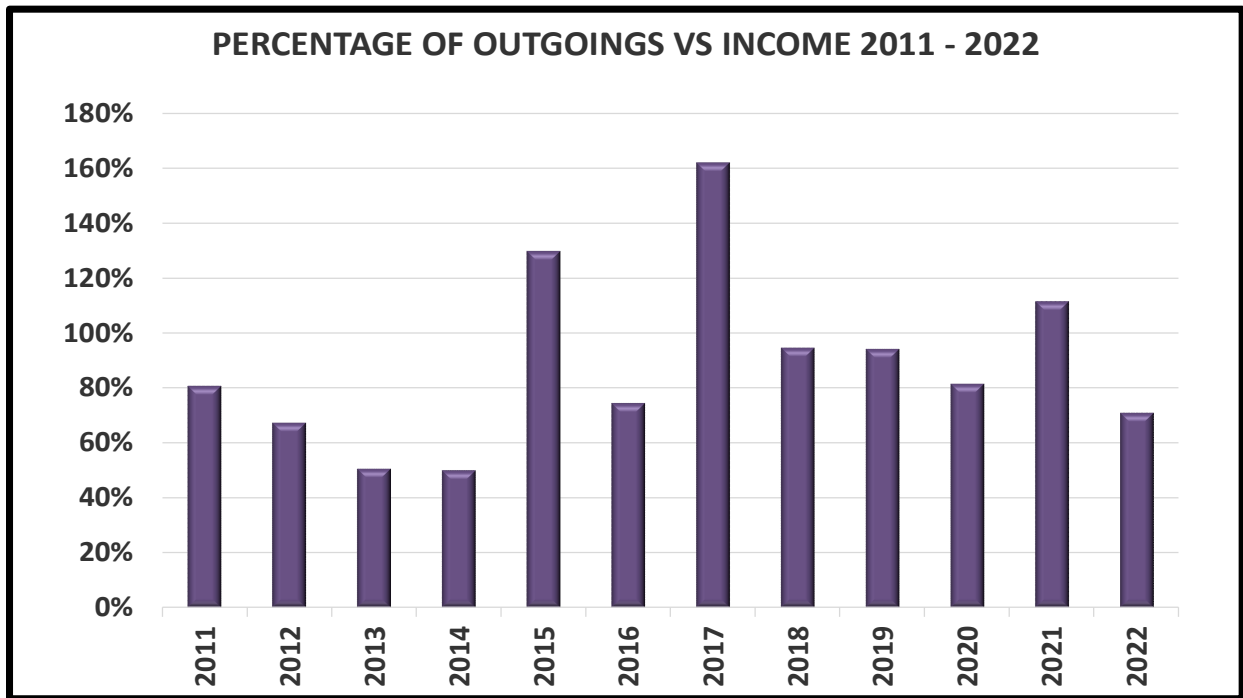
The Fund had a surplus of \$1,167,504 in the year ended 31 March 2022, in line with the forecast for the year.

The Fund needs to generate ongoing surpluses to meet the needs of younger members in the years ahead. Around 80 percent of claimants on the Fund are aged over 45 years of age. Most members in the 45 to 65 year age group have been members for 20 to 30 years and have contributed substantially to the current resources of the Fund. The Fund in general needs to be making a surplus of around \$1m each and every year for the foreseeable future.

The additional rules approved by members over the last few years have improved the financial robustness of the Fund. The number of claims continues to fall. The level of support for a new member who comes on claim is now more commensurate with the contributions they have made. The Fund after all is a mutual fund. This means members contribute for the benefit of others on the expectation that other members do the same for them.

The Fund continued the process of diversifying its investments to Mint Diversified Income Fund, Milford Diversified Income Fund and Milford Balanced Fund. The Fund has \$6.785m invested in the Funds. The events in the Ukraine have impacted the value of the investments moderately. These are highly uncertain times. Trustees are cognisant of the need to continue to provide income support for members and hence be prudent over protecting the capital value of the Fund's assets.

The trustees' expect to see the Fund sustain a similar surplus in the financial year 2023 as to last year. As trustees, we have a duty first and foremost to make sure the Fund remains financially viable, with a set of rules that allows the trustees to operate effectively and with the members' best interests front and centre.



TAXATION

The Fund continues to enjoy the tax-free status as provided by the sickness, accident and death mutuality Fund provisions of the Income Tax Act. The Trustees are cognisant of this status in considering any changes to the provisions of rules of the Fund.

As the Fund enjoys a tax-free status it does not pay tax on any surplus nor is it liable for GST. Contributions are not subject to GST nor can contributions be claimed back in individual member's tax returns. Any disability or capital payment from the Fund is likewise not subject to any income tax.

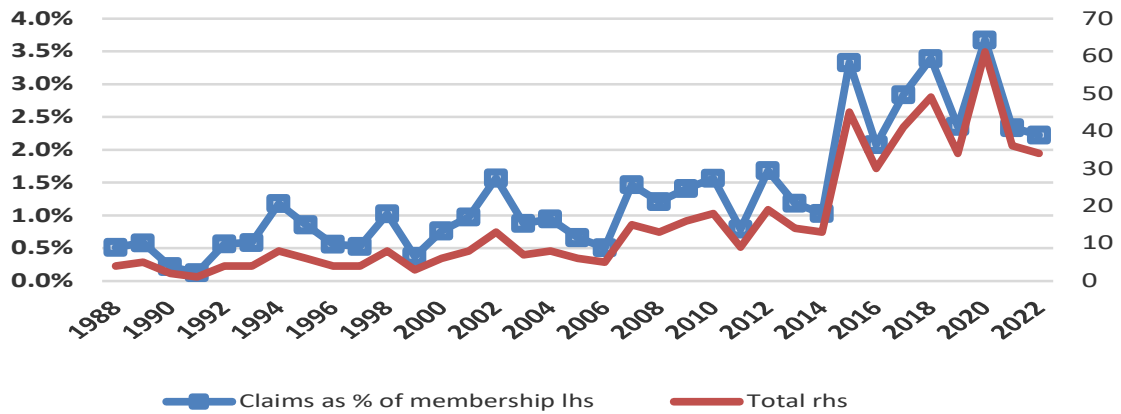
DISABILITY CLAIMS

During the financial year to 31 March 2022 there were 34 applications for benefits accepted. This is a decrease of 2, from the previous year.

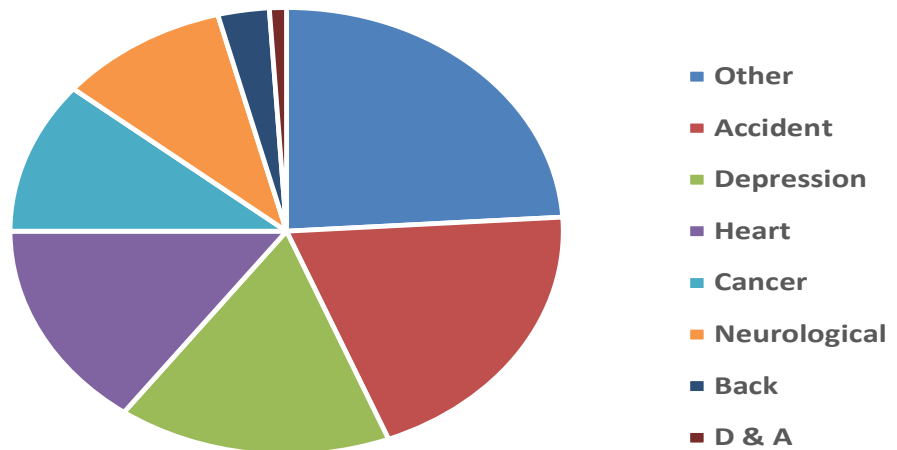
The Fund assisted 62 members during the year. There were 30 members who relicensed, and five members who received a capital benefit pay-out. At the end of the year the Fund had 22 members whose claim for assistance had been accepted.

Total membership expenses were \$2,359,541 (2021: \$3,694,135) comprising 58 percent (2021: 105 percent) of the income of the Fund.

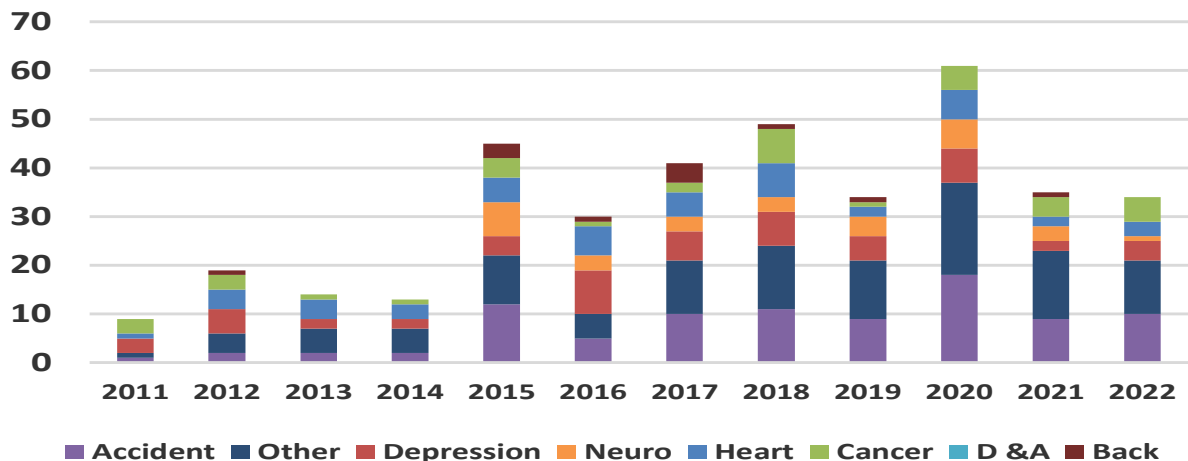
Claims per year and as percentage of Members



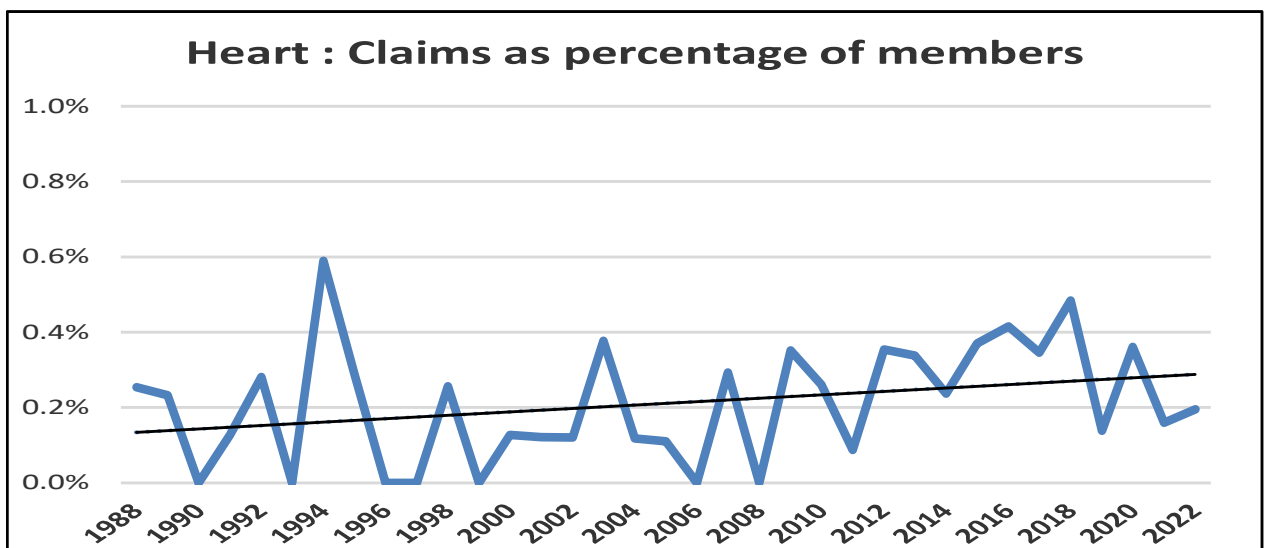
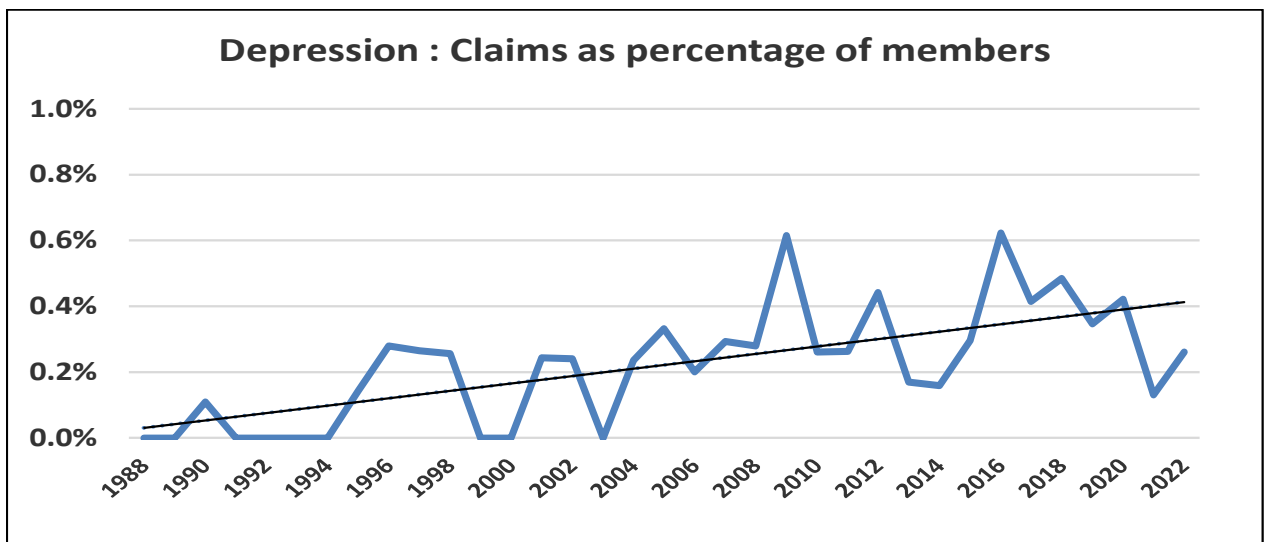
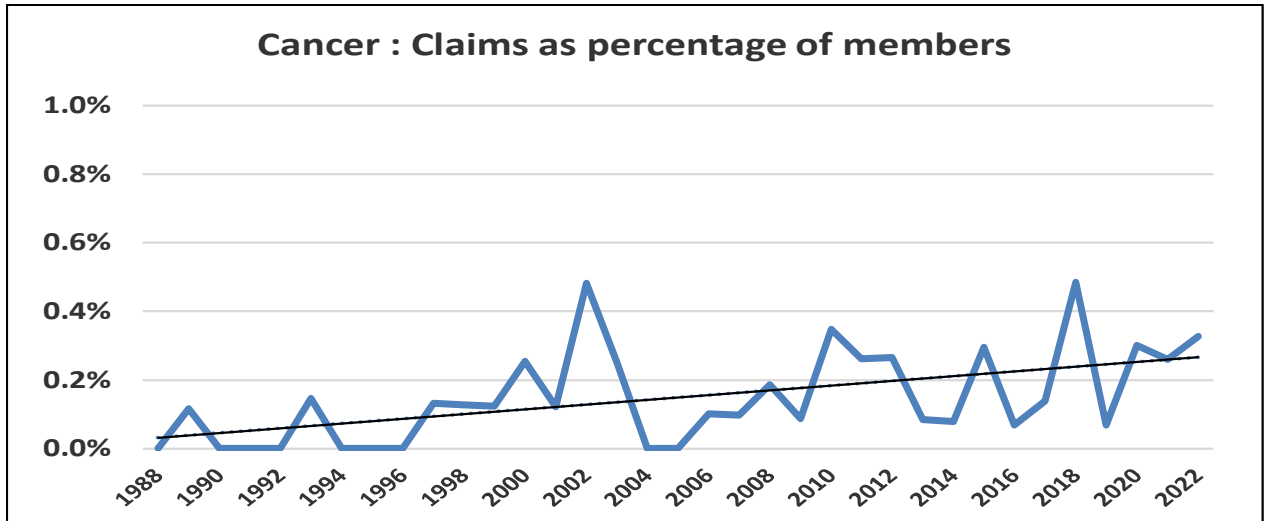
Claims by major category 1988 - 2022

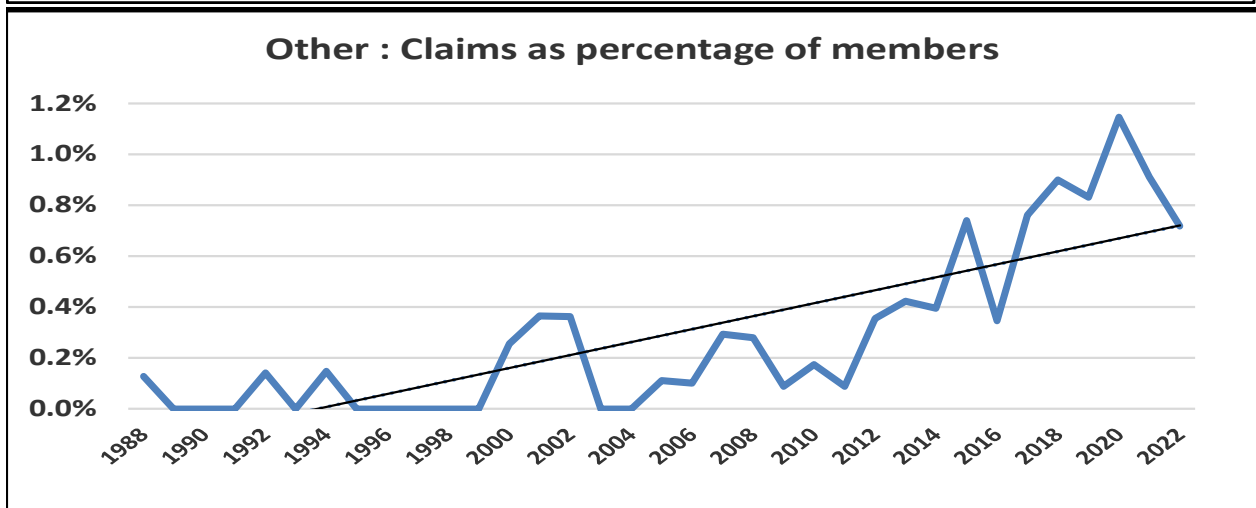
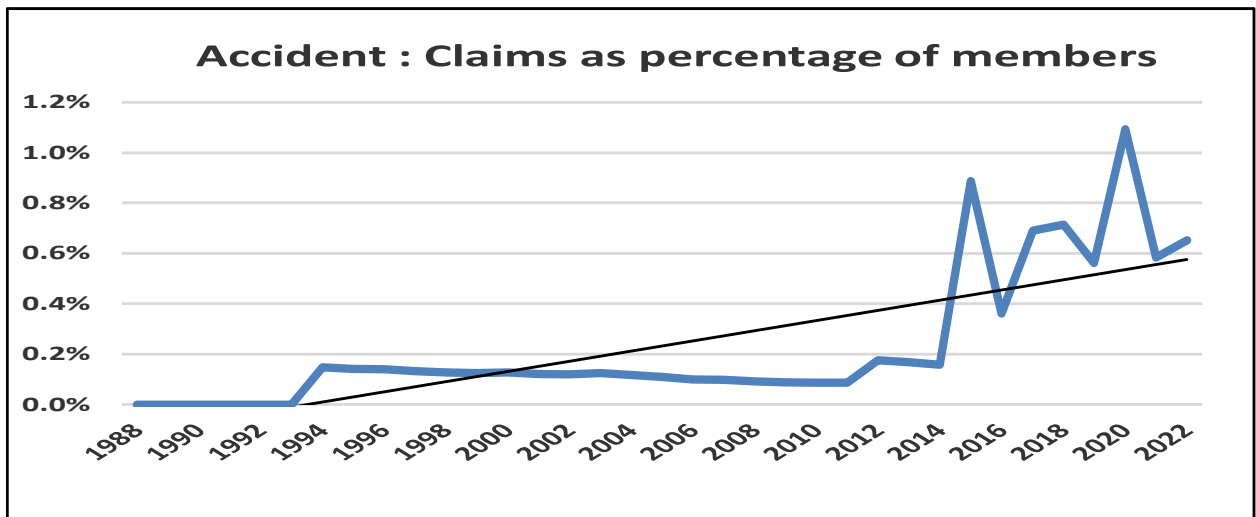


Claims by Major category

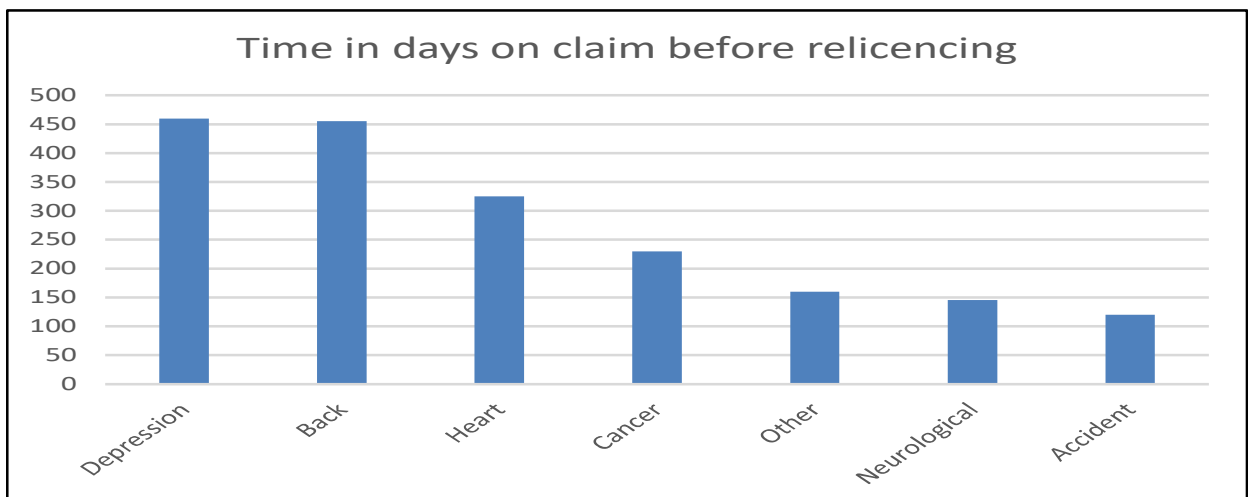


Trends in claims





You may find this helpful in deciding on the appropriateness of your cover.



Philippa Schofield

Philippa Schofield
Chairperson

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
PERFORMANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2022

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
PERFORMANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
AS AT 31 MARCH 2022
DIRECTORY

Trustees:

Philippa Schofield (Chairperson)
Thomas Fitzgerald
Matthew Harrington
Paul Kelway
Louise Maihi
Hamish Murray
Alexis Ruth
Penelope Ryder-Lewis
Craig Tolley

Accountants:

Baker Tilly Staples Rodway Wellington
Level 6
95 Customhouse Quay
Wellington

Auditors:

BDO Wellington Audit Limited
Tower Building
50 Customhouse Quay
Wellington

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
AS AT 31 MARCH 2022
ENTITY INFORMATION

Legal Name:	New Zealand Airline Pilots' Mutual Benefit Fund
Type and Legal Basis:	Non Profit Making Tax Free (SAD Status)
Purpose or Mission:	The object of the Mutual Benefit Fund is to provide financial benefits and other assistance to members of the Fund whose earning capacity as a pilot has ceased due to the suspension and/or disqualification of their CAA or CASA Medical Certificates.
Structure:	<p>The Fund has not less than seven or more than ten Trustees with two independent Trustees. Pilot Trustees are elected by ballot. Currently there are six Pilot Trustees. One of the Pilot Trustees is elected as Chairman.</p> <p>The Trustees meet bi-monthly. The administrative office is in Thorndon, Wellington and is staffed by two full-time employees.</p>
Main Source of Cash and Resources:	Member contributions - \$7 per \$1,000 of cover. Contributions are also received from employers who are contractually bound. Investment income is derived also from registered bank term deposits and unit trust investments.
Physical Address:	Level 2 204 Thorndon Quay Pipitea Wellington 6011
Phone:	+64 4 478 3632
Website / Email:	www.pilotsmbf.org.nz office@pilotsmbf.org.nz

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
FOR THE YEAR ENDED 31 MARCH 2022
STATEMENT OF SERVICE PERFORMANCE

Description of Outcomes:

The Fund's goal is to provide support to a pilot to achieve reinstatement of their medical certificate. In the first instance income support is provided by way of 90% of net earnings as a pilot. In addition rehabilitation services are provided where Trustees, in consultation with the Fund's medical advisers and case managers, create a plan that they deem appropriate to facilitate a return to work. Claimants of the Fund are expected to make their best efforts to achieve vocational rehabilitation.

The Fund could provide a Capital Benefit payment of up to \$600,000 where a claimant is permanently unable to gain re-instatement of their Medical Certificate.

There were 1,531 members of the Fund as at 31 March 2022 (2021: 1,539 members).

Description of Performance:

In the 2022 financial year the Fund assisted 54 claimants (2021: 78 claimants). There were 30 pilots who achieved medical certificate reinstatement (2021: 48 pilots). 5 pilots were unable to achieve medical certificate reinstatement and were paid Capital Benefits totalling \$413,707 (2021: 1 pilot was unable to regain their medical certificates and paid out a benefit totalling \$583,860).

The Fund expects to have between 20 and 30 claimants receiving support at any one time, down from recent levels.

A claimant is usually assigned a case manager. Most claimants are highly motivated to return to work and the Fund acts to positively support that process.

Total membership expenses were \$2,359,541 (2021: \$3,694,135) comprising 58% (2021: 105%) of the Fund's income.

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 \$	2021 \$	Parent 2022 \$	2021 \$
INCOME					
Administration Fees - ATC MBF		62,400	49,788	-	-
Interest Received		221,116	375,445	221,116	375,445
Dividends Received		132,673	71,879	132,673	71,879
Investment Gain/(Loss) on Equities and Unit Trusts		(151,598)	250,195	(151,598)	250,195
Contributions - Company		1,839,068	1,927,875	1,839,068	1,927,875
Contributions - Individual		1,984,790	1,067,827	1,984,790	1,067,827
Total Income		4,088,450	3,743,009	4,026,050	3,693,221
Less Expenses					
Administration Expenses					
Accident Compensation Levy		497	502	-	-
Accounting Fees		18,651	16,814	10,005	9,830
Administration		43,529	36,719	333,725	281,513
Audit Fees		21,411	23,209	17,341	19,701
Bad Debts		5,100	-	5,100	-
Bank Charges		517	474	288	246
Car Parking Expenses		37	1,300	-	-
Communications		2,873	3,627	-	-
Computer Expenses		12,365	14,546	12,365	13,882
Depreciation		1,815	1,741	-	-
Directors Expenses		-	1,813	-	-
Directors' Fees		76,582	70,102	-	-
Electricity		360	243	-	-
General Expenses		11,834	9,196	6,522	1,178
Hire of Equipment		-	1,880	-	-
Insurance		6,371	6,590	-	-
Investment Advice		8,280	5,393	8,280	5,393
Legal Expenses		20,723	1,870	-	-
Loss on Sale		1,295	1,109	-	-
Printing, Postage & Stationery		1,305	2,618	261	390
Professional and Recruitment Fees		36,945	11,880	20,795	11,880
Repairs and Maintenance		217	3,968	-	-
Rent & Outgoings		17,559	13,271	-	-
Salaries		176,998	167,347	-	-
Staff Training		830	1,450	-	-
Support Services		6,607	4,086	-	-
Travel		1,133	-	-	-
Total Administration Expenses		473,834	401,747	414,684	344,014
Membership Expenses					
Case Management		64,944	97,143	64,944	97,143
Disability Benefits	3	2,235,708	3,510,956	2,235,708	3,510,956
Legal - Membership expenses		11,653	30,334	11,653	30,334
Medical Fees & Rehabilitation		46,824	55,535	46,824	55,535
Travel - Membership expenses		412	167	412	167
Total Membership Expenses		2,359,541	3,694,135	2,359,541	3,694,135
Trustee Expenses					
Meetings - Accommodation & Catering		6,949	8,208	6,949	8,208
Meetings - Trustees Allowances and Expense		14,811	13,385	14,811	13,385
Meetings - Professional Trustee Fees		57,374	49,490	57,374	49,490
Travel		8,438	9,060	8,438	9,060
Total Trustee Expenses		87,572	80,143	87,572	80,143
Total Expenses		2,920,946	4,176,025	2,861,797	4,118,291
NET SURPLUS/(DEFICIT)		1,167,504	(433,016)	1,164,253	(425,070)
Tax Provision	6	-	-	-	-
NET SURPLUS/(DEFICIT) AFTER TAX		1,167,504	(433,016)	1,164,253	(425,070)

This Statement is to be read in conjunction with the Notes to the Financial Statements.

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
ACCUMULATED FUNDS AT START OF YEAR		17,879,532	18,312,548	17,881,051	18,306,121
Net Surplus/(Deficit)		1,167,504	(433,016)	1,164,253	(425,070)
ACCUMULATED FUNDS AT END OF YEAR		<u>19,047,036</u>	<u>17,879,532</u>	<u>19,045,304</u>	<u>17,881,051</u>

This Statement is to be read in conjunction with the Notes to the Financial Statements.

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
CURRENT ASSETS					
Bank Accounts	9	2,798,308	2,131,580	2,746,589	2,068,584
Term Deposits	9	7,000,000	11,750,000	7,000,000	11,750,000
Contributions Receivable		399,307	509,064	399,307	509,065
Accrued Interest		25,307	37,585	25,307	37,586
Contributions Unpaid - Virgin Pilots		7,779	-	7,779	-
Payments in Advance		3,615	3,732	-	-
Total Current Assets		10,234,316	14,431,963	10,178,983	14,365,235
NON-CURRENT ASSETS					
Non-Current Term Deposits	9	5,500,000	3,500,000	5,500,000	3,500,000
Loan - MBFAL	8	-	-	22,500	32,500
Plant & Equipment		567	2,746	-	-
Investments	10	6,785,035	3,619,242	6,791,035	3,625,242
Total Non-Current Assets		12,285,603	7,121,988	12,313,535	7,157,742
TOTAL ASSETS		22,519,919	21,553,951	22,492,518	21,522,977
CURRENT LIABILITIES					
GST Due for Payment		15,970	16,583	-	-
Taxation	6	-	2,940	-	-
Accounts Payable		33,459	64,659	23,759	51,689
Income in Advance		14,834	308	14,834	308
Accrued Expenses		25,000	26,500	25,000	26,500
Disability Benefits - Current Portion	3	1,580,210	2,008,521	1,580,210	2,008,521
Total Current Liabilities		1,669,473	2,119,511	1,643,803	2,087,018
NON-CURRENT LIABILITIES					
Disability Benefits - Non-Current Portion	3	1,803,410	1,554,908	1,803,410	1,554,908
Total Non-Current Liabilities		1,803,410	1,554,908	1,803,410	1,554,908
TOTAL LIABILITIES		3,472,883	3,674,419	3,447,213	3,641,926
NET ASSETS		19,047,036	17,879,532	19,045,305	17,881,051
Represented by;					
ACCUMULATED FUNDS					
Retained Earnings		19,047,036	17,879,532	19,045,305	17,881,051
ACCUMULATED FUNDS		19,047,036	17,879,532	19,045,305	17,881,051

These financial statements are signed on behalf of the company by;

Trustee  Trustee 

Date 14/06/2022

This Statement is to be read in conjunction with the Notes to the Financial Statements.

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES				
Cash was received from:				
Receipts from Providing Goods or Services	62,400	49,788	-	-
Contributions	3,935,733	3,082,607	3,935,733	3,082,607
Interest Received	298,677	409,383	298,677	409,383
Cash was Applied to:				
Payments to Suppliers and Employees	(673,656)	(668,980)	(614,577)	(613,355)
Disability Benefits	(2,451,828)	(2,659,312)	(2,451,828)	(2,659,312)
Net GST	(728)	(5,324)	-	-
Taxation	(2,940)	(3,260)	-	-
Net Cash Flows from Operating Activities	1,167,658	204,902	1,168,005	219,323
CASHFLOWS FROM INVESTING AND FINANCING ACTIVITIES				
Cash was received from:				
Loan to Subsidiary	-	-	10,000	30,000
Cash was Applied to:				
Plant and Equipment	(930)	-	-	-
Investments	(500,000)	(1,000,000)	(500,000)	(1,000,000)
Net Cash Flows from Investing and Financing Activities	(500,930)	(1,000,000)	(490,000)	970,000
Net Increase/ (Decrease) in Cash	666,728	(795,098)	678,005	(750,677)
Opening Cash	2,131,580	2,926,678	2,068,584	2,819,261
Closing Cash	2,798,308	2,131,580	2,746,589	2,068,584
This is represented by:				
ANZ Bank -00 Account	1,355,621	679,291	1,355,621	679,291
ANZ Bank Call Account	1,442,687	1,452,289	1,390,968	1,389,293
Bank Accounts	2,798,308	2,131,580	2,746,589	2,068,584

This Statement is to be read in conjunction with the Notes to the Financial Statements.

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 STATEMENT OF ACCOUNTING POLICES

Basis of Preparation

The New Zealand Airline Pilots' Mutual Benefit Fund Group being a sickness, accident and death benefit fund is not required to use any particular reporting framework but has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Reporting Entity

For the results for the year ended 31 March 2022 The New Zealand Airline Pilots' Mutual Benefit Fund Group comprises the following entities:

The New Zealand Airline Pilots' Mutual Benefit Fund (Parent)
Mutual Benefit Fund Administration Limited (Subsidiary)

The New Zealand Airline Pilots' Mutual Benefit Fund is a sickness, accident, and death benefit fund as approved by the Inland Revenue Department.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial functional and presentational currency. These financial statements have been rounded to the nearest dollar.

(a) Consolidation of Subsidiaries

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being The New Zealand Airline Pilots' Mutual Benefit Fund (the parent) and its subsidiary as defined in PBE IPSAS 6 (NFP) *Consolidated and Separate Financial Statements (Not-for-profit)*. A list of subsidiaries is above. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such subsidiary.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the Group are eliminated in full.

These notes to the financial statements form part of and are to be read in conjunction with these statements

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

(b) Plant and Equipment

The entity has the following classes of fixed assets;

Office Equipment	8.5 - 40% SL
Leasehold Improvements	7% DV

All plant and equipment is recorded at cost less accumulated depreciation.

Depreciation of plant and equipment has been calculated at the maximum rates permitted by the Income Tax Act 2007.

(c) Goods & Services Tax

Subsidiary financial statements are prepared and have been consolidated on a GST exclusive basis.

(d) Income Tax

The parent is exempt from income tax. The income tax expense charged to the Statement of Financial Performance recognises the current obligations of the subsidiary and all amounts arising from differences between the accounting results and assessable income for the period, calculated using the liability method.

(e) Investments

The carrying value of the Fund's financial assets depends upon the type of investment.

(i) Unit Trusts

Investments in this category are acquired principally for the purpose of selling and include all unit trust investments held through fund managers. They are stated at fair value, with any gain or loss recognised in the Statement of Financial Performance separately from the dividends or interest they may generate.

(ii) Term Deposits and Bank Accounts

Investments in this category have fixed or determinable payments of which the Fund intends to (and is able to) hold to maturity. These are stated at fair value less any impairment (which is recognised in the Statement of Financial Performance).

Investments are assessed for indicators of impairment at each reporting date. Investments are impaired when there is objective evidence that the value of the asset has been impacted as a result of one or more events that occurred after the initial recognition of the financial asset. Where an investment is deemed to be impaired the carrying amount is reduced via an allowance account, against which an uncollectible investment is written off. An investment is deemed to be uncollectible upon notification of insolvency of the company invested in or upon receipt of similar evidence that the Fund will be unable to collect the amount. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

(iii) Shares held by Parent in Subsidiary

The Fund holds 100% of the shares in the company. These shares are stated at cost.

(f) Leased Assets

Operating Leases

Operating leases are those where all the risks and benefits are substantially retained by the lessor. Lease payments are expensed in the periods the amounts are payable.

(g) Disability Benefits

The disability benefit expense includes an accrual which represents the Trustees' best estimate of the amount likely to be paid out to members whose claims have been received and approved and who have not re-licenced as at balance date.

The accrual requires significant judgement and estimation due to the nature of the benefits being paid. All claims are subject to medical review which is continually assessed. In addition the Trustees and employees have significant experience to call upon to exercise judgement on the potential extent of a liability for a member's claim.

These notes to the financial statements form part of and are to be read in conjunction with these statements

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

The assumptions used by the Trustees include:

-Where evidence available gives a relatively clear time period for the member returning to work then this time period is accrued as a liability.

-Where evidence available indicates it is improbable a member will return to work then the full value of the capital benefit is accrued as a liability.

-Where the evidence available means the Trustees are unable to identify a clear date for a potential return to work, or non-return to work, then an accrual is made for the period where there is relative certainty that the member will not return to work. For the period beyond where there is relative certainty, the Trustees have disclosed as a contingent liability the range of possible future disability benefit payments as well as the Trustees' best estimate of the likely liability based on the Trustees' experience and with reference to probabilities developed from historical payouts for the applicable conditions.

(h) Revenue Recognition

Administration Fees

Administration fees are recognised as revenue on an accrual basis.

Contributions Received

Contributions being a primary source of funding are recognised when they become receivable from members and employer contributions are recognised on an accrual basis.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

Dividend Income is recognised when the right to receive payment has been established.

(i) Bank Accounts and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

3 DISABILITY BENEFITS

As noted in the accounting policy at 1(g) the determination of the amount of liability in respect of member claims is subject to a significant degree of estimation and judgement. The disability accrual has been determined using all available evidence and in light of the Trustees' experience and judgement.

Disability Benefits Accrual

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current Portion	1,580,210	2,008,521	1,580,210	2,008,521
Non-Current Portion	1,803,410	1,554,908	1,803,410	1,554,908
Total Disability Accrual	<u>3,383,620</u>	<u>3,563,429</u>	<u>3,383,620</u>	<u>3,563,429</u>

During the year disability benefits of \$1,880,856 (2021: \$2,283,790) were paid out for claims where the event leading to the claim had occurred on or before 31 March 2021. This compares to \$2,008,521 (2021: \$2,105,926) which was the Trustees' estimate that was included in the current liabilities as at 31 March 2021.

These notes to the financial statements form part of and are to be read in conjunction with these statements

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Disability Accrual and Expense Reconciliation

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Opening Disability Accrual	3,563,429	2,702,680	3,563,429	2,702,680
Provision Utilised	(1,880,856)	(2,283,790)	(1,880,856)	(2,283,790)
Increase in Provision	1,701,047	3,144,539	1,701,047	3,144,539
Closing Disability Accrual	3,383,620	3,563,429	3,383,620	3,563,429
Disability Benefits Paid or Payable	2,415,517	2,650,207	2,415,517	2,650,207
Less: Provision Utilised	(1,880,856)	(2,283,790)	(1,880,856)	(2,283,790)
Plus: Increase in Provision	1,701,047	3,144,539	1,701,047	3,144,539
Recognised Disability Expense	2,235,708	3,510,956	2,235,708	3,510,956

4 CONTINGENT LIABILITIES

The obligation the Fund has in respect to existing claims on the Fund is contingent upon future events over which the Fund has no control. Due to the uncertainty surrounding certain future disability benefit payments the range of possible future disability benefit payments for which a liability has not been recognised has been calculated for claims approved prior to balance date being \$0 to \$2,995,254 (2021: \$0 to \$3,081,941). The Trustees' best estimate of the likely liability based on the Trustees' experience and with reference to probabilities developed from historical payout patterns for the applicable conditions is \$478,983 (2021: nil) as per accounting policy (g). The New Zealand Airline Pilots' Mutual Benefit Fund Group has not granted any securities in respect of liabilities payable by any other party.

Within the contingent liability range are the residual capital benefits of nil claimants (2021: nil claimants).

5 CAPITAL COMMITMENTS

At balance date there are no known Capital Commitments. (2021: Nil)

6 TAXATION

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net Surplus	1,167,504	(433,016)	1,164,253	(425,070)
Less: Parent Income Non-taxable	(1,164,253)	425,070	(1,164,253)	425,070
Add: Non-Deductible Expenses	782	(6,118)	-	-
Taxable income/(loss)	4,032	(14,064)	-	-
Taxation Adjustments				
Losses Brought Forward	(14,064)	-	-	-
Assessable Income/ (Losses Carried Forward)	(10,032)	(14,064)	-	-
Taxation at Current Rates	-	-	-	-
Tax Expense	-	-	-	-
Opening Income Tax Balance	2,940	6,200	-	-
Income Tax Paid	(2,940)	(3,260)	-	-
Total Income Tax	-	2,940	-	-
Total Tax to pay / (refund)	-	2,940	-	-

There are tax losses to carry forward to reduce potential future taxable income amounting to \$10,032 (2021: 14,064).

These notes to the financial statements form part of and are to be read in conjunction with these statements

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7 COMMITMENTS

The Mutual Benefit Fund Administration Ltd agreed to lease office space from Thorndon 2005 Limited in November 2020 for a period of two years. The lease agreement allows for a further rights of renewal at 1 November 2022 and 1 November 2024. The operating lease liabilities are as follows:

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current Portion	10,439	17,896	-	-
Non-Current Portion	-	10,439	-	-
Total	10,439	28,335	-	-

8 LOAN - MBFAL

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Mutual Benefit Fund Administration Ltd	-	-	22,500	32,500

The related party loan is repayable on demand and interest free.

9 BANK ACCOUNTS & TERM DEPOSITS

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
ANZ Bank	6,798,308	5,631,580	6,746,589	5,568,584
ASB Bank	2,000,000	2,000,000	2,000,000	2,000,000
BNZ Bank	2,000,000	4,750,000	2,000,000	4,750,000
Kiwibank Limited	1,000,000	1,500,000	1,000,000	1,500,000
Westpac Bank	3,500,000	3,500,000	3,500,000	3,500,000
	15,298,308	17,381,581	15,246,589	17,318,584
Current Portion	9,798,308	13,881,581	9,746,589	13,818,584
Non-Current Portion	5,500,000	3,500,000	5,500,000	3,500,000
	15,298,308	17,381,581	15,246,589	17,318,584

There was no overdraft as at balance date nor was any facility arranged.

10 INVESTMENTS

	Group		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
NZ Shares				
Mutual Benefit Fund Admin. Ltd	-	-	6,000	6,000
Total NZ Shares	-	-	6,000	6,000
Unit Trusts				
Milford Asset Management	4,020,547	1,847,017	4,020,547	1,847,017
Mint Asset Management	2,764,488	1,772,224	2,764,488	1,772,224
Total Fixed Interest	6,785,035	3,619,242	6,785,035	3,619,242
Current Portion	-	-	-	-
Non-Current Portion	6,785,035	3,619,242	6,791,035	3,625,242
Total Investments	6,785,035	3,619,242	6,791,035	3,625,242

These notes to the financial statements form part of and are to be read in conjunction with these statements

THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11 RELATED PARTIES

Mutual Benefit Fund Administration Limited is a wholly owned subsidiary of The New Zealand Airline Pilots' Mutual Benefit Fund. All transactions with The New Zealand Airline Pilots' Mutual Benefit Fund have been entered into the ordinary course of business, undertaken on commercial terms. There is a loan between the two entities which is interest free and repayable on demand, refer to note 8.

During the period there have been material transactions between The New Zealand Airline Pilots' Mutual Benefit Fund and related parties as follows:

Name of Related Party:

Penelope Ryder-Lewis

Types of transactions:

In addition to being a Trustee of the Fund, Penelope Ryder-Lewis is a principal at Bartlett Law which received fees for legal services provided to the Group. These fees totalled \$24,072 (2021: \$10,938). Of these amounts there was \$3,272 (2021: nil) payable and nil (2021: nil) accrued at balance date.

Name of Related Party:

Dr Simon Ryder-Lewis (brother of Trustee Penelope Ryder-Lewis)

Types of transactions:

In addition to being a brother of a Trustee of the Fund, Dr Simon Ryder-Lewis is a director and shareholder at Work Health Solutions Limited which received fees for case management services provided to the Group. These fees totalled \$32,501 (2021: \$49,817). Of these amounts there was \$2,619 (2021: nil) payable at balance date.

Name of Related Party:

Matthew Harrington

Types of transactions:

In addition to being a Trustee of the Fund, Matthew Harrington is a director and shareholder at Expand I.T. Limited which received fees for I.T. services provided to the Group. These fees totalled \$11,797 (2020: \$14,444). Of these amounts there was \$169 (2021: \$1,150) payable at balance date.

Name of Related Party:

Paul Kelway

Types of transactions:

In addition to being a Trustee of the Fund, Paul Kelway is a director and shareholder at Paulkelwayconsulting Limited which received fees for financial and management services provided to the Group. These fees totalled \$20,795 (2021: \$11,880). Nothing was payable at balance date.

12 SUBSEQUENT EVENTS

Subsequent to balance date the Trustees have approved 2 disability benefit applications which related to applications for benefits received prior to balance date, both of which have re-licenced since (2021: 3 claims). The sum total of capital benefit cover for these claims is \$887,806 (2021: \$187,106) and the Trustees' best estimate of payments expected to be made to these claimants based on the Trustees' judgement and historical payouts is nil, due to the fact that both claimants have since relicenced (2021: \$153,000).

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE NEW ZEALAND AIRLINE PILOTS' MUTUAL BENEFIT FUND GROUP**

Opinion

We have audited the performance report of The New Zealand Airline Pilots' Mutual Benefit Fund ("the Parent"), and the consolidated financial statements of the Parent and its subsidiaries (together, the "Group") which comprises the entity information, the statement of service performance, the Parent and consolidated statement of financial performance and Parent and consolidated statement of cash flows for the year ended 31 March 2022, the Parent and consolidated statement of financial position as at 31 March 2022, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2022;
 - the service performance for the year then ended; and
 - the Parent and consolidated financial position as at 31 March 2022, Parent and consolidated financial performance, and Parent and consolidated cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the Parent and consolidated statement of financial performance, Parent and consolidated statement of financial position, Parent and consolidated statement of cash flows, Parent and consolidated statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* 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.

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

Responsibilities of the Trustees for the Performance Report

The trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Group which comprises:
 - the entity information;
 - the statement of service performance; and
 - the Parent and consolidated statement of financial performance, Parent and consolidated statement of financial position, Parent and consolidated statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and
- c) such internal control as the trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the trustees are responsible on behalf of the Group for assessing 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 trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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

Who we Report to

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

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
14 June 2022

Financial Reports

Mutual Benefit Fund Administration Limited
For the year ended 31 March 2022

Prepared by Baker Tilly Staples Rodway Wellington

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Audit Report

Mutual Benefit Fund Administration Limited For the year ended 31 March 2022



BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MUTUAL BENEFIT FUND ADMINISTRATION LIMITED

Opinion

We have audited the financial statements of Mutual Benefit Fund Administration Limited ("the Company"), which comprise the statement of financial position as at 31 March 2022, the statement of movements in equity, and the statement of financial performance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company for the year ended 31 March 2022 are prepared, in all material respects, in accordance with the accounting policies specified in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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.

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

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared solely for the Company's shareholders, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Company's shareholders, as a body, and should not be distributed to or used by parties other than the Company or the Company's shareholders. Our opinion is not modified in respect of this matter.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Who we Report to

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

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
14 June 2022

Company Directory

Mutual Benefit Fund Administration Limited For the year ended 31 March 2022

Directors

- Thomas Fitzgerald
- Matthew Harrington
- Louise Maihi
- Hamish Murray
- Paul Robinson
- Alexis Ruth
- Philippa Schofield

Company Number

3074115

Date of Incorporation

31 August 2010

Bankers

ANZ

Solicitors

Bartlett Law

Wellington

Shareholders

Alexis Ruth, Craig Tolley, Hamish Murray, Louise Maihi, Matthew Harrington, Thomas Fitzgerald, Paul Kelway, Penelope Ryder-Lewis and Philippa Schofield - **6,000 Ordinary Shares**

Statement of Financial Performance

Mutual Benefit Fund Administration Limited For the year ended 31 March 2022

	NOTES	2022	2021
Income			
Administration Fees - PMBF		290,196	244,794
Administration Fees - ATCMBF		62,400	49,788
Total Income		352,596	294,582
Less Expenses			
Accident Compensation Levy		497	502
Accounting Fees		8,646	6,983
Audit Fees		4,070	3,509
Bank Fees		229	228
Car Parking Expenses		37	1,300
Communications		2,873	3,627
Computer Expenses		-	663
Depreciation		1,815	1,741
Directors Expenses		-	1,813
Directors Fees		76,582	70,102
Electricity		360	243
General Expenses		4,859	8,017
Hire of Equipment		-	1,880
Insurance		6,371	6,590
Legal expenses		20,723	1,870
Loss on Sale		1,295	1,109
Motor Vehicle Expenses		218	-
Office Expenses		235	-
Printing & Stationery		1,044	2,228
Recruitment Expenses		16,150	-
Rent		17,559	13,271
Repairs and Maintenance		217	3,968
Salaries		176,998	167,347
Staff Training		830	1,450
Support Services		6,607	4,086
Travel - National		1,133	-
Total Expenses		349,346	302,528
Net Surplus / (Deficit) Before Tax		3,250	(7,946)
Net Surplus / (Deficit) After Tax		3,250	(7,946)

These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.

Statement of Movements in Equity

Mutual Benefit Fund Administration Limited For the year ended 31 March 2022

	2022	2021
Equity		
Opening Balance	4,481	12,427
Increases		
Surplus/(Deficit) for the Year	3,250	(7,946)
Total Increases	3,250	(7,946)
Total Equity	7,732	4,481


These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.


Statement of Financial Position

Mutual Benefit Fund Administration Limited As at 31 March 2022

	NOTES	2021	2020
Assets			
Current Assets			
Cash and Bank Accounts	5	51,719	62,996
Payments in Advance		3,615	3,732
Total Current Assets		55,334	66,729
Non-Current Assets			
Property, Plant and Equipment	7	568	2,747
Total Non-Current Assets		568	2,747
Total Assets		55,901	69,475
Liabilities			
Current Liabilities			
Accounts Payable and Accruals		9,700	12,971
GST Payable		15,970	16,583
Taxation	6	-	2,940
Total Current Liabilities		25,670	32,494
Non-Current Liabilities			
Loan - NZAPMBF	9	22,500	32,500
Total Non-Current Liabilities		22,500	32,500
Total Liabilities		48,170	64,994
Net Assets		7,732	4,481
Equity			
Share Capital		6,000	6,000
Retained Earnings / (Accumulated Losses)		1,732	(1,519)
Total Equity		7,732	4,481

These financial statements are signed on behalf of the company by;

Director 

Director 

Date 14/06/2022

These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.

Notes to and Forming part the Financial Statements

Mutual Benefit Fund Administration Limited For the year ended 31 March 2022

1. Statement of Accounting Policies

Reporting Entity

These financial statements are special purpose financial statements and have been prepared to meet the requirements of the shareholders and their group reporting obligations and for income tax purposes, in compliance with section 21B of the Tax Administration Act 1994.

The company is not required to prepare general purpose financial statements in accordance with the Companies Act 1993.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The figures in the financial statements have been presented rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) Property, Plant and Equipment

All property, plant and equipment are recorded at cost less accumulated depreciation.

Depreciation of the property, plant and equipment has been calculated at the maximum rates permitted by the Income Tax Act 2007.

The entity has the following classes of fixed assets:

Leasehold Improvements	7% DV
Office Equipment	8.5 - 40% SL

(b) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis, except for trade payables and trade receivables which are inclusive.

(c) Income Tax

Income tax expense charged to the Statement of Financial Performance recognises the current obligations and all amounts arising from differences between the accounting results and assessable income for the period, calculated using the liability method.

These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.

2. Contingent Liabilities

At balance date there are no known contingent liabilities (2021: none). Mutual Benefit Fund Administration Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.

3. Capital Commitments

At balance date there are no known Capital Commitments (2021: none).

4. Imputation Credit Account

At balance date imputation credits available to the shareholders were \$6,211 (2021: \$3,271).

	2022	2021
5. Cash and Bank Accounts		
ANZ Bank Account	51,719	62,996
Total Cash and Bank Accounts	51,719	62,996

There was no overdraft as at balance date nor was any facility arranged.

	2022	2021
6. Taxation		
Net Surplus / (Deficit) Before Tax		
Net Profit / (Loss) Before Tax	3,250	(7,946)
Total Net Surplus / (Deficit) Before Tax	3,250	(7,946)
Non Deductible Expenses	782	(6,118)
Taxable income / (loss)	4,032	(14,064)
Taxation Adjustments		
Losses Brought Forward	(14,064)	-
Assessable Income/ (Losses Carried Forward)	(10,032)	(14,064)
Taxation at Current Rates	-	-
Income Tax Expense	-	-
Income Tax		
Opening Balance	2,940	6,200
Income tax paid	(2,940)	(3,260)
Total Income Tax	-	2,940
Total tax to pay / (Refund)	-	2,940
	2022	2021
Non Deductible Expenditure		
Holiday Pay Accrual	782	(6,118)
Total Non Deductible Expenditure	782	(6,118)

Tax losses amounting to \$10,032 (2021: 14,064) can be carried forward to reduce potential future taxable income. Such benefit has not been recorded in the financial statements and will be subject to current income tax legislation.

These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.

	2022	2021
7. Property, Plant and Equipment		
Leasehold Improvements		
At Cost	-	1,371
Less Accumulated Depreciation	-	(377)
Total	-	994
Office Equipment		
At Cost	15,152	14,905
Less Accumulated Depreciation	(14,585)	(13,153)
Total	568	1,752
Total Property, Plant and Equipment	568	2,747

8. Lease Commitments

The Mutual Benefit Fund Administration Limited agreed to lease office space from Thorndon 2005 Limited in November 2020. The first right of renewal date is November 2022. The next renewal date is November 2024.

	2022	2021
Lease Commitments		
Current Portion	10,439	17,896
Non Current Portion	-	10,439
Total	10,439	28,335
	2022	2021

9. Loan - New Zealand Airline Pilots' Mutual Benefit Fund

Loan - NZAPMBF	22,500	32,500
Total Loan - New Zealand Airline Pilots' Mutual Benefit Fund	22,500	32,500

The related party loan is repayable on demand and is interest free.

10. Related Parties

Mutual Benefit Fund Administration Limited provides administration services to its sole shareholder the New Zealand Airline Pilots' Mutual Benefit Fund. These services are provided on an arms length basis and fees for the year were \$290,196 (2021: \$244,794). There is a loan between the two entities which is interest free and repayable on demand, refer to note 10.

Matthew Harrington is a director of both Expand IT Limited and Mutual Benefit Fund Administration Limited. Expand IT Limited provides IT support and fees for the year were \$3,915 (2021: \$3,814).

Penelope Ryder-Lewis is a shareholder of Mutual Benefit Fund Administration Limited and a principal at Bartlett Law. Bartlett Law provides legal services and fees for the year were \$16,722 (2021: \$956).

11. Subsequent Events

There have been no events subsequent to balance date that have affected these financial statements.

These Financial Statements have been subject to an audit or review engagement and must be read in conjunction with the Notes to the Financial Statements.