

Miriam Taris  
Chief Executive  
Western Bay of Plenty District Council  
Private Bag 12 803  
TAURANGA 3143

21 September 2021

Dear Miriam,

**New Appointments and Half-Yearly Accounts to 30 June 2021**

**Board Chair:** I have been elected Chair of Civic Financial Services Limited, having been a director of the company and chair of the Risk and Audit Committee for several years. I feel privileged to take over this position from Tony Marryatt who continues to serve as a director. During his time as Chairman Tony successfully led Civic as the company settled claims relating to the Canterbury earthquakes, restructured and rebranded the company and sold Civic Assurance House to allow payment of the net proceeds to shareholders. I look forward to continuing the Board's work for you and the sector.

**Chief Executive Officer:** The Board has received notice from Ian Brown about his intention to retire from Civic. Following a rigorous process, the Board has appointed Charlie Howe to the position of Civic CEO from 1 September 2021, with Ian taking the role of Executive Consultant until his retirement early next year. Charlie brings to Civic a wealth of experience in leadership roles at the Ministry of Social Development following extensive business and retail banking experience with ANZ Bank. The Board has acknowledged Ian's service to the company and is pleased to welcome Charlie to the role of CEO. Charlie is looking forward to meeting with you in person when lock-down conditions ease.

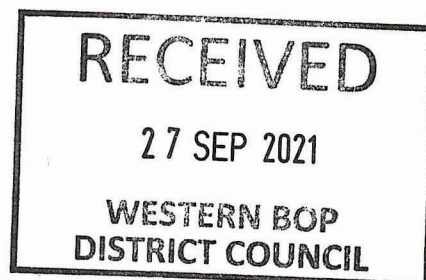
**Half-Yearly Accounts to 30 June 2021:** Enclosed is your copy of the half-yearly accounts for Civic Financial Services Limited to 30 June 2021. As reflected in the accounts, Civic's income is derived from administration services and investment income. In addition to administering Riskpool, Civic Liability Pool and the LAPP Fund, Civic administers the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes which are offered to local government on an exclusive basis. I am pleased to note that the company is tracking above budget and has returned an (unaudited) pre-tax profit of \$0.399 million for the first half of 2021 while continuing to maintain a strong financial position.

Civic provides superannuation services to 76 councils, through administration of the SuperEasy and the SuperEasy KiwiSaver Schemes, which have some \$530 million funds under management. Over 11,000 members use those superannuation services, and it is noteworthy that 69 Councils have appointed Civic as their preferred KiwiSaver provider. The Board policies are aimed at continuing to improve those services to members, councils and the local government sector.

Yours sincerely



John Melville  
Chair



**CIVIC FINANCIAL SERVICES LTD**

**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Six Months		Full Year	
	Note	2021 \$000	2020 \$000	2020 \$000
<b>REVENUE</b>				
Administration Fees		1,533	1,469	2,973
Income from Investments		55	75	141
<b>TOTAL REVENUE</b>		<u>1,587</u>	<u>1,543</u>	<u>3,115</u>
<b>EXPENDITURE</b>				
Depreciation & Amortisation		9	9	16
Employee Remuneration		340	348	746
Other Expenses		839	872	1,872
<b>TOTAL EXPENDITURE</b>		<u>1,188</u>	<u>1,229</u>	<u>2,635</u>
<b>NET SURPLUS BEFORE TAXATION</b>		<u>399</u>	<u>315</u>	<u>480</u>
Less Taxation Expense	6	88	88	136
<b>NET SURPLUS AFTER TAXATION</b>		<u>311</u>	<u>227</u>	<u>345</u>

**STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Six Months		Full Year	
		2021 \$000	2020 \$000	2020 \$000
Equity as at 1 January		10,822	10,477	10,477
Net Surplus After Taxation		311	227	345
<b>EQUITY AS AT 30 JUNE</b>		<u>11,133</u>	<u>10,704</u>	<u>10,822</u>

**STATEMENT OF FINANCIAL POSITION (Unaudited)  
AS AT 30 JUNE 2020**

	2021 \$000	2020 \$000	2020 \$000
<b>EQUITY</b>			
Capital	10,764	10,764	10,764
Retained Earnings	369	(60)	58
<b>TOTAL EQUITY</b>	<u>11,133</u>	<u>10,704</u>	<u>10,822</u>
<b>Represented By:</b>			
<b>Current Assets</b>			
Bank & Cash Equivalents	975	124	897
Term Deposits	5,335	4,935	4,735
Receivables	497	457	526
Loans	7 2,119	2,877	2,588
<b>TOTAL CURRENT ASSETS</b>	<u>8,925</u>	<u>8,393</u>	<u>8,747</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment & Intangible Assets	202	155	200
Deferred Tax Asset	2,262	2,398	2,350
<b>TOTAL NON CURRENT ASSETS</b>	<u>2,465</u>	<u>2,553</u>	<u>2,550</u>
<b>TOTAL ASSETS</b>	<u>11,390</u>	<u>10,946</u>	<u>11,297</u>
<b>Current Liabilities</b>			
Sundry Creditors & Accrued Charges	241	226	449
<b>TOTAL CURRENT LIABILITIES</b>	<u>241</u>	<u>226</u>	<u>449</u>
<b>Non Current Liabilities</b>			
CLP/ Riskpool Admin Fee Reserve	16	16	26
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>16</u>	<u>16</u>	<u>26</u>
<b>TOTAL LIABILITIES</b>	<u>258</u>	<u>242</u>	<u>475</u>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>	<u>11,133</u>	<u>10,704</u>	<u>10,822</u>

The notes to the accounts on page 3 form part of and are to be read in conjunction with these Statements.



**CIVIC FINANCIAL SERVICES LTD**

**STATEMENT OF CASH FLOWS (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Six Months		FULL YEAR	
	Notes	2021 \$000	2020 \$000	2020 \$000
<b>Cash Flows from Operating Activities</b>				
Cash from operating activities:		1,522	1,525	2,971
Cash applied to operating activities:		1,346	1,185	2,361
<b>Net Cashflow from Operating Activities</b>	5	178	341	611
<b>Cash Flows from Investing Activities</b>				
Cash provided from investing activities:		(577)	409	4,068
Cash applied to investing activities:		(459)	921	4,056
<b>Net Cashflow from Investing Activities</b>		(118)	(512)	12
<b>Cash Flows from Financing Activities</b>				
Cash was provided from financing activities:		31	21	-
Cash applied to financing activities:		12	-	-
<b>Net Cashflow from Financing Activities</b>		19	21	-
Net Decrease in Cash Held		78	(150)	623
Opening Cash Balance as at 1 January		897	274	274
<b>Closing Cash Balance as at 30 June</b>		975	124	897
<b>Being:</b>				
Bank & Cash Equivalents		975	124	897

The notes to the accounts on page 3 form part of and are to be read in conjunction with this statement.

**CIVIC FINANCIAL SERVICES LTD**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**Notes to the Financial Statements**

**1 Statement of Compliance**

The Group is a Tier 1 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 1 Public Sector Public Benefit Entity (PBE) Standards.

**2 Accounting policies**

The accounting policies applied in the preparation of the half year financial statements are consistent with those disclosed in the 2020 annual report.

**3 Basis of Preparation**

These interim financial statements have been prepared in accordance with PBE IAS 34 - Interim Financial Reporting, and should be read in conjunction with the Company's annual financial report for the year ended 31 December 2020. Disclosures in these interim financial statements are less extensive than those in the annual financial report.

**4 Comparative figures.**

The comparative figures are for the six months ended 30 June 2020 and the year ended 31 December 2020.

**5 Reconciliation of net surplus after tax with cash flow from operating activity.**

	Six Months		Full Year
	2021	2020	2020
	\$000	\$000	\$000
<b>Reported Surplus After Taxation</b>	311	227	345
<b>Add/(less) non cash items</b>			
Loan Interest	(30)	(20)	(51)
Depreciation	10	10	16
Deferred Tax Liability	88	88	136
Movement in CLP/ Riskpool Admin Fee Reserve	(10)	(10)	(19)
	<u>58</u>	<u>68</u>	<u>82</u>
<b>Add/(less) movements in other working capital items</b>			
Accounts Receivable	28	96	28
Accounts Payable	(208)	4	246
	<u>(180)</u>	<u>100</u>	<u>274</u>
<b>Less Items Classified as investing activity</b>	(23)	(54)	(90)
<b>Less Items Classified as financing activity</b>	12	-	-
	<u>178</u>	<u>341</u>	<u>611</u>
<b>Net Cash Outflow from Operating Activities</b>	<u>178</u>	<u>341</u>	<u>611</u>

**6 Income Tax**

The income tax liability for June 2021 is nil as the Company has unused tax credits with which it will use to offset any income tax expense .

7 Secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") were entered into in February 2017 and August 2017 for \$2,250,0000 each to assist with Riskpool's cashflow. Both loans are arm's length and on commercial terms. Any loan may be repaid by Riskpool at any time without penalty and the agreement terminated by either party with six months' notice.

**8 Contingent liabilities.**

The contingent liabilities are:

- i) 100,000 uncalled shares in the wholly owned subsidiary, Local Government Superannuation Trustee Limited.
- ii) 1,000 uncalled shares in the wholly owned subsidiary, Local Government Mutual Funds Trustee Limited.
- iii) 100 uncalled shares in the wholly owned subsidiary, SuperEasy Limited.
- iv) 100 uncalled shares in the wholly owned subsidiary, Local Government Finance Corporation Limited.

**9 Events occurring after reporting date**

- ii) There have been no significant events since the reporting date that affect the results disclosed in the half year financial statements.