

**CIVIC FINANCIAL SERVICES LTD**
**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Note	Six Months				Full Year	
		2017 Group	2016 Group	2017 Parent	2016 Parent	2016 Group	2016 Parent
<b>REVENUE</b>							
Underwriting Surplus		-	1,774	-	1,774	1,998	1,998
Administration Fees		1,380	1,362	1,380	1,362	2,359	2,359
Income from Investments		79	201	79	201	284	284
Property Income		393	369	393	369	859	859
Other Income		-	-	51	-	1	1
		<u>1,852</u>	<u>3,706</u>	<u>1,903</u>	<u>3,706</u>	<u>5,501</u>	<u>5,501</u>
<b>EXPENDITURE</b>							
Property Operating Expenses		246	219	246	219	510	510
Depreciation & Amortisation		20	21	20	21	42	42
Employee Remuneration		514	884	514	884	1,622	1,622
Other Expenses		866	1,067	866	1,067	1,989	1,990
		<u>1,646</u>	<u>2,191</u>	<u>1,646</u>	<u>2,191</u>	<u>4,163</u>	<u>4,164</u>
Plus Share of Profit of Associate		-	6	-	6	(3)	-
Less Taxation Expense	6	58	426	58	426	360	360
<b>NET SURPLUS AFTER TAXATION</b>		<u>148</u>	<u>1,095</u>	<u>199</u>	<u>1,095</u>	<u>975</u>	<u>977</u>

**STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Six Months				Full Year	
	2017 Group	2016 Group	2017 Parent	2016 Parent	2016 Group	2016 Parent
Equity as at 1 January	17,204	16,032	17,273	16,099	16,032	16,099
Net Surplus After Taxation	148	1,095	199	1,095	975	977
Ordinary Shares issued during the year	-	197	-	197	197	197
<b>EQUITY AS AT 30 JUNE</b>	<u>17,352</u>	<u>17,324</u>	<u>17,472</u>	<u>17,391</u>	<u>17,204</u>	<u>17,273</u>

**STATEMENT OF FINANCIAL POSITION (Unaudited)  
AS AT 30 JUNE 2017**

	2017 Group	2016 Group	2017 Parent	2016 Parent	2016 Group	2016 Parent
<b>EQUITY</b>						
Capital	10,764	10,764	10,764	10,764	10,764	10,764
Retained Earnings	6,588	6,560	6,708	6,627	6,440	6,510
<b>TOTAL EQUITY</b>	<u>17,352</u>	<u>17,324</u>	<u>17,472</u>	<u>17,391</u>	<u>17,204</u>	<u>17,274</u>
Represented By:						
<b>Current Assets</b>						
Bank & Cash Equivalents	4,672	6,949	4,672	6,899	6,111	6,061
Receivables	458	313	458	313	558	558
Loans	7	1,502	-	1,502	-	-
<b>TOTAL CURRENT ASSETS</b>	<u>6,632</u>	<u>7,262</u>	<u>6,632</u>	<u>7,212</u>	<u>6,669</u>	<u>6,619</u>
<b>Non-Current Assets</b>						
Property, Plant & Equipment & Intangible Assets	261	285	261	285	279	279
Deferred Tax Asset	3,214	3,206	3,214	3,206	3,273	3,273
<b>TOTAL NON CURRENT ASSETS</b>	<u>3,475</u>	<u>3,491</u>	<u>3,475</u>	<u>3,491</u>	<u>3,552</u>	<u>3,552</u>
<b>Investments</b>						
Investment in Associate	-	3	-	-	-	-
Investment Property	7,938	7,587	7,938	7,587	7,925	7,925
<b>TOTAL INVESTMENTS</b>	<u>7,938</u>	<u>7,590</u>	<u>7,938</u>	<u>7,587</u>	<u>7,925</u>	<u>7,925</u>
<b>TOTAL ASSETS</b>	<u>18,045</u>	<u>18,343</u>	<u>18,045</u>	<u>18,290</u>	<u>18,146</u>	<u>18,096</u>
<b>Current Liabilities</b>						
Sundry Creditors & Accrued Charges	300	307	300	307	669	549
<b>TOTAL CURRENT LIABILITIES</b>	<u>300</u>	<u>307</u>	<u>300</u>	<u>307</u>	<u>669</u>	<u>549</u>
<b>INSURANCE PROVISIONS</b>	-	592	-	592	-	-
<b>Non Current Liabilities</b>						
CLP/ Riskpool Admin Fee Reserve	273	-	273	-	273	273
Subordinated Debt	120	120	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>393</u>	<u>120</u>	<u>273</u>	<u>-</u>	<u>273</u>	<u>273</u>
<b>TOTAL LIABILITIES</b>	<u>693</u>	<u>1,019</u>	<u>573</u>	<u>899</u>	<u>942</u>	<u>822</u>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>	<u>17,352</u>	<u>17,324</u>	<u>17,472</u>	<u>17,391</u>	<u>17,204</u>	<u>17,274</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 2017**

	Six Months				FULL YEAR		
	Notes	2017 Group	2016 Group	2017 Parent	2016 Parent	2016 Group	2016 Parent
<b>Cash Flows from Operating Activities</b>							
Cash from operating activities:		1,831	11,297	1,880	11,297	499,754	499,754
Cash applied to operating activities:		1,753	4,873	1,752	4,873	493,841	493,841
<b>Net Cashflow from Operating Activities</b>	<b>5</b>	<u>78</u>	<u>6,424</u>	<u>128</u>	<u>6,424</u>	<u>5,913</u>	<u>5,913</u>
<b>Cash Flows from Investing Activities</b>							
Cash provided from investing activities:		-	6	-	6	8	8
Cash applied to investing activities:		15	132	15	132	461	461
<b>Net Cashflow from Investing Activities</b>		<u>(15)</u>	<u>(126)</u>	<u>(15)</u>	<u>(126)</u>	<u>(453)</u>	<u>(453)</u>
<b>Cash Flows from Financing Activities</b>							
Cash was provided from financing activities:		-	197	-	197	197	197
Cash applied to financing activities:		1,502	-	1,502	-	-	-
<b>Net Cashflow from Financing Activities</b>		<u>(1,502)</u>	<u>197</u>	<u>(1,502)</u>	<u>197</u>	<u>197</u>	<u>197</u>
Net Decrease in Cash Held		(1,439)	6,495	(1,389)	6,495	5,657	5,657
Opening Cash Balance as at 1 January		6,111	454	6,061	404	454	404
<b>Closing Cash Balance as at 30 June</b>		<u>4,672</u>	<u>6,949</u>	<u>4,672</u>	<u>6,899</u>	<u>6,111</u>	<u>6,061</u>
<b>Being:</b>							
Bank & Cash Equivalents		<u>4,672</u>	<u>6,949</u>	<u>4,672</u>	<u>6,899</u>	<u>6,111</u>	<u>6,061</u>

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 2017**

**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 2016 annual report except that the investment property has not been revalued.

**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 2016. 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 2016 and the year ended 31 December 2016.

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

	Six Months				Full Year	
	2017 Group	2016 Group	2017 Parent	2016 Parent	2016 Group	2016 Parent
<b>Reported Surplus After Taxation</b>	148	1,095	199	1,095	975	977
<b>Add/(less) non cash items</b>						
Depreciation	21	21	21	21	42	42
Deferred Tax Liability	58	426	58	426	360	360
Movement in CLP/ Riskpool Admin Fee Reserve	-	-	-	-	386	386
Net change in fair value of property	-	-	-	-	(97)	(97)
Share of Profit of Associate	-	-	-	-	3	-
	<u>79</u>	<u>447</u>	<u>79</u>	<u>447</u>	<u>694</u>	<u>691</u>
<b>Add/(less) movements in other working capital items</b>						
Accounts Receivable	102	568,593	102	568,593	568,348	568,348
Accounts Payable	(248)	(553,621)	(249)	(553,621)	(553,491)	(553,491)
Insurance Provisions	-	(10,016)	-	(10,016)	(10,608)	(10,608)
Reinsurance Received in Advance	-	-	-	-	-	-
Tax Refund Due	(3)	2	(3)	2	2	2
	<u>(149)</u>	<u>4,958</u>	<u>(150)</u>	<u>4,958</u>	<u>4,250</u>	<u>4,250</u>
<b>Less Items Classified as investing activity</b>	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>(76)</u>	<u>(6)</u>	<u>(6)</u>
<b>Net Cash Outflow from Operating Activities</b>	<u><u>78</u></u>	<u><u>6,424</u></u>	<u><u>128</u></u>	<u><u>6,424</u></u>	<u><u>5,913</u></u>	<u><u>5,913</u></u>

**6 Income Tax**

The income tax liability for June 2017 is nil as the Company has unused tax credits with which it will use to offset any income tax expense .

**7 Significant Events**

During the six months to 30 June 2017:

- i) a secured loan facility agreement between the Company and Local Government Mutual Funds Trustee Limited (LGMFT) was entered into whereby the Company loans LGMFT up to \$3,000,000 at commercial interest rates.
- ii) the wholly owned subsidiary, Civic Assurance Limited, was voluntarily deregistered. The Company had 1,000 uncalled shares in the wholly owned subsidiary.

**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) 100,000 uncalled shares in the wholly owned subsidiary, NZ Local Government Finance Corporation Limited.
- iv) 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**

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