

CIVIC FINANCIAL SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

| | Six Months | | Full Year | |
|------------------------------------|------------|-------------------|-------------------|---------------------|
| | Note | 2020 \$000 | 2019 \$000 | 2019 \$000 |
| REVENUE | | | | |
| Administration Fees | | 1,469 | 1,434 | 2,948 |
| Income from Investments | | 75 | 222 | 330 |
| Property Income | | - | 459 | 572 |
| Gain on sale of Building | | - | - | 1,210 |
| TOTAL REVENUE | | <u>1,543</u> | <u>2,115</u> | <u>5,059</u> |
| EXPENDITURE | | | | |
| Property Operating Expenses | | - | 369 | 396 |
| Depreciation & Amortisation | | 9 | 21 | 35 |
| Employee Remuneration | | 348 | 384 | 751 |
| Other Expenses | | 872 | 836 | 1,626 |
| TOTAL EXPENDITURE | | <u>1,229</u> | <u>1,610</u> | <u>2,808</u> |
| NET SURPLUS BEFORE TAXATION | | <u>314</u> | <u>505</u> | <u>2,251</u> |
| Less Taxation Expense | 6 | 88 | 141 | 301 |
| NET SURPLUS AFTER TAXATION | | <u><u>226</u></u> | <u><u>364</u></u> | <u><u>1,950</u></u> |

**STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

| | Six Months | | Full Year |
|-----------------------------|----------------------|----------------------|----------------------|
| | 2020 \$000 | 2019 \$000 | 2019 \$000 |
| Equity as at 1 January | 10,477 | 17,945 | 17,945 |
| Net Surplus After Taxation | 226 | 364 | 1,950 |
| Dividend Payment | - | - | (9,418) |
| EQUITY AS AT 30 JUNE | <u><u>10,703</u></u> | <u><u>18,309</u></u> | <u><u>10,477</u></u> |

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

| | 2020 \$000 | 2019 \$000 | 2019 \$000 |
|---|----------------------|----------------------|----------------------|
| EQUITY | | | |
| Capital | 10,764 | 10,764 | 10,764 |
| Retained Earnings | (60) | 7,545 | (286) |
| TOTAL EQUITY | <u><u>10,703</u></u> | <u><u>18,309</u></u> | <u><u>10,477</u></u> |
| Represented By: | | | |
| Current Assets | | | |
| Bank & Cash Equivalents | 124 | 548 | 274 |
| Term Deposits | 4,935 | 4,100 | 5,290 |
| Receivables | 457 | 940 | 555 |
| Loans | 7 | 2,877 | 5,755 |
| TOTAL CURRENT ASSETS | <u><u>8,393</u></u> | <u><u>11,343</u></u> | <u><u>8,116</u></u> |
| Non-Current Assets | | | |
| Property, Plant & Equipment & Intangible Assets | 155 | 248 | 123 |
| Deferred Tax Asset | 2,398 | 2,646 | 2,486 |
| TOTAL NON CURRENT ASSETS | <u><u>2,553</u></u> | <u><u>2,894</u></u> | <u><u>2,610</u></u> |
| Investments | | | |
| Investment Property | - | 8,535 | - |
| TOTAL INVESTMENTS | <u><u>-</u></u> | <u><u>8,535</u></u> | <u><u>-</u></u> |
| TOTAL ASSETS | <u><u>10,946</u></u> | <u><u>22,772</u></u> | <u><u>10,725</u></u> |
| Current Liabilities | | | |
| Sundry Creditors & Accrued Charges | 226 | 4,376 | 203 |
| TOTAL CURRENT LIABILITIES | <u><u>226</u></u> | <u><u>4,376</u></u> | <u><u>203</u></u> |
| Non Current Liabilities | | | |
| CLP/ Riskpool Admin Fee Reserve | 16 | 87 | 45 |
| TOTAL NON-CURRENT LIABILITIES | <u><u>16</u></u> | <u><u>87</u></u> | <u><u>45</u></u> |
| TOTAL LIABILITIES | <u><u>242</u></u> | <u><u>4,463</u></u> | <u><u>248</u></u> |
| EXCESS OF ASSETS OVER LIABILITIES | <u><u>10,703</u></u> | <u><u>18,309</u></u> | <u><u>10,477</u></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 2020

| | Six Months | | FULL YEAR | |
|---|------------|---------------|----------------|-----------------|
| | Notes | 2020 \$000 | 2019 \$000 | 2019 \$000 |
| Cash Flows from Operating Activities | | | | |
| Cash from operating activities: | | 1,525 | 1,865 | 3,406 |
| Cash applied to operating activities: | | 1,185 | 1,517 | 2,606 |
| Net Cashflow from Operating Activities | 5 | 341 | 349 | 800 |
| Cash Flows from Investing Activities | | | | |
| Cash provided from investing activities: | | 409 | 385 | 14,532 |
| Cash applied to investing activities: | | 921 | 3,672 | 5,106 |
| Net Cashflow from Investing Activities | | (512) | (3,287) | 9,426 |
| Cash Flows from Financing Activities | | | | |
| Cash was provided from financing activities: | | 21 | 168 | 184 |
| Cash applied to financing activities: | | - | 95 | 13,549 |
| Net Cashflow from Financing Activities | | 21 | 73 | (13,365) |
| Net Decrease in Cash Held | | (150) | (2,865) | (3,140) |
| Opening Cash Balance as at 1 January | | 274 | 3,414 | 3,414 |
| Closing Cash Balance as at 30 June | | 124 | 548 | 274 |
| Being: | | | | |
| Bank & Cash Equivalents | | 124 | 548 | 274 |

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 2020

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 2019 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 2019. 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 2019 and the year ended 31 December 2019.

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

| | Six Months | | Full Year |
|--|-------------------|-------------------|-------------------|
| | 2020 \$000 | 2019 \$000 | 2019 \$000 |
| Reported Surplus After Taxation | 226 | 364 | 1,950 |
| Add/(less) non cash items | | | |
| Loan Interest | (20) | 333 | (31) |
| Depreciation | 10 | 22 | 35 |
| Deferred Tax Liability | 88 | 141 | 301 |
| Movement in CLP/ Riskpool Admin Fee Reserve | (10) | (10) | (19) |
| | <u>68</u> | <u>486</u> | <u>286</u> |
| Add/(less) movements in other working capital items | | | |
| Accounts Receivable | 96 | (153) | 40 |
| Accounts Payable | 4 | 107 | (99) |
| Tax Refund Due | - | 4 | 4 |
| | <u>100</u> | <u>(43)</u> | <u>(55)</u> |
| Less Items Classified as investing activity | (54) | (385) | (1,512) |
| Less Items Classified as financing activity | - | (73) | 130 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net Cash Outflow from Operating Activities | <u>341</u> | <u>349</u> | <u>800</u> |

6 Income Tax

The income tax liability for June 2020 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.