



# ANNUAL REPORT 2023

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**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2023**

Your Directors have pleasure in submitting the 63rd Annual Report of the affairs of the Company (formerly New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance) for the year ended 31 December 2023, which is to be presented at the Annual General Meeting of Members in June 2024.

Directors operate under a Charter which outlines the specific role and responsibilities of the Board. Each Director must be assessed as being fit and proper in accordance with Civic's Fit and Proper Policy and at least two Directors must be independent, being neither a member or an employee of a local authority. The Directors are all subject to Civic's Code of Ethics. The Board has a Risk and Audit Committee which is governed by its own Charter and is responsible for maintaining the Board's risk management processes and policies, including ensuring compliance with regulatory and legal standards. .

**1. PERFORMANCE**

Civic's before-tax profit in 2023 was \$439,242.

This compares favourably to the budgeted before-tax surplus of \$147,868 as set out in the 2023 Statement of Intent.

This increased profit is primarily due to receiving higher than anticipated investment income over the year and a slight underspend in administration expenses also contributing.

**2. OPERATIONS****Administration Services**

Fees in 2023 from providing services to LAPP, Riskpool, the SuperEasy Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme were \$2,919,375 (2022: \$2,904,682).

**Investment Revenue**

Income from investments was \$613,757 (2022: \$266,148).

**Sponsorship and Support for the Sector**

Civic continues as a sponsor of Taituarā – Local Government Professionals Aotearoa (previously known as SOLGM – Society of Local Government Managers) events both at a regional and national level.

**3. ASSOCIATED ENTITIES****Local Government Superannuation Trustee Limited**

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the Local Government Superannuation Scheme (SuperEasy Employer

Scheme) and SuperEasy KiwiSaver Superannuation Scheme. Both Schemes are administered by Civic and are registered with the Financial Markets Authority. Director appointments to LGST are made by Local Government New Zealand (two), Civic (one), Council of Trade Unions (one), Taituarā (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The Schemes feature low member charges and simple administration for councils. The Schemes offer an 'Automatic Fund', in which each member's risk exposure is gradually and automatically switched from growth assets to income assets as the member gets older. The SuperEasy website is [www.supereasy.co.nz](http://www.supereasy.co.nz).

The Schemes have a combined membership of over 11,500, with funds under management as at December 2023 of \$559 million (December 2022 \$496 million). Of the councils that have a preferred provider for KiwiSaver, 70 out of 73 (95%) have appointed Civic. The investments of the funds are managed by Harbour Asset Management Limited and ANZ New Zealand Investments Limited.

**LAPP Disaster Fund**

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993 to assist with the reinstatement of lost or damaged local government underground infrastructure. LAPP's membership is 23. LAPP's website is: [www.lappfund.co.nz](http://www.lappfund.co.nz). Civic is the administration and fund manager for LAPP.

LAPP is currently managing Marlborough District Council's claim that resulted from the severe flood damage that hit the Marlborough region in July 2021 and claims from Hastings District Council and Wairoa District Council as a result of damage from Cyclone Gabrielle in February 2023. At the time of writing it is unknown how much these claims will be, but they will be well within LAPP's ability to pay, providing the benefit of full cover for all of the flood damaged assets registered with LAPP.

## DIRECTORS' REPORT

### *Riskpool / Civic Liability Pool (CLP)*

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. Riskpool is a mutual liability fund governed by a trust deed and can call on its member councils for financial support. CLP is similar to Riskpool but has no facility for calls. With reducing council support for Riskpool, it became increasingly difficult to offer competitively priced cover and risk management services. Consequently Riskpool/CLP decided to cease providing cover from 1 July 2017 and is now in run-off mode. Riskpool made a call on members in 2023 and is currently working through some claims that involve both weathertight and non-weathertight issues (mixed defect claims) before Riskpool is able to be wound up.

Local Government Mutual Funds Trustee Limited (LGMFT) is the trustee of Riskpool and CLP. Civic is the Fund Manager and Scheme Manager for Riskpool and Administration Manager for CLP.

Civic had entered into arm's length, secured loan facility agreements on commercial terms with LGMFT to enable Riskpool to manage its cashflows. These loan facilities were repaid in full in 2023 following the Riskpool call on members.

## 4. DIRECTORS

As at 31 December 2023 there were five Civic directors: Marty Grenfell, Nicola Mills, Ken Morris, Basil Morrison, and Craig Stevenson.

John Melville and Jo Miller retired as directors with effect from 16 June 2023. Marty Grenfell and Ken Morris were appointed directors on 16 June 2023.

### *Director attendances at Board meetings held in 2023:*

Marty Grenfell	2 / 2
John Melville	4 / 4
Jo Miller	0 / 4
Nicola Mills	6 / 6
Ken Morris	1 / 2
Basil Morrison	6 / 6
Craig Stevenson	6 / 6

### *Section 139 of the Companies Act 1993*

All Civic directors are directors of LGMFT except Basil Morrison who resigned from LGMFT in March 2019 to ensure that one Civic director was independent of LGMFT.

There are no other notices required under section 139 of the Companies Act 1993 except for Directors' remuneration. Changes to the Directors' fee pool are approved by shareholders at an AGM. The Board determines the allocation per Director based on the duties of the individual Director. The Director fees for subsidiary companies are set by the Civic Board.

For the year ended 31 December 2023, Directors' remuneration was:

Marty Grenfell	\$9,182
John Melville	\$15,137
Jo Miller	\$7,568
Nicola Mills	\$25,126
Ken Morris	\$9,182
Basil Morrison	\$16,751
Craig Stevenson	\$25,933
	<b>\$108,879</b>

In addition, the following Directors received fees in relation to their directorships of Riskpool or LGST:

Marty Grenfell	(Riskpool)	\$12,685
John Melville	(Riskpool)	\$7,671
Jo Miller	(Riskpool & LGST)	\$7,314
Nicola Mills	(Riskpool)	\$10,155
Ken Morris	(Riskpool)	\$6,342
Basil Morrison	(LGST)	\$14,215
Craig Stevenson	(Riskpool)	\$10,155
		<b>\$68,537</b>

**DIRECTORS' REPORT****Interests Register**

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2023 were:

Marty Grenfell	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Tauranga City Council; Director of Bay of Plenty Local Authority Shared Services (BoPLASS); Trustee of Te Manawataki o Te Papa Settlement Charitable Trust.
Nicola Mills	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to agreement for finance with LGMFT; Board Member of Sport Waitakere; Acting Group Chief Financial Officer at Auckland Council.
Ken Morris	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Deputy Chief Executive/Group Manager Business Support Waipa District Council; Chair of Co-Lab (Waikato Local Authority Shared Services) Insurance Advisory Group; Participant in Aon Local Government Strategy Reference Group; Treasurer, Waipa Community Trust; Shareholder / Director Morris Manapouri Investments Limited and Groovy Food Catering Co. Ltd; Trustee, The Harry and Pauline Morris Family Trust; Chair, Village Lake Apartments Body Corporate (Hanmer Springs).
Basil Morrison	Chair of Local Government Superannuation Trustee Ltd; Basil J Morrison & Associates Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Trustee of the Martha Trust; Chair of the Martha Trust; Trustee of Hauraki Railtrail Charitable Trust; Deputy Chair Hauraki Rail Trail; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Honorary Consul for Uganda; Thames-Coromandel District Council Hearings Panel; Waikato Regional Council Hearings Commissioner; Waikato District Council Hearings Commissioner; NZ Freshwater Commissioner; Accredited Commissioner – RMA.

Craig Stevenson Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Trustee of Ratanui Trust; Market Director Local Government of WSP New Zealand Ltd.

The Company provides Directors and officers with, and pays the premiums for, Directors' and Officers' liability insurance to the full extent allowed for in accordance with the requirements of the Companies Act 1993. The renewal of the Company's Directors' and Officers' liability insurance was entered in the Interests Register pursuant to sections 162 and 163 of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions or deliberate and reckless acts or omissions by the Directors. The cover includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

**Use of Information**

Directors, individually or collectively, may obtain independent professional advice relating to any matters concerning the Company's business or in relation to the discharge of the Director's responsibilities. Subject to approval of the Chair the Company will reimburse the Director(s) some or all of the reasonable costs of the advice. During the reporting period, no Director has sought leave to obtain such advice.

**Loans to Directors**

No loans or advances have been made to Directors, their spouses or dependants, or to related parties during the year.

**5. EMPLOYEE REMUNERATION**

Detailed below is the number of employees who received remuneration of \$100,000 or more in their capacity as employees during the year ended 31 December 2023.

Remuneration	Number of Employees
\$100,000 – \$110,000	1
\$160,000 – \$170,000	1
\$260,000 – \$270,000	1

The above remuneration includes Company contributions to employees' superannuation (KiwiSaver and other), medical insurances and discretionary bonus payments.

## DIRECTORS' REPORT

### 6. AUDIT AND RISK MANAGEMENT

Pursuant to Section 15 of the Public Audit Act 2001 the Company's auditor is the Auditor General who has appointed Hamish Anton using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee comprises the full Board. Nicola Mills was appointed Chair of this committee on 17 June 2022. The Committee met five times in 2023: the Auditor attended two of those meetings and at one of those meetings proceedings took place without management present.

### 7. DONATIONS

No donations have been made during the year by any Company in the Group (2022: \$0).

### 8. STAFF

The Directors sincerely thank the staff - Charlie Howe, Glenn Watkin, Ian Brown, Racheal Harold, Ivy Liang, Lisa Lummis, Jen McGahan and Wendy Riley - for their work and support during the year.



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Craig Stevenson, **Chair**  
March 2024

***DIRECTORS***

Craig Stevenson (Chair)

Marty Grenfell

Nicola Mills

Ken Morris

Basil Morrison CNZM JP

***EXECUTIVE OFFICERS***

**Chief Executive** : Charlie Howe

**Chief Financial Officer** : Glenn Watkin

COMPANY REGISTRATION NO: 13271

***AUDITORS***

The Auditor General, who has appointed Hamish Anton, Deloitte Limited to carry out the audit on his behalf

***BANKERS***

ANZ Banking Group (New Zealand) Limited

***LEGAL ADVISERS***

Dentons Kensington Swan

***REGISTERED OFFICE***

Level 7, Civic Chambers, 116 Lambton Quay, Wellington 6011

***POSTAL ADDRESS***

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

***OTHER CONTACT DETAILS***

Telephone: (04) 978 1250

Email: [admin@civicfs.co.nz](mailto:admin@civicfs.co.nz)

Website: [www.civicfs.co.nz](http://www.civicfs.co.nz)

The Company is a participant in the Insurance & Financial Services Ombudsman Scheme (Inc)  
Participant Number 2000427

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Civic Financial Services Limited and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

#### OPINION

We have audited the consolidated financial statements of the Group on pages 10 to 32, that comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 31 December 2023; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our audit was completed on 22 March 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

#### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the Board of Directors is responsible, on behalf of the company, for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Companies Act 1993.

### RESPONSIBILITIES OF THE AUDITOR 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk 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.
- We 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of 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 evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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.

Our responsibilities arise from the Public Audit Act 2001.

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENCE

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



**Hamish Anton**  
**Deloitte Limited**  
On behalf of the Auditor-General  
Wellington, New Zealand

# Statement of Accounts

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>REVENUE</b>			
Administration Fees	17	2,919,375	2,904,682
Interest Income	4	613,757	266,148
Other Income		135	487
<b>Total Revenue</b>		<b>3,533,267</b>	<b>3,171,317</b>
<b>EXPENDITURE</b>			
Audit Fee	14		
Statutory Audit of the Financial Statements		58,519	52,367
Other Fees Paid to Auditors for Assurance Services		30,346	28,750
Other Fees Paid to Auditors for Entities Administered by Civic		75,779	72,049
Depreciation	7	18,996	20,101
Amortisation	7	68,664	68,859
Directors' Remuneration	3	108,879	100,764
Other Expenses	6	1,674,727	1,702,942
Employee Remuneration		1,022,057	954,251
Superannuation Subsidies		36,058	29,001
<b>Total Expenditure</b>		<b>3,094,025</b>	<b>3,029,085</b>
<b>Surplus Before Taxation</b>		<b>439,242</b>	<b>142,232</b>
Taxation Expense	10	123,554	1,165,613
<b>TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	15	<b>315,688</b>	<b>(1,023,381)</b>

This statement is to be read in conjunction with the notes on pages 14 to 32.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>SHAREHOLDERS' EQUITY</b>			
<b>Issued and Paid-Up Ordinary Shares</b>			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	(288,799)	(604,487)
<b>TOTAL EQUITY</b>		<b>10,474,707</b>	<b>10,159,019</b>
Represented By:			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		2,789,339	522,056
Term Deposits		6,366,929	4,556,993
Accrued Interest Receivable		65,256	61,354
Sundry Debtors and Prepayments	12	589,339	494,001
Loan Receivable	13	-	3,799,963
<b>Total Current Assets</b>		<b>9,810,863</b>	<b>9,434,367</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	7	28,722	42,730
Intangible Assets (Software)	7	23,162	91,826
Deferred Tax Asset	10	919,639	1,043,193
<b>Total Non Current Assets</b>		<b>971,523</b>	<b>1,177,749</b>
<b>TOTAL ASSETS</b>		<b>10,782,386</b>	<b>10,612,116</b>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors and Accrued Charges	12	193,955	325,568
Accrued Holiday Pay		93,314	87,863
CLP / Riskpool Admin Fee Reserve		20,410	39,666
<b>Total Current Liabilities</b>		<b>307,679</b>	<b>453,097</b>
<b>TOTAL LIABILITIES</b>		<b>307,679</b>	<b>453,097</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>10,474,707</b>	<b>10,159,019</b>

For and on behalf of the Directors



NICOLA MILLS Director 22 March 2024



KEN MORRIS Director 22 March 2024

This statement is to be read in conjunction with the notes on pages 14 to 32.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>OPENING EQUITY</b>		10,159,019	11,182,400
Total Comprehensive Surplus / (Deficit) Net of Tax		315,688	(1,023,381)
Dividend Payment		-	-
Ordinary Shares issued during the year	15	-	-
<b>CLOSING EQUITY</b>		<b>10,474,707</b>	<b>10,159,019</b>

This statement is to be read in conjunction with the notes on pages 14 to 32.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Administration Fees Received		2,807,633	3,006,916
Other Income		135	487
		2,807,768	3,007,403
<b>Cash was applied to:</b>			
Payments to Suppliers and Employees		3,134,691	2,919,194
		3,134,691	2,919,194
<b>Net Cash Flow (used in) / from Operating Activities</b>	11	(326,923)	88,209
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Investment Income		198,764	74,063
Loan Interest Received		752,394	-
Term Deposits		4,860,561	1,864,564
Loans Repaid from Related Parties		6,582,230	501,500
		12,393,949	2,440,127
<b>Cash was applied to:</b>			
Term Deposits		6,670,497	506,993
Purchase of Property, Plant and Equipment		5,678	18,637
Loans Issued to Related Parties		3,123,568	1,816,013
		9,799,743	2,341,643
<b>Net Cash Flow from Investing Activities</b>		2,594,206	98,484
Net Increase in Cash Held		2,267,283	186,693
Opening Cash Balance as at 1 January		522,056	335,363
<b>Closing Cash Balance as at 31 December</b>		2,789,339	522,056
<b>Being:</b>			
<b>Cash and Cash Equivalents</b>		2,789,339	522,056

This statement is to be read in conjunction with the notes on pages 14 to 32.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 1 REPORTING ENTITY

The reporting entity is Civic Financial Services Ltd (the "Company"). The Group comprises the Company and its subsidiaries listed in note 2 (b). The Group provides financial services principally for New Zealand local government.

#### Statement of Compliance

The financial statements have been prepared in keeping with the requirements of the Companies Act 1993, and the Financial Reporting Act 2013, which include the requirement to comply with New Zealand general accepted accounting practice (NZ GAAP). The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 2 Public Sector Public Benefit Entity (PBE) Standards.

### NOTE 2 STATEMENT OF ACCOUNTING POLICIES

#### General Accounting Policies

The measurement and reporting of profits on a historical cost basis have been followed by the Group, except for specific policies as described below. The reporting currency is New Zealand dollars.

#### Critical Judgements and Estimates in Applying the Accounting Policies

In the application of the PBE Standards the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are based on historical experience and other various factors and are reviewed on an ongoing basis.

The Directors believe that, as at the date of these financial statements, there are no significant sources of estimation uncertainty that have not been disclosed in these notes. The most significant judgements, estimates and assumptions made in the preparation of these financial statements are in respect of the recognition of the deferred tax asset (Note 10).

#### Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied. Further particular accounting policies are contained in the relevant notes to the financial statements.

#### (a) Consolidation of Subsidiaries

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealised profits are eliminated on consolidation.

#### (b) Investment in Subsidiaries

At 31 December 2023 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand. Two of these, Local Government Superannuation Trustee Limited and SuperEasy Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited (LGMFTL) with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2022 and 31 December 2023.

LGMFTL is the trustee of New Zealand Mutual Liability Riskpool ("Riskpool") and Civic Liability Pool ("CLP"). The Company provides administrative services to Riskpool and CLP.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES** CONTINUED**(c) Administration Fees**

Administration fees are recognised at the agreed amounts based on time and expenses incurred. Administration fees collected during the year that will be utilised in future periods are held within the administration fee reserve on the Statement of Financial Position, until the point in time where administration services have been provided.

**(d) Employee Benefits and Directors' Remuneration**

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

**(e) Basis of Measuring Other Income and Expenses**

Income and expenses are accounted for on an accruals basis. All revenue is exchange revenue.

**(f) Interest Income**

Interest income is recognised using the effective interest method.

**(g) Changes in Accounting Policies**

There have been no material changes in the accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior year.

**NOTE 3 KEY MANAGEMENT PERSONNEL**

The compensation of the Directors and executives, being the key management personnel of the Group, is set out below.

	2023	2022	2023	2022
	Number		\$	\$
<b>Short term employee benefits</b>				
Executive Management Personnel	3	4	527,933	569,107
Directors	7	5	108,879	100,764
			<b>636,812</b>	<b>669,871</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 4 FINANCIAL INSTRUMENTS

Accounting Policies:

#### i) Classification and Measurement

Financial instruments are transacted on a commercial basis to derive an interest yield / cost with the terms and conditions having due regard to the nature of the transaction and the risks involved. Financial instruments are recognised and accounted for on a settlement date basis.

##### Loans and Receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate.

##### Cash and Cash Equivalents

Cash and cash equivalents are measured at amortised cost using the effective interest rate.

##### Financial Liabilities

Financial liabilities include Sundry Creditors and Accrued Charges. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.

#### ii) Offsetting Financial Instruments

Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.

#### iii) Asset Quality

##### Impairment of Financial Assets

Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.

As at the date of these Financial Statements, no such evidence of impairment exists.

#### iv) Fair Value of Financial Instruments

Fair value measurements recognised in the Statement of Financial Position

Financial instruments are categorised into 3 levels:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### v) Derivatives

The Group do not use any derivative financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(1) Income Relating to Financial Assets**

	2023 \$	2022 \$
<b>Loans</b>		
Interest Received – Loans	411,093	152,081
<b>Cash and Cash Equivalents</b>		
Interest Received – Short Term Deposits	202,664	114,067
<b>Total Interest Income</b>	<b>613,757</b>	<b>266,148</b>

**(2) Financial Assets and Liabilities**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

The Subordinated Debt is measured at amortised cost which is considered to be fair value.

All fixed interest investments were managed around a 90 day duration and carry a minimum Standard and Poors credit rating of "A" or equivalent.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(2) Financial Assets and Liabilities** continued*Carrying value of Financial Assets and Financial Liabilities*

	2023 \$	2022 \$
<b>Financial Asset: Amortised Cost</b>		
Sundry Debtors	520,111	416,660
Loans	-	3,799,963
Cash and Cash Equivalents	2,789,339	522,056
Term Deposits	6,366,929	4,556,993
<b>Total Financial Assets: Amortised Cost</b>	<b>9,676,379</b>	<b>9,295,672</b>
<b>Financial Liability: Amortised Cost</b>		
Sundry Creditors and Accrued Charges	193,955	325,568
<b>Total Financial Liabilities: Amortised Cost</b>	<b>193,955</b>	<b>325,568</b>

**(3) Financial Risk – Structure and Management**

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern. The Group's overall strategy is reviewed annually and remains unchanged.

Financial instruments which potentially subject the Group to a concentration of credit risk consist principally of cash, debtors and interest bearing deposits. The Group has no debt liability instruments.

The Group does not require collateral or other security to support financial instruments with credit risk. As such, no collateral exists for any of the investments held by the Group. The maximum credit risk exposure is the carrying amount of the individual debtor and investment balances.

The Group has placed interest bearing deposits and funds to be managed with financial institutions and limits its amount of credit exposure to any one such institution.

**(a) Market Risk**

All financial assets and liabilities are New Zealand Dollar based and are recorded at amortised cost, therefore changes in interest rates and foreign currency values do not impact on their carrying value.

**(b) Carrying Amount and Fair Value**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(3) Financial Risk – Structure and Management** continued**(c) Liquidity Risk**

Liquidity Risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Management of liquidity risk is designed to ensure that the Group has the ability to meet financial obligations as they fall due.

The following tables include an analysis of the contractual undiscounted cash flows relating to the Group's financial assets and liabilities categorised by the maturity dates.

<b>Maturity Analysis as at 31 December 2023</b>						
	<b>Interest Rate Spread</b>	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Total</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>						
Cash and Cash Equivalents	0% to 5.50%	2,789,339	-	-	-	2,789,339
Term Deposits and Accrued Interest	5.35% to 6.15%	6,432,185	-	-	-	6,432,185
Other Receivables	n/a	520,111	-	-	-	520,111
Loans	n/a	-	-	-	-	-
<b>Total Financial Assets</b>		<b>9,741,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,741,635</b>
<b>Liabilities</b>						
Sundry Creditors and Accrued Expenses	n/a	193,955	-	-	-	193,955
<b>Total Financial Liabilities</b>		<b>193,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193,955</b>
<b>Maturity Analysis as at 31 December 2022</b>						
	<b>Interest Rate Spread</b>	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Total</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>						
Cash and Cash Equivalents	0% to 2.85%	522,056	-	-	-	522,056
Term Deposits and Accrued Interest	2.5% to 5.05%	4,618,347	-	-	-	4,618,347
Other Receivables	n/a	416,660	-	-	-	416,660
Loans	3.47% to 6.53%	3,799,963	-	-	-	3,799,963
<b>Total Financial Assets</b>		<b>9,357,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,357,026</b>
<b>Liabilities</b>						
Sundry Creditors and Accrued Expenses	n/a	325,568	-	-	-	325,568
<b>Total Financial Liabilities</b>		<b>325,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>325,568</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(3) Financial Risk – Structure and Management** continued**(d) Credit Risk**

All investments are in the form of cash held at registered banks and loans. The registered banks have a credit rating of "A" or better. Loans are with Riskpool (refer to Note 13).

**(i) Exposure to Credit Risk**

	2023 \$	2022 \$
Cash and Cash Equivalents	2,789,339	522,056
Term Deposits and Accrued Interest	6,432,185	4,618,347
Other Receivables	520,111	416,660
Loans	-	3,799,963
<b>Total</b>	<b>9,741,635</b>	<b>9,357,026</b>

**(ii) Concentration of Credit Exposure**

95% of the Company's credit exposure is in the form of cash and term deposits held with registered banks and loans to Riskpool (2022: 96%).

**NOTE 5 OPERATING LEASE COMMITMENTS**

	2023 \$	2022 \$
<b>Operating Lease Expense Commitments:</b>		
not later than one year	72,717	71,733
later than one year but not later than five years	44,406	115,482
later than five years	-	-
	<b>117,123</b>	<b>187,215</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 6 OTHER EXPENSES**

	2023 \$	2022 \$
Compliance Costs	179,298	176,876
Consultants	50,991	134,789
Legal Fees	88,773	58,142
Other Expenses	1,355,664	1,333,136
<b>Total</b>	<b>1,674,727</b>	<b>1,702,942</b>

**NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS****Accounting Policy:**

Assets are depreciated on a straight line basis at rates calculated to allocate the assets' cost, in equal instalments over their estimated useful lives which are assessed and regularly reviewed.

<b>Depreciation Rates</b>	
Office Furniture and Equipment	up to 17 years
Intangibles – Software	2.5 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS** CONTINUED

	2023 \$	2022 \$
<b>(a) Property, Plant and Equipment</b>		
Office Furniture and Equipment – cost	184,520	175,510
Plus Additions	5,783	16,789
Less Disposals	(2,447)	(7,779)
<b>Closing Value – cost</b>	<b>187,856</b>	<b>184,520</b>
Office Furniture and Equipment – Accumulated Depreciation	(141,790)	(129,213)
Less Depreciation Charge	(18,996)	(20,101)
Less Disposals	1,652	7,524
Closing Accumulated Depreciation	(159,134)	(141,790)
<b>Net Book Value</b>	<b>28,722</b>	<b>42,730</b>

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes losses on disposal of fixed assets of \$690 (2022: \$255).

	2023 \$	2022 \$
<b>(b) Intangible Assets</b>		
Software – cost	436,911	435,064
Plus Additions	-	1,847
Less Disposals	-	-
<b>Closing Value – cost</b>	<b>436,911</b>	<b>436,911</b>
Software – Accumulated Amortisation	(345,085)	(276,226)
Less Amortisation Charge	(68,664)	(68,859)
Less Disposals	-	-
Closing Accumulated Amortisation	(413,749)	(345,085)
<b>Net Book Value</b>	<b>23,162</b>	<b>91,826</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED**

There are no financial assets that are impaired or past due at balance date (2022: \$nil).

**NOTE 9 CONTINGENT LIABILITIES**

There are no contingent liabilities (2022: \$nil).

**NOTE 10 TAXATION****Accounting Policies:****i) Current Tax**

The current income tax expense charged against the profit for the year is the estimated liability in respect of the taxable profit. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets are offset only when there is a legally enforceable right to set off the recognised amounts, and an intention to settle on a net basis.

**ii) Deferred Tax**

The liability method of accounting for deferred taxation is applied on a comprehensive balance sheet basis in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

Significant judgements, estimates and assumptions are made in respect of the recognition of the deferred tax asset. It is recognised that the deferred tax asset will be utilised over 10 years. The Entity expects to remain profitable and have a steady income stream over the medium to long term, matching its low margin long dated products.

**iii) Goods and Services Tax (GST)**

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority the GST is recognised as part of the cost of the acquisition of the assets or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 10 TAXATION** CONTINUED**(a) Income tax recognised in the Statement of Comprehensive Income**

	2023 \$	2022 \$
<b>Tax expense comprises:</b>		
Current tax expense	123,640	40,265
Adjustments recognised in the current year in relation to the current tax of prior years	(86)	86
Deferred tax relating to temporary differences	-	1,125,262
<b>Total tax expense</b>	<b>123,554</b>	<b>1,165,613</b>
<b>Attributable to:</b>		
Continuing operations	123,554	1,165,613
	<b>123,554</b>	<b>1,165,613</b>

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2023 \$	2022 \$
Surplus before tax	439,242	142,232
Income tax calculated at 28%	122,988	39,825
Tax effect of permanent differences	652	440
Derecognition of tax losses	-	1,125,262
Prior Period Adjustment	(86)	86
<b>Income Tax Expense</b>	<b>123,554</b>	<b>1,165,613</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 10 TAXATION** CONTINUED**(b) Current tax assets and liabilities**

	2023	2022
	\$	\$
Tax refund receivable	-	-
	-	-

**(c) Deferred tax balances**

	2023	2022
	\$	\$
<b>Deferred tax assets comprise:</b>		
Temporary differences and tax losses	919,513	1,042,939
	919,513	1,042,939
<b>Deferred tax liabilities comprise:</b>		
Temporary differences	126	255
	126	255
<b>Net Deferred Tax balance</b>	<b>919,639</b>	<b>1,043,193</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 10 TAXATION** CONTINUED**(c) Deferred tax balances continued**

Gross taxable and deductible temporary differences for the Group arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Prior Period Adjustment \$	Closing Balance \$	
2023	Property and equipment	914	(767)	-	304	451
		<b>914</b>	<b>(767)</b>	<b>-</b>	<b>304</b>	<b>451</b>
2023	Employee entitlements	80,236	4,307	-	-	84,543
	Losses carried forward	3,644,544	(445,108)	-	-	3,199,436
		<b>3,724,780</b>	<b>(440,799)</b>	<b>-</b>	<b>-</b>	<b>3,283,979</b>
	<b>Attributable to:</b>					
	Continuing operations	3,725,695	(441,566)	-	304	3,284,433
	Total	3,725,695	(441,566)	-	304	3,284,433
	Tax effect at 28%	1,043,193	(123,639)	-	85	919,639
2022	Property and equipment	2,269	(1,051)	-	(304)	914
		<b>2,269</b>	<b>(1,051)</b>	<b>-</b>	<b>(304)</b>	<b>914</b>
2022	Employee entitlements	84,452	(4,216)	-	-	80,236
	Losses carried forward	7,801,875	(4,157,331)	-	-	3,644,544
		<b>7,886,328</b>	<b>(4,161,547)</b>	<b>-</b>	<b>-</b>	<b>3,724,781</b>
	<b>Attributable to:</b>					
	Continuing operations	7,888,597	(4,162,598)	-	(304)	3,725,695
	Total	7,888,597	(4,162,598)	-	(304)	3,725,695
	Tax effect at 28%	2,208,806	(1,165,527)	-	(85)	1,043,193

The deferred tax asset relating to tax losses carried forward has been recognised to the extent that the financial forecasts anticipate the Group maintaining sufficient profitability in future financial years to utilise these losses. The deferred tax asset is reviewed regularly and at balance date against forecast profits. The Directors believe that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilised. The deferred tax asset does not include unrecognised tax losses of \$4,161,783 (2022: \$4,091,540) and unrecognised deferred tax asset effect at 28% of \$1,165,299 (2022: \$1,145,631).

**(d) Imputation Credit Account**

	2023 \$	2022 \$
<b>Closing Balance</b>	<b>1,593,490</b>	<b>1,593,490</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES****Accounting Policy:**

*The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Income. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to, the taxation authority is classified as operating cash flow.*

**The following are definitions of the terms used in the Statement of Cash Flows:**

- *Bank comprises cash on hand and demand deposits.*
- *Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of Cash and which are subject to insignificant risk of changes in value.*
- *Cash flows are inflows and outflows of cash and cash equivalents.*
- *Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.*
- *Investing activities are the acquisition and disposal of long-term assets.*
- *Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES** CONTINUED

	2023 \$	2022 \$
<b>Total Comprehensive Surplus / (Deficit)</b>	315,688	(1,023,381)
<b>Add/(less) non cash items</b>		
Loan Interest	341,298	(152,079)
Depreciation	18,996	20,101
Amortisation	68,664	68,859
Movement in CLP/ Riskpool Admin Fee Reserve	(19,256)	(19,256)
Movement in Deferred Tax Asset	123,554	1,165,613
	533,256	1,083,238
<b>Add/(less) movements in other working capital items</b>		
Sundry Debtors, Prepayments and Accrued Interest	(99,236)	115,442
Sundry Creditors and Accrued Charges	(126,163)	(87,913)
	(225,399)	27,529
Add/(Less) Items Classified as Investing Activity	(950,468)	(73,809)
Add/(Less) Items Classified as Financing Activity	-	74,632
<b>Net Cash Flow (used in) / from Operating Activities</b>	<b>(326,923)</b>	<b>88,209</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 12 SUNDRY DEBTORS AND CREDITORS****(a) Sundry Debtors and Prepayments**

	2023 \$	2022 \$
Sundry Debtors	520,111	416,658
Prepayments	69,228	77,343
<b>Sundry Debtors and Prepayments</b>	<b>589,339</b>	<b>494,001</b>

**(b) Sundry Creditors and Accrued Charges**

	2023 \$	2022 \$
Sundry Creditors and Accrued Charges	193,627	322,630
GST Payable	328	2,938
<b>Sundry Creditors and Accrued Charges</b>	<b>193,955</b>	<b>325,568</b>

**NOTE 13 LOANS*****Loan Receivable***

Local Government Mutual Funds Trustee Limited is the trustee of Riskpool and Civic Liability Pool (CLP). The Company provides administrative services to Riskpool and CLP.

**Related Party Loans Receivable**

	2023 \$	2022 \$
Riskpool	-	3,799,963
<b>Total Related Party Loans Receivable</b>	<b>-</b>	<b>3,799,963</b>

During the financial year, three secured loan agreements existed between Civic and LGMFT on behalf of Riskpool, whereby Civic loaned LGMFT up to \$2,250,000 under each of two separate loans and up to \$2,500,000 under the third loan, all at commercial interest rates to assist with Riskpool's cashflow. The loan outstanding at 31 December 2023 is \$nil (2022: \$3,779,963). The interest rate was based on the BKBM plus a margin. Interest received by the Company relating to the loans for the year to 31 December 2023 was \$411,093 (2022: \$152,081).

The Company and Local Government Mutual Funds Trustee Limited on behalf of CLP have an agreement whereby the Company funds any claims payable for CLP under the Trust Deed, without charge to the Trust, which will be reimbursed by CLP in respect of any such claim payments when CLP receives the applicable reinsurance payments on the claims. The loan outstanding at 31 December 2023 is \$nil (2022: \$nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 14 AUDIT FEES**

A breakdown of the fees paid to the auditors is below:

	2023 \$	2022 \$
<b>Statutory Audit of the Financial Statements</b>		
Civic Financial Services	58,519	52,367
Civic Liability Pool	-	18,085
Local Government Superannuation Trustee	75,779	53,964
<b>Total Statutory Audit of the Financial Statements</b>	<b>134,298</b>	<b>124,416</b>
<b>Other Fees Paid to Auditors for Assurance Services</b>	<b>30,346</b>	<b>28,750</b>
<b>Total Fees Paid to the Auditors</b>	<b>164,645</b>	<b>153,166</b>

**NOTE 15 SHAREHOLDERS' EQUITY**

The Share Capital of the Group comprises solely authorised and issued ordinary shares with each share ranking equally in votes, dividends and surpluses. In 2022 there were no shares issued. There were no shares issued during 2023.

	2023 \$	2022 \$
<b>Retained Earnings</b>		
Opening Balance (Deficit)	(604,487)	418,894
Net Surplus After Taxation	315,688	(1,023,381)
Dividend Payment	-	-
<b>Closing balance</b>	<b>(288,799)</b>	<b>(604,487)</b>
<b>Shareholders Capital</b>		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
<b>Closing balance</b>	<b>10,763,506</b>	<b>10,763,506</b>
<b>Number of Ordinary Shares Fully Paid</b>	<b>11,249,364</b>	<b>11,249,364</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**NOTE 16 EQUITY RETAINED FOR FINANCIAL SOUNDNESS**

All shareholder equity is retained to ensure the financial soundness of the Group with cash being retained for cash flow purposes.

**NOTE 17 RELATED PARTIES**

The Company provided administration services to related parties during the year to NZ Local Authority Protection Programme (LAPP), NZ Mutual Liability Riskpool (Riskpool), Local Government Superannuation Trustee (Trustee of the Local Government Superannuation Scheme (LGSS) and SuperEasy KiwiSaver Superannuation Scheme (SKSS) and Civic Property Pool (CPP). There were no related party transactions with CPP in either of the last two years.

The income derived from the administration services as well as year end accounts receivable are detailed in the table below. Refer to Note 13 for the terms and information relating to loans with related parties.

**Administration Fees**

	2023 \$	2022 \$
LGSS & SKSS	2,423,319	2,425,046
LAPP	310,000	305,000
Riskpool	166,800	155,380
Civic Liability Pool	19,256	19,256
<b>Administration Fees from Related Parties</b>	<b>2,919,375</b>	<b>2,904,682</b>

**Accounts Receivable**

	2023 \$	2022 \$
LGSS & SKSS	431,340	416,355
LAPP	89,125	-
<b>Accounts Receivable from Related Parties</b>	<b>520,465</b>	<b>416,355</b>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

### **NOTE 18 SUBSEQUENT EVENTS**

There have been no material events subsequent to 31 December 2023 that require adjustment to or disclosure in the financial statements (2022: nil).

### **NOTE 19 CAPITAL COMMITMENTS**

The Company has no capital commitments at balance date (2022: \$nil).

### **NOTE 20 GOING CONCERN**

The financial statements have been prepared on a going concern basis.



# CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2023

SHAREHOLDER MEMBER	NO. OF SHARES	%	SHAREHOLDER MEMBER	NO. OF SHARES	%
<b>CITY COUNCILS</b>			<b>DISTRICT COUNCILS (Cont'd)</b>		
Auckland	2,195,042	19.51%	Rangitikei	35,338	0.31%
Christchurch	1,417,704	12.60%	Rotorua	175,906	1.56%
Dunedin	470,966	4.19%	Ruapehu	56,666	0.50%
Hamilton	202,729	1.80%	South Taranaki	135,496	1.20%
Hutt	479,822	4.27%	South Waikato	42,374	0.38%
Invercargill	407,927	3.63%	South Wairarapa	53,930	0.48%
Napier	283,842	2.52%	Southland	13,715	0.12%
Nelson	95,543	0.85%	Stratford	65,608	0.58%
Palmerston North	411,737	3.66%	Tararua	99,972	0.89%
Porirua	140,146	1.25%	Tasman	65,584	0.58%
Tauranga	124,242	1.10%	Taupo	83,971	0.75%
Upper Hutt	51,209	0.46%	Thames-Coromandel	27,120	0.24%
Wellington	526,821	4.68%	Timaru	230,118	2.05%
<b>DISTRICT COUNCILS</b>			Waikato	41,070	0.37%
Ashburton	56,016	0.50%	Waimakariri	88,172	0.78%
Buller	27,698	0.25%	Waimate	30,458	0.27%
Carterton	23,642	0.21%	Waipa	149,082	1.33%
Central Hawke's Bay	28,580	0.25%	Wairoa	22,992	0.20%
Central Otago	91,238	0.81%	Waitaki	120,000	1.07%
Clutha	33,711	0.30%	Waitomo	16,940	0.15%
Far North	85,440	0.76%	Western Bay of Plenty	28,142	0.25%
Gisborne	99,404	0.88%	Westland	28,356	0.25%
Gore	54,589	0.49%	Whakatane	38,788	0.34%
Grey	33,742	0.30%	Whanganui	289,660	2.57%
Hastings	129,170	1.15%	Whangarei	63,524	0.56%
Hauraki	63,434	0.56%	<b>REGIONAL COUNCILS</b>		
Horowhenua	110,689	0.98%	Bay of Plenty	55,000	0.49%
Hurunui	14,000	0.12%	Canterbury	152,696	1.36%
Kaikoura	10,000	0.09%	Hawke's Bay	20,000	0.18%
Kaipara	13,629	0.12%	Horizons	2,000	0.02%
Kapiti Coast	15,060	0.13%	Southland	10,000	0.09%
Kawerau	31,161	0.28%	Taranaki	1,000	0.01%
Manawatu	203,964	1.81%	Waikato	22,000	0.20%
Marlborough	86,022	0.76%	Wellington	80,127	0.71%
Masterton	127,230	1.13%	<b>OTHER</b>		
Matamata-Piako	122,554	1.09%	TrustPower	137,251	1.22%
New Plymouth	441,456	3.92%	<b>Total Shares</b> <span style="float: right;"><b>11,249,364</b></span>		
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			