

CIVIC FINANCIAL SERVICES LTD
**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Note	Six Months				Full Year	
		2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
REVENUE							
Administration Fees		1,419	1,380	1,419	1,380	2,750	2,750
Income from Investments		101	79	101	79	174	174
Property Income		429	393	429	393	11	11
Other Income		-	-	-	51	120	51
		<u>1,949</u>	<u>1,852</u>	<u>1,949</u>	<u>1,903</u>	<u>3,055</u>	<u>2,986</u>
EXPENDITURE							
Property Operating Expenses		266	246	266	246	519	519
Depreciation & Amortisation		24	20	24	20	39	39
Employee Remuneration		382	514	382	514	920	920
Other Expenses		799	866	799	866	1,546	1,547
		<u>1,471</u>	<u>1,646</u>	<u>1,471</u>	<u>1,646</u>	<u>3,024</u>	<u>3,025</u>
Plus Share of Profit of Associate		-	-	-	-	-	-
Less Taxation Expense	6	135	58	135	58	187	187
NET SURPLUS AFTER TAXATION		<u>343</u>	<u>148</u>	<u>343</u>	<u>199</u>	<u>(156)</u>	<u>(226)</u>

**STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	Six Months				Full Year	
	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Equity as at 1 January	17,048	17,204	17,048	17,273	17,204	17,273
Net Surplus After Taxation	343	148	343	199	(156)	(226)
EQUITY AS AT 30 JUNE	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</u>

**STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30 JUNE 2018**

	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
EQUITY						
Capital	10,764	10,764	10,764	10,764	10,764	10,764
Retained Earnings	6,627	6,588	6,627	6,708	6,284	6,284
TOTAL EQUITY	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</u>
Represented By:						
Current Assets						
Bank & Cash Equivalents	1,150	4,672	1,150	4,672	5,202	5,202
Receivables	709	458	709	458	732	732
Loans	7	5,359	1,502	5,359	1,502	1,110
TOTAL CURRENT ASSETS	<u>7,218</u>	<u>6,632</u>	<u>7,218</u>	<u>6,632</u>	<u>7,044</u>	<u>7,044</u>
Non-Current Assets						
Property, Plant & Equipment & Intangible Assets	273	261	273	261	279	279
Deferred Tax Asset	2,952	3,214	2,952	3,214	3,086	3,086
TOTAL NON CURRENT ASSETS	<u>3,225</u>	<u>3,475</u>	<u>3,225</u>	<u>3,475</u>	<u>3,365</u>	<u>3,365</u>
Investments						
Investment in Associate	-	-	-	-	-	-
Investment Property	7,259	7,938	7,259	7,938	7,175	7,175
TOTAL INVESTMENTS	<u>7,259</u>	<u>7,938</u>	<u>7,259</u>	<u>7,938</u>	<u>7,175</u>	<u>7,175</u>
TOTAL ASSETS	<u>17,702</u>	<u>18,045</u>	<u>17,702</u>	<u>18,045</u>	<u>17,584</u>	<u>17,584</u>
Current Liabilities						
Sundry Creditors & Accrued Charges	205	300	205	300	246	246
TOTAL CURRENT LIABILITIES	<u>205</u>	<u>300</u>	<u>205</u>	<u>300</u>	<u>246</u>	<u>246</u>
Non Current Liabilities						
CLP/ Riskpool Admin Fee Reserve	106	273	106	273	290	290
Subordinated Debt	-	120	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	<u>106</u>	<u>393</u>	<u>106</u>	<u>273</u>	<u>290</u>	<u>290</u>
TOTAL LIABILITIES	<u>311</u>	<u>693</u>	<u>311</u>	<u>573</u>	<u>536</u>	<u>536</u>
EXCESS OF ASSETS OVER LIABILITIES	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</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 2018**

	Notes	Six Months				FULL YEAR	
		2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Cash Flows from Operating Activities							
Cash from operating activities:		1,740	1,831	1,740	1,880	3,657	3,708
Cash applied to operating activities:		1,486	1,753	1,486	1,752	3,383	3,383
Net Cashflow from Operating Activities	5	254	78	254	128	275	325
Cash Flows from Investing Activities							
Cash provided from investing activities:		-	-	-	-	4,416	4,416
Cash applied to investing activities:		103	15	103	15	5,600	5,600
Net Cashflow from Investing Activities		(103)	(15)	(103)	(15)	(1,184)	(1,184)
Cash Flows from Financing Activities							
Cash was provided from financing activities:		-	-	-	-	-	-
Cash applied to financing activities:		4,203	1,502	4,203	1,502	-	-
Net Cashflow from Financing Activities		(4,203)	(1,502)	(4,203)	(1,502)	-	-
Net Decrease in Cash Held		(4,052)	(1,439)	(4,052)	(1,389)	(909)	(859)
Opening Cash Balance as at 1 January		5,202	6,111	5,202	6,061	6,111	6,061
Closing Cash Balance as at 30 June		<u>1,150</u>	<u>4,672</u>	<u>1,150</u>	<u>4,672</u>	<u>5,202</u>	<u>5,202</u>
Being:							
Bank & Cash Equivalents		1,150	4,672	1,150	4,672	5,202	5,202

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 2018

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 2017 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 2017. 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 2017 and the year ended 31 December 2017.

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

	Six Months				Full Year	
	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Reported Surplus After Taxation	343	148	343	199	(156)	(226)
Add/(less) non cash items						
Loan Interest	(46)	-	(46)	-	(13)	(13)
Depreciation	25	21	25	21	39	39
Deferred Tax Liability	134	58	134	58	187	187
Movement in CLP/ Riskpool Admin Fee Reserve	(216)	-	(216)	-	(44)	(44)
Net change in fair value of property	-	-	-	-	798	798
Subordinated Debt	-	-	-	-	(120)	-
	<u>(103)</u>	<u>79</u>	<u>(103)</u>	<u>79</u>	<u>847</u>	<u>967</u>
Add/(less) movements in other working capital items						
Accounts Receivable	22	102	22	102	(171)	(171)
Accounts Payable	(8)	(248)	(8)	(249)	(242)	(242)
Tax Refund Due	-	(3)	-	(3)	(3)	(3)
	<u>14</u>	<u>(149)</u>	<u>14</u>	<u>(150)</u>	<u>(416)</u>	<u>(416)</u>
Net Cash Outflow from Operating Activities	<u>254</u>	<u>78</u>	<u>254</u>	<u>128</u>	<u>275</u>	<u>325</u>

6 Income Tax

The income tax liability for June 2018 is nil as the Company has unused tax credits with which it will use to offset any income tax expense .

7 A secured loan agreement between the Company and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") was entered into in February 2017 and again in August 2017 to assist with Riskpool's cashflow. The amount under each agreement is for a loan of up to \$3,000,000 and 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

- i) The wholly owned subsidiary, Local Government Finance Corporation Limited, was voluntarily deregistered in July 2018. The Company had 100 uncalled shares in the wholly owned subsidiary.
- ii) There have been no other significant events since the reporting date that affect the results disclosed in the half year financial statements.