



ANNUAL REPORT 2021

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ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

Your Directors have pleasure in submitting the 61st 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 2021, which is to be presented at the Annual General Meeting of Members in June 2022.

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 2021 was \$502,167.

This compares favourably to the forecasted before-tax surplus of \$349,120 as set out in the 2021 Statement of Intent.

This increased profit is due to receiving higher than anticipated administration fees combined with reduced marketing and operating expenses.

2. OPERATIONS*Administration Services*

Fees in 2021 from providing services to LAPP, Riskpool and the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes were \$3,100,598 (2020: \$2,973,440).

Investment Revenue

Income from investments was \$116,935 (2020: \$141,233).

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 SuperEasy and SuperEasy KiwiSaver Superannuation

Schemes. Both Schemes are administered by Civic and are registered with the FMA (Financial Markets Authority). Director appointments to LGST are made by LGNZ (two), Civic (one), CTU (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.

The Schemes have a combined membership of over 11,000, with funds under management as at December 2021 of \$530 million (December 2020 \$470 million). Of the councils that have a preferred provider for KiwiSaver, 69 out of 73 (94%) 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. It could be said that LAPP is New Zealand's original LASS (Local Authority Shared Services). LAPP's website is: www.lappfund.co.nz.

LAPP is currently managing Marlborough District Council's claim that resulted from the severe flood damage that hit the Marlborough region in July 2021. At the time of writing it is unknown how much this claim will be, but it 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.

Civic is the administration and fund manager for 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.

However 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.

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 has entered into two arm's length, secured loan facility agreements on commercial terms with Local Government Mutual Funds Trustee Limited to enable Riskpool to manage its cashflows.

Riskpool members were advised in October 2018 that Riskpool would need to make an interim call before a final call would be made when Riskpool is wound up. The interim call was for \$6 million, payable on 1 July 2019.

It is expected that the final call from Riskpool, which is likely in 2025 or 2026, will be for a lesser amount.

4. DIRECTORS

As at 31 December 2021 there were four directors: J.B. Melville, J.E. Miller, B.J. Morrison, and C.R. Stevenson. A.J. Marryatt retired as a director with effect from 2 December 2021; A.T. Gray retired as a director with effect from 3 December 2021.

Director attendances at Board meetings held in 2021:

Tony Gray	6 / 6
Tony Marryatt	2 / 5
John Melville	6 / 6
Jo Miller	6 / 6
Basil Morrison	6 / 6
Craig Stevenson	1 / 1

Craig Stevenson was appointed a Director on 3 December 2021.

Nicola Mills was appointed a Director after year end, on 14 January 2022.

The Chairmen of each of the Board and the Risk and Audit Committee are elected at the first meeting held after each year's AGM.

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. Subsequently two secured loan facility agreements have been entered into between Civic and LGMFT whereby Civic loans LGMFT up to \$2,250,000 under each of two separate loans.

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 2021, Directors' remuneration was:

Tony Gray	\$18,030
Tony Marryatt	\$22,261
John Melville	\$27,749
Jo Miller	\$15,803
Basil Morrison	\$15,803
Craig Stevenson	\$1,255
	\$100,901

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

Tony Gray	(Riskpool)	\$7,678
Tony Marryatt	(Riskpool)	\$11,742
John Melville	(Riskpool)	\$12,533
Jo Miller	(Riskpool)	\$8,310
Basil Morrison	(LGST)	\$13,411
Craig Stevenson	(Riskpool)	\$655
		\$54,329

DIRECTORS' REPORT**Interests Register**

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2021 were:

- J.B. Melville Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT.
- J. E. Miller Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance the LGMFT; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Hutt City Council; Vice President of Taituarā Executive Council; Board Member Hutt Valley Chamber of Commerce.
- B.J. Morrison Chairman 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; Trustee of Hauraki Railtrail Charitable Trust; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Honorary Consul for Uganda; Thames-Coromandel District Council Hearings Panel; Waikato Regional Council Hearings Commissioner; NZ Freshwater Commissioner; Accredited Commissioner – RMA.
- C.R. 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; Chief Executive of New Plymouth District Council; Trustee of Ratanui Trust.

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. This 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 Chairman 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 in their capacity as employees of \$100,000 or more during the year ended 31 December 2021.

Remuneration	Number of Employees
\$160,000 – \$170,000	1
\$200,000 – \$210,000	1

The above remunerations include 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. Tony Gray is the Chairman of this committee. The Committee met five times in 2021: 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 (2020: \$0).

8. STAFF

Recognising the stress that Covid has created within the office and in the lives of the staff, the Directors would sincerely thank the staff – Ian Brown, Charlie Howe, Glenn Watkin, Sylvia Jackson, Chathuri Mendis, Jen McGahan, Lisa Norris, Tim Sole and Sue Tong – for their work and support during the year.



John Melville **Chairman**
March 2022

DIRECTORS

John B. Melville (Chairman)

Johanna E. Miller

Nicola K. Mills

Basil J. Morrison CNZM JP

Craig R. Stevenson

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

Bank of New Zealand

LEGAL ADVISERS

Dentons Kensington Swan

REGISTERED OFFICE

Level 7, Civic Assurance House, 116 Lambton Quay, Wellington 6011

POSTAL ADDRESS

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

OTHER CONTACT DETAILS

Telephone (04) 978 1250

Facsimile (04) 978 1260

Email admin@civicfs.co.nz

Website www.civicfs.co.nz

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

Statement of Accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
REVENUE			
Administration Fees	17	3,100,598	2,973,440
Interest Income	4	116,935	141,233
Other Income		775	608
Total Revenue		3,218,308	3,115,281
EXPENDITURE			
Audit Fee	14		
Statutory Audit of the Financial Statements		103,697	127,639
Other Fees Paid to Auditors for Assurance Services		30,368	26,784
Other Fees Paid to Auditors for Tax Compliance		-	37,388
Depreciation	7	18,169	16,107
Amortisation	7	12,047	65
Directors' Remuneration	3	100,901	100,646
Interest Expense		12,264	-
Other Expenses	6	1,617,381	1,579,736
Employee Remuneration	3	797,637	725,518
Superannuation Subsidies		23,677	20,940
Total Expenditure		2,716,141	2,634,823
Surplus Before Taxation		502,167	480,458
Taxation Expense	10	141,639	135,635
TOTAL COMPREHENSIVE SURPLUS AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY	15	360,528	344,823

This statement is to be read in conjunction with the notes on pages 11 to 29.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
SHAREHOLDERS' EQUITY			
Issued and Paid-Up Ordinary Shares			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	418,894	58,366
TOTAL EQUITY		11,182,400	10,821,872
Represented By:			
CURRENT ASSETS			
Cash & Cash Equivalents		335,363	881,761
Term Deposits		5,914,564	4,735,000
Accrued Interest Receivable		21,349	15,396
Sundry Debtors and Prepayments	12	649,448	526,169
Loan Receivable	13	2,408,002	2,588,354
Total Current Assets		9,328,726	8,746,680
NON CURRENT ASSETS			
Property, Plant and Equipment	7	46,297	28,728
Intangible Assets (Software)	7	158,838	170,885
Deferred Tax Asset	10	2,208,806	2,350,445
Total Non Current Assets		2,413,941	2,550,058
TOTAL ASSETS		11,742,667	11,296,738
CURRENT LIABILITIES			
Sundry Creditors and Accrued Charges	12	412,593	328,375
Accrued Holiday Pay		88,752	68,312
CLP/ Riskpool Admin Fee Reserve		52,530	52,530
Total Current Liabilities		553,875	449,217
NON-CURRENT LIABILITIES			
CLP/ Riskpool Admin Fee Reserve		6,392	25,649
Total Non Current Liabilities		6,392	25,649
TOTAL LIABILITIES		560,267	474,866
EXCESS OF ASSETS OVER LIABILITIES		11,182,400	10,821,872

For and on behalf of the Directors



JOHN MELVILLE Chairman 11 March 2022



BASIL MORRISON Director 11 March 2022

This statement is to be read in conjunction with the notes on pages 11 to 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
OPENING EQUITY		10,821,872	10,477,049
Total Comprehensive Surplus Net of Tax		360,528	344,823
Dividend Payment		-	-
Ordinary Shares issued during the year	15	-	-
CLOSING EQUITY		11,182,400	10,821,872

This statement is to be read in conjunction with the notes on pages 11 to 29.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Administration Fees Received		3,028,084	2,970,690
Other Income		775	608
		3,028,859	2,971,298
Cash was applied to:			
Payments to Suppliers and Employees		2,639,025	2,360,681
		2,639,025	2,360,681
Net Cash Flow from Operating Activities	11	389,834	610,617
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Investment Income		45,648	74,872
Term Deposits		-	555,045
Loans Repaid from Related Parties		2,271,655	3,422,432
		2,317,303	4,052,349
Cash was applied to:			
Term Deposits		1,179,564	-
Purchase of Property, Plant and Equipment		35,738	92,338
Loans Issued to Related Parties		2,026,299	3,963,376
		3,241,601	4,055,714
Net Cash Flow (used in) / from Investing Activities		(924, 298)	(3, 365)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Loan Interest Received		330	81
		330	81
Cash was applied to:			
Interest Paid		12,264	-
		12,264	-
Net Cash Flow (used in) / from Financing Activities		(11,934)	81
Net (Decrease)/Increase in Cash Held		(546,398)	607,333
Opening Cash Balance as at 1 January		881,761	274,428
Closing Cash Balance as at 31 December		335,363	881,761
Being:			
Cash & Cash Equivalents		335,363	881,761

This statement is to be read in conjunction with the notes on pages 11 to 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 2021 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 2020 and 31 December 2021.

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 2021

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

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) 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.

	2021	2020	2021	2020
	Number		\$	\$
Short term employee benefits				
Executive Management Personnel	4	3	506,726	427,434
Directors	5	5	100,901	100,646
			607,627	528,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Bank and Cash Equivalents

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

Financial Liabilities

Financial liabilities include Sundry Creditors, Accrued Charges and Subordinated Debt. 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 2021

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED*Accounting Policies: continued***(1) Income Relating to Financial Assets**

	2021 \$	2020 \$
Loans		
Interest Received – Loans	65,334	50,965
Cash & Cash Equivalents		
Interest Received – Short Term Deposits	51,601	90,268
Total Interest Income	116,935	141,233

(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.

Loans are secured against Riskpool's future contributions and repayable with six months notice (refer to Note 13).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(2) Financial Assets and Liabilities continued

Carrying value of Financial Assets and Financial Liabilities

	2021 \$	2020 \$
Financial Asset: Loans and Receivables		
Sundry Debtors	537,894	484,840
Loans	2,408,002	2,588,354
Total Loans and Receivables	2,945,896	3,073,194
Financial Asset: Amortised Cost		
Cash & Cash Equivalents	335,363	881,761
Term Deposits	5,914,564	4,735,000
Total Financial Assets: Amortised Cost	6,249,927	5,616,761
Financial Liability: Amortised Cost		
Sundry Creditors & Accrued Charges	412,593	328,375
Total Financial Liabilities: Amortised Cost	412,593	328,375

(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.

Apart from security against Riskpool's future contributions, 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 2021

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.

Maturity Analysis as at 31 December 2021						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash & Cash Equivalents	0 to 0.15%	335,363	-	-	-	335,363
Term Deposits & Accrued Interest	0.8% to 1.7%	3,732,341	2,203,572	-	-	5,935,913
Other Receivables	n/a	537,894	-	-	-	537,894
Loans	2.93% to 3.28%	2,408,002	-	-	-	2,408,002
Total Financial Assets		7,013,600	2,203,572	-	-	9,217,172
Liabilities						
Sundry Creditors & Accrued Expenses	n/a	412,593	-	-	-	412,593
Total Financial Liabilities		412,593	-	-	-	412,593
Maturity Analysis as at 31 December 2020						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash & Cash Equivalents	0 to 0.48%	897,157	-	-	-	897,157
Term Deposits & Accrued Interest	0.7% to 1.78%	2,749,730	2,000,666	-	-	4,750,396
Other Receivables	n/a	484,840	-	-	-	484,840
Loans	2.96% to 3.96%	2,588,354	-	-	-	2,588,354
Total Financial Assets		6,720,081	2,000,666	-	-	8,720,747
Liabilities						
Sundry Creditors & Accrued Expenses	n/a	328,375	-	-	-	328,375
Total Financial Liabilities		328,375	-	-	-	328,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 \$	2020 \$
Cash & Cash Equivalents	335,363	897,157
Term Deposits & Accrued Interest	5,935,913	4,750,396
Other Receivables	537,894	484,840
Loans	2,408,002	2,588,354
Total	9,217,172	8,720,747

(ii) Concentration of Credit Exposure

94% of the Company's credit exposure is in the form of cash and term deposits held with registered banks and loans to Riskpool.

NOTE 5 OPERATING LEASE COMMITMENTS

	2021 \$	2020 \$
Operating Lease Expense Commitments:		
not later than one year	70,763	69,807
later than one year but not later than five years	184,629	251,888
later than five years	-	-
	255,392	321,695

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 6 OTHER EXPENSES

	2021 \$	2020 \$
Compliance Costs	77,324	140,179
Consultants	115,200	82,075
Legal Fees	109,289	180,747
Other Expenses	1,315,568	1,176,735
Total	1,617,381	1,579,736

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.

Depreciation Rates		
Office Furniture and Equipment	up to 17 years	
Intangibles – Software	5 years	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	2021 \$	2020 \$
(a) Property, Plant and Equipment		
Office Furniture and Equipment – cost	139,772	129,384
Plus Additions	35,738	10,388
Less Disposals	-	-
Closing Value – cost	175,510	139,772
Office Furniture and Equipment – Accumulated Depreciation	(111,044)	(94,937)
Less Depreciation Charge	(18,169)	(16,107)
Less Disposals	-	-
Closing Accumulated Depreciation	(129,213)	(111,044)
Net Book Value	46,297	28,728

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes no gains or losses on disposal of fixed assets (2020: \$nil).

	2021 \$	2020 \$
(b) Intangible Assets		
Software – cost	601,403	519,453
Plus Additions	-	81,950
Less Disposals	(166,339)	-
Closing Value – cost	435,064	601,403
Software – Accumulated Amortisation	(430,518)	(430,453)
Less Amortisation Charge	(12,047)	(65)
Less Disposals	166,339	-
Closing Accumulated Amortisation	(276,226)	(430,518)
Net Book Value	158,838	170,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2020: \$nil).

NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities (2020: \$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 a relatively long time period. 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 2021

NOTE 10 TAXATION CONTINUED

(a) Income tax recognised in the Statement of Comprehensive Income

	2021 \$	2020 \$
Tax expense comprises:		
Current tax expense	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Deferred tax relating to temporary differences	141,639	135,635
Total tax expense	141,639	135,635
Attributable to:		
Continuing operations	141,639	135,635
	141,639	135,635

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:

	2021 \$	2020 \$
Surplus before tax	502,167	480,458
Income tax calculated at 28%	140,607	134,528
Tax effect of permanent differences	1,032	830
Prior Period Adjustment	-	277
Income Tax Expense	141,639	135,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 \$	2020 \$
Tax refund receivable	-	-
	-	-

(c) Deferred tax balances

	2021 \$	2020 \$
Deferred tax assets comprise:		
Temporary differences	2,208,172	2,349,610
	2,208,172	2,349,610
Deferred tax liabilities comprise:		
Temporary differences	634	835
	634	835
Net Deferred Tax balance	2,208,806	2,350,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 \$
2021	Property and equipment	2,987	(718)	-	-	2,269
		2,987	(718)	-	-	2,269
	Employee entitlements	62,036	22,416	-	-	84,452
	Losses carried forward	8,329,428	(527,552)	-	-	7,801,875
		8,391,464	(505,136)	-	-	7,886,328
	Attributable to:					
	Continuing operations	8,394,451	(505,854)	-	-	7,888,597
	Total	8,394,451	(505,854)	-	-	7,888,597
	Tax effect at 28%	2,350,445	(141,639)	-	-	2,208,806
2020	Property and equipment	5,057	(1,081)	-	(989)	2,987
		5,057	(1,081)	-	(989)	2,987
	Employee entitlements	26,540	35,496	-	-	62,036
	Losses carried forward	8,847,264	(517,836)	-	-	8,329,428
		8,873,804	(482,340)	-	-	8,391,464
	Attributable to:					
	Continuing operations	8,878,861	(483,421)	-	(989)	8,394,451
	Total	8,878,861	(483,421)	-	(989)	8,394,451
	Tax effect at 28%	2,486,080	(135,358)	-	(277)	2,350,445

No liability has been recognised in respect of the undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The deferred tax asset relating to tax losses carried forward has been recognised as the financial forecasts anticipate the Group maintaining sufficient profitability in future financial years to utilise these losses (refer Note 20).

(d) Imputation Credit Account

	2021 \$	2020 \$
Closing Balance	1,593,490	1,593,490

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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

	2021 \$	2020 \$
Total Comprehensive Surplus	360,528	344,823
Add/(less) non cash items		
Loan Interest	(65,003)	(50,883)
Depreciation	18,169	16,107
Amortisation	12,047	65
Movement in CLP/ Riskpool Admin Fee Reserve	(19,256)	(19,256)
Movement in Deferred Tax Asset	141,639	135,635
Net change in fair value of investment property	-	-
	87,597	81,668
Add/(less) movements in other working capital items		
Sundry Debtors, Prepayments and Accrued Interest	(129,232)	28,440
Sundry Creditors and Accrued Charges	104,657	246,035
Tax Refund Due	-	-
	(24,576)	274,475
Add/(Less) Items Classified as Investing Activity	(45,979)	(90,349)
Add/(Less) Items Classified as Financing Activity	12,264	-
Net Cash Flow from Operating Activities	389,834	610,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 \$	2020 \$
Sundry Debtors	537,894	484,840
Prepayments	109,000	41,329
GST Receivable	2,554	-
Sundry Debtors and Prepayments	649,448	526,169

(b) Sundry Creditors and Accrued Charges

	2021 \$	2020 \$
Sundry Creditors and Accrued Charges	337,961	165,435
Related Party Loan Payable to CLP	74,632	-
GST Payable	-	162,940
Sundry Creditors and Accrued Charges	412,593	328,375

NOTE 13 LOANS**Loan Receivable****Related Party Loans Receivable**

	2021 \$	2020 \$
Riskpool	2,408,002	2,074,371
Civic Liability Pool	-	513,983
Total Related Party Loans Receivable	2,408,002	2,588,354

Secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of Riskpool were entered into in February 2017, August 2017 and again in November 2018 to assist with Riskpool's cashflow. The amounts made available under the 2017 agreements were reduced in 2018 to provide facilities of \$2,250,000 each (2017: \$3,000,000) and under the terms of the loans the interest rate is set as BKBM plus a margin. The November 2018 agreement provides a loan facility of \$4,000,000. Under the terms of the loan agreement the interest rate is set at the ANZ Bank lending rate plus a margin. Riskpool may repay the loans and any interest at any time without penalty. The Company may require repayment of the loans (including all interest) in full or in part at any time with six months' notice. Either party may terminate the agreements on six months' notice or any other such period that both parties agree to. On termination, the loan outstanding and any interest due to the date of repayment must be paid within the period of notice. The loan outstanding at 31 December 2021 is \$2,408,002 (2020: \$2,074,371). Interest received by the Company relating to the loans for the year to 31 December 2021 was \$65,334 (2020: \$50,965).

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 2021 is \$nil (2020: \$513,983). There is a related parties loan payable to CLP at 31 December 2021 of \$74,632 (refer Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 14 AUDIT FEES

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

	2021 \$	2020 \$
Statutory Audit of the Financial Statements		
Civic Financial Services	41,580	49,566
Civic Liability Pool	17,640	17,640
Local Government Superannuation Trustee	44,476	60,433
Total Statutory Audit of the Financial Statements	103,697	127,639
Other Fees Paid to Auditors for Assurance Services	30,368	26,784
Other Fees Paid to Auditors for Tax Compliance	-	37,388
Total Fees Paid to the Auditors	134,065	191,811

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 2020 there were no shares issued. There were no shares issued during 2021.

	2021 \$	2020 \$
Retained Earnings		
Opening Balance	58,366	(286,457)
Net Surplus After Taxation	360,528	344,823
Dividend Payment	-	-
Closing balance	418,894	58,366
Shareholders Capital		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
Closing balance	10,763,506	10,763,506
Number of Ordinary Shares Fully Paid	11,249,364	11,249,364
Par Value per Share	\$0.99	\$0.96
Dividend Payment per Share	\$0.00	\$0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 12 and Note 13 for the terms and information relating to loans with related parties.

Administration Fees

	2021 \$	2020 \$
LGSS & SKSS	2,606,612	2,484,661
LAPP	304,000	295,667
Riskpool	170,730	173,856
Civic Liability Pool	19,256	19,256
Administration Fees from Related Parties	3,100,598	2,973,440

Accounts Receivable

	2021 \$	2020 \$
LGSS & SKSS	537,516	484,587
LAPP	378	-
Accounts Receivable from Related Parties	537,894	484,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 18 SUBSEQUENT EVENTS

There have been no material events subsequent to 31 December 2021 that require adjustment to or disclosure in the financial statements.

NOTE 19 CAPITAL COMMITMENTS

The Company has no capital commitments at balance date (2020: \$nil).

NOTE 20 GOING CONCERN

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

The profitability of financial services supports the going concern assumption for Civic Financial Services Ltd as a whole. The deferred tax asset is reviewed regularly and at balance date against forecast profits and future business opportunities. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 7 to 29, that comprise the consolidated statement of financial position as at 31 December 2021, 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 2021; 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 11 March 2022. 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the Group for preparing consolidated 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 *CONTINUED*

In preparing the consolidated financial statements, the Board of Directors is responsible, on behalf of the Group, for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

We did not evaluate the security and controls over the electronic publication of the consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 *CONTINUED*

INDEPENDENCE

We are independent of the Group 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 Group.



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

CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2021

SHAREHOLDER MEMBER			SHAREHOLDER MEMBER		
NO. OF SHARES			NO. OF SHARES		
CITY COUNCILS			DISTRICT COUNCILS (Cont'd)		
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%	Taranua	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%
			Waikato	41,070	0.37%
			Waimakariri	88,172	0.78%
Ashburton	56,016	0.50%	Waimate	30,458	0.27%
Buller	27,698	0.25%	Waipa	149,082	1.33%
Carterton	23,642	0.21%	Wairoa	22,992	0.20%
Central Hawke’s Bay	28,580	0.25%	Waitaki	120,000	1.07%
Central Otago	91,238	0.81%	Waitomo	16,940	0.15%
Clutha	33,711	0.30%	Western Bay of Plenty	28,142	0.25%
Far North	85,440	0.76%	Westland	28,356	0.25%
Gisborne	99,404	0.88%	Whakatane	38,788	0.34%
Gore	54,589	0.49%	Whanganui	289,660	2.57%
Grey	33,742	0.30%	Whangarei	63,524	0.56%
Hastings	129,170	1.15%			
Hauraki	63,434	0.56%	REGIONAL COUNCILS		
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%			
Matamata-Piako	122,554	1.09%	OTHER		
New Plymouth	441,456	3.92%	TrustPower	137,251	1.22%
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			
			Total Shares	11,249,364	