

Report To: Council



Meeting Date: 29 July 2025

Subject: Financial Report for the period ended 31 May 2025

Type: Information Only

Author(s): Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1. The purpose of this business paper is to provide an overall progress report on WDC's financial activities for the period ended 31 May 2025 and present the Civic Financial Services Limited (CFSL) Annual Report 2024.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Financial Report for the period ended 31 May 2025 be received.
 - 2 The Civic Financial Services Limited Annual Report 2024 be received.

3. Background

- 3.1 Financial Report May 2025
- 3.2 The financial report provides financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community. It presents an overview of Council operations for the period including significant variance commentary against year-to-date budget and updates on significant capital expenditure projects.
- 3.3 A copy of the Financial Report for the period ended 31 May 2025 is enclosed separately and forms part of this business paper (Attachment 1).
- 3.4 CFSL Annual Report 2024
- 3.5 CFSL provides administration services to the Local Authority Protection Programme Disaster Fund (LAPP), SuperEasy Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme.
- 3.6 WDC holds 16,940 shares (0.15%) in CFSL.
- 3.7 The Annual Report from CFSL is attached to and forms part of this business paper (Attachment 2).

4. Commentary

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 The net operating surplus of \$7.35 million was less than the revised YTD budget surplus of \$9.23 million for the period ended 31 May 2025.

4.3 Total revenue was \$3.38 million below budget for the period. The variance against budget is due mostly to:

- Subsidy revenue was below budget as the road maintenance and renewal expenditure was less than forecast.
- Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.
- Fees and charges reflect lower charges year to date for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset in part by increased revenue for trade waste and animal control services.
- Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles, and a dividend from Inframax Construction Ltd, have also been recognised during the period. Gains on the sale of properties were also recognised.

4.4 Total expenditure was \$1.5 million less than budget for the period. The variance against budget is due to:

- Other expenditure was below budget for sludge disposal, district and regional promotion, asset management programme costs, building services, sealed pavement maintenance, wastewater operations and district plan development expenditures. Partly offsetting these under expenditures were over expenditures for recreation and property maintenance and consultants fees.
- Depreciation is tracking less than budget for the period for depreciation on newly constructed roads, IS assets, water and wastewater and property assets.

4.5 BALANCE SHEET HIGHLIGHTS

4.6 Total assets have increased to \$716.4 million since June 2024, this is mostly due to an increase in non-current assets \$4.56 million.

4.7 Total borrowings were \$33.2 million at 31 May 2025.

4.8 CAPITAL EXPENDITURE

4.9 Capital expenditure was \$14.9 million (50%), against a full year revised budget of \$30 million.

4.10 Total roads capital expenditure to 31 May 2025 was \$10.8 million, against a full year revised budget of \$14.9 million.

4.11 Of the \$15.1 million unspent, roads capital expenditure accounts for \$4 million (26%) of the unspent capital expenditure program. Several significant projects including the landfill cell development project budget of \$3.1 million is no longer proceeding and the Te Kuiti water resilience project and Te Kuiti stormwater improvements (attenuation ponds) will not be fully spent this year.

4.12 Staff have identified potential carryovers for projects that have been delayed or will not be fully complete by June 2025. These proposed carryovers will be presented to Council at the August meeting for consideration.

4.13 Commentaries on the significant projects within the capital works program are included under each area in the attached Financial Report.

4.14 Civic Financial Services Ltd Annual Report 2024

4.15 CFSL's surplus before taxation reported was \$262,626 compared with the forecast surplus of \$123,949 as set out in the Statement of Intent for 2024. This is primarily due to receiving higher than anticipated investment income and a small underspend in administration expenses.

- 4.16 Operational expenditure for the 2024 year was more than the 2023 year (2023: \$3,328,401 compared to 2022: \$3,094,025), mostly for employee and director remuneration and investment management fees paid to the fund managers.
- 4.17 Shareholders' equity totals \$10.6 million at 31 December 2024, an increase of \$186,365, for the year.
- 4.18 The significant assets in the balance sheet include term deposits of \$7.9 million and cash and cash equivalents of \$1.4 million.
- 4.19 The Financial Statements were audited and the Audit Report contains the Auditor's Opinion that they present fairly the financial position and performance of the Group and comply with NZ generally accepted accounting standards.

5. Attachments/Separate Enclosures

Attachments:

- 1 Financial Report for the period ended 31 May 2025 (901661)
- 2 Civic Financial Services Annual Report 2024 (901490)

FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2024 TO 31 MAY 2025



TABLE OF CONTENTS

INTRODUCTION.....	3	RESOURCE MANAGEMENT.....	14
SUMMARY	3	FINANCIAL UPDATE	14
FINANCIALS.....	3	PROJECTS AND PROGRAMME UPDATES	14
INCOME STATEMENT HIGHLIGHTS.....	4	SOLID WASTE	15
CAPITAL EXPENDITURE.....	6	FINANCIAL UPDATE	15
RATES RECEIVABLES	7	STORMWATER.....	17
LEADERSHIP	8	FINANCIAL UPDATE	17
FINANCIAL UPDATE	8	WASTEWATER.....	17
COMMUNITY AND PARTNERSHIPS..	10	FINANCIAL UPDATE	18
FINANCIAL UPDATE	10	WATER SUPPLY.....	20
RECREATION AND PROPERTY	11	FINANCIAL UPDATE	20
FINANCIAL UPDATE	11	ROADS AND FOOTPATHS	22
REGULATORY SERVICES.....	13	FINANCIAL UPDATE	22
FINANCIAL UPDATE	13		

INTRODUCTION

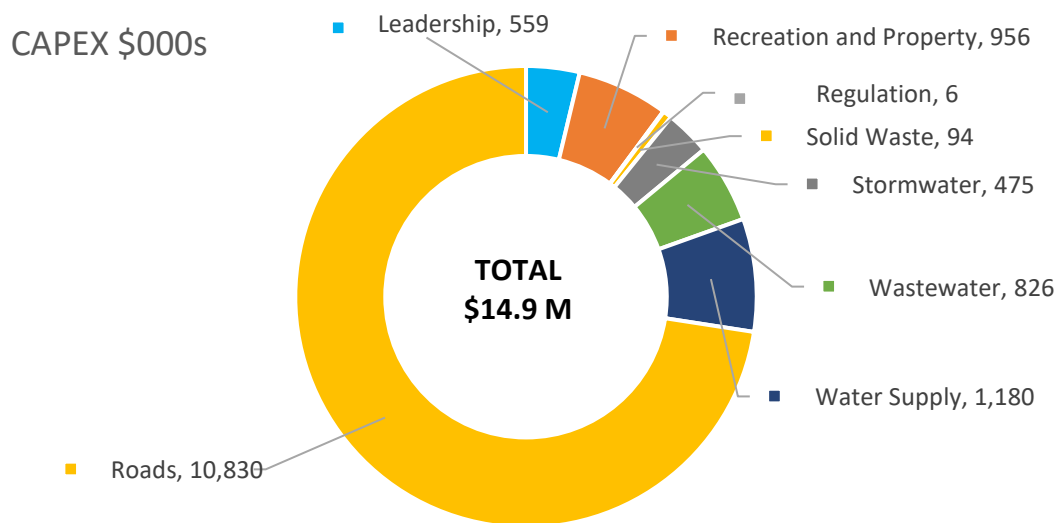
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through Annual Plans.

Progress on the LTP and Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

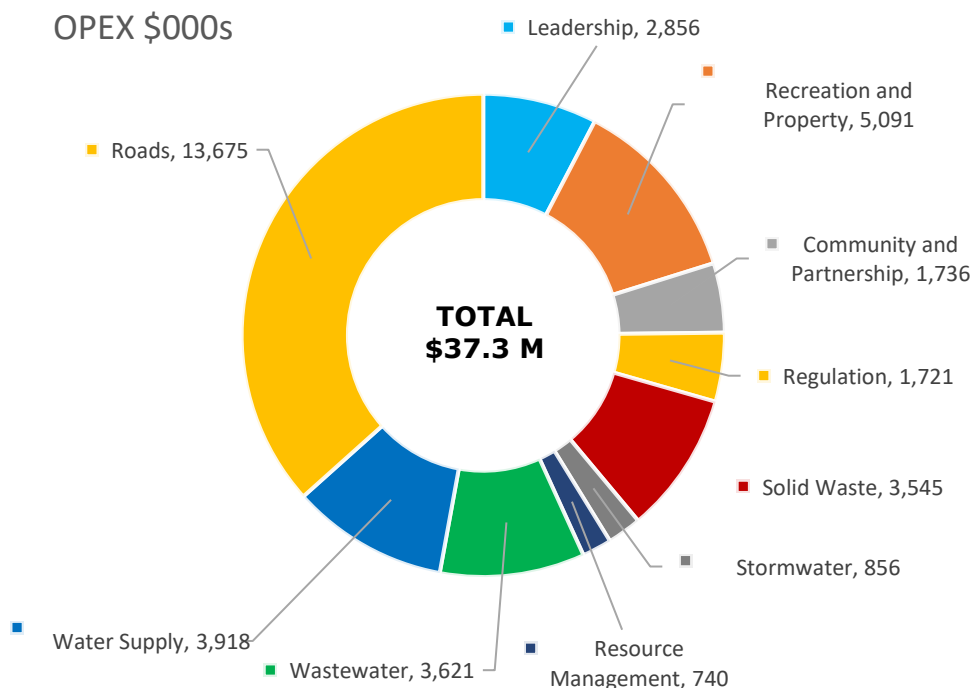
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2024 to May 2025.

SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 31 MAY 2025 \$000'S



OPERATIONAL EXPENDITURE SUMMARY AS AT 31 MAY 2025 \$000'S



FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Budgets referred to as revised includes the 2024/25 budget, carryovers and any additional budgets approved.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 31 May 2025 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(22,502)	(25,058)	(25,058)	(24,626)	(24,625)	0	
Subsidies and Grants	(20,154)	(15,700)	(22,461)	(14,715)	(18,640)	(3,925)	A
Interest Revenue	(148)	(66)	(66)	(182)	(32)	151	B
Fees and Charges	(4,386)	(4,850)	(4,850)	(4,390)	(4,468)	(78)	C
Other Revenue incl Gains/Losses	(728)	(334)	(334)	(782)	(312)	470	D
Total Revenue	(47,918)	(46,008)	(52,769)	(44,696)	(48,077)	(3,381)	7%
Operating Expenditure							
Other Expenditure	22,976	24,068	24,385	20,125	21,204	1,079	E
Depreciation	9,447	10,018	10,015	8,945	9,177	232	F
Finance Costs	1,633	1,622	1,622	1,461	1,486	25	
Salary Expenditure	7,248	7,788	7,614	6,813	6,979	166	
Total Operating Expenditure	41,304	43,496	43,637	37,343	38,846	1,502	4%
Net (Surplus)/Deficit	(6,614)	(2,512)	(9,132)	(7,352)	(9,231)	(1,879)	20%

Net Operating result: The net operating surplus of \$7.3 million is less than the revised YTD budgeted surplus of \$9.23 million for the period ended 31 May 2025.

Total Revenue was below revised YTD budget by \$3.38 million due to:

- A Subsidy revenue was below budget as road maintenance and renewal expenditure was less than forecast so the related subsidy revenue was also less.
- B Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention funds account.
- C Fees and Charges reflect lower charges year to date for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset in part by increased revenue for trade waste and animal control services.
- D Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles, and a dividend from Inframax Construction Ltd, have also been recognised during the period. Gains on the sale of properties at 4 and 8 Jennings Street were also recognised.

Total Operating Expenditure was less than revised YTD budget by \$1.5 million

- E Other expenditure was below budget for sludge disposal, district and regional promotion, asset management programme costs, building services, sealed pavement maintenance, wastewater operations and district plan development expenditures. Partly offsetting these under expenditures were over expenditures for recreation and property maintenance and consultants' fees.
- F Depreciation is tracking less than budget for the period for depreciation on newly constructed roads, IS assets, wastewater, water supply and property assets.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2024 to 31 May 2025.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2024	Actual Position 31 May 2025	Movement from 30 Jun 2024
Assets			
- Cash and cash equivalents	3,093	5,982	2,889
- Receivables	6,998	4,458	(2,540)
- Other current assets	120	120	0
- Other financial assets	13,624	13,909	285
- Derivative Financial Instruments	381	381	0
- Non-current assets	687,057	691,620	4,563
TOTAL ASSETS	711,273	716,470	5,197
Liabilities			
- Other Liabilities	8,389	6,398	(1,991)
- Total Borrowings	33,333	33,169	(164)
- Derivative financial instruments	45	45	0
Total Liabilities	41,767	39,612	(2,155)
Equity			
- Equity	669,506	676,858	7,352
TOTAL LIABILITIES AND EQUITY	711,273	716,470	5,197

Total Assets have increased from \$711.3 million to \$716.4 million.

- Cash and cash equivalents have increased by \$2.89 million to \$5.98 million.
- Receivables have decreased by \$2.5 million mostly due to a lower NZTA subsidy receivable and GST receivable compared to June 2024.
- Non-Current Assets increased by \$4.5 million (Total additions were \$14.9 million less depreciation of \$8.9 million and asset disposals of \$1 million).
- Other liabilities have decreased from \$8.4 million to \$6.3 million, represented by a decrease in general payables, retention monies and revenue in advance.

Total equity increased from \$669.5 million to \$676.8 million, which equals the net surplus of \$7.35 million.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the period ended 31 May 2025.

(Amounts in \$000's)	Annual Plan 2025	Plus Carryover from prior year	Less \$ moved to Opex	Plus Additional Approvals by Council Resolution	Plus Rephased BoF Projects	External funded projects	Other movements	Revised Budget	YTD Actual	Var - Actuals vs Revised Budget
Leadership	707	278			0			985	559	426
Recreation and Property	1,094	438		38	(333)	293		1,530	956	574
Community and Partnerships	3	0			0			3	0	3
Regulation	10	0			0			10	6	4
Solid Waste	3,141	112			0			3,253	94	3,159
Stormwater	1,788	0			0			1,788	475	1,312
Wastewater	493	966		78	0		(27)	1,510	826	684
Water Supply	5,399	100	(92)	188	0	377	27	5,999	1,180	4,819
Roads	8,906	4,170			0	1,867		14,943	10,830	4,112
Total	21,541	6,064	(92)	304	(333)	2,537	0	30,020	14,926	15,094

Total revised budget

The total revised capital expenditure budget 2024/25 is \$30 million including carryovers from the 2023/24 year of \$6.06 million and re-phasing of the Better Off projects of \$333,000, additional external funded projects (Dovi and wet weather repairs, speed management improvements, Carroll St reticulation renewals, Centennial Park funding) totalling \$2.5 million have also been added.

The significant project budgets carried over from the prior year includes emergency reinstatement and Cyclone Dovi renewals of \$4.17 million, Te Kuiti wastewater reticulation renewals \$351,000 and sludge improvements of \$506,000 and \$438,000 of Recreation and Property projects.

Of the revised budget of \$30 million, it is noted that the following significant projects will not be fully spent this financial year

- Te Kuiti stormwater improvements of \$341K were spent to date of the original planned Stormwater Improvements of \$1.24M. This project has been re-forecast to the following year as part of the financial forecasts for the 2025/26 Annual Plan.
- The major solid waste project for the Cell Development and gas flaring of \$3.01 million will not be going ahead following the 2025/26 Annual Plan decision on the on the landfill options.
- Te Kuiti water resilience budget for 2024/25 will not be spent and will be carried forward.

Total spend to 31 May 2025

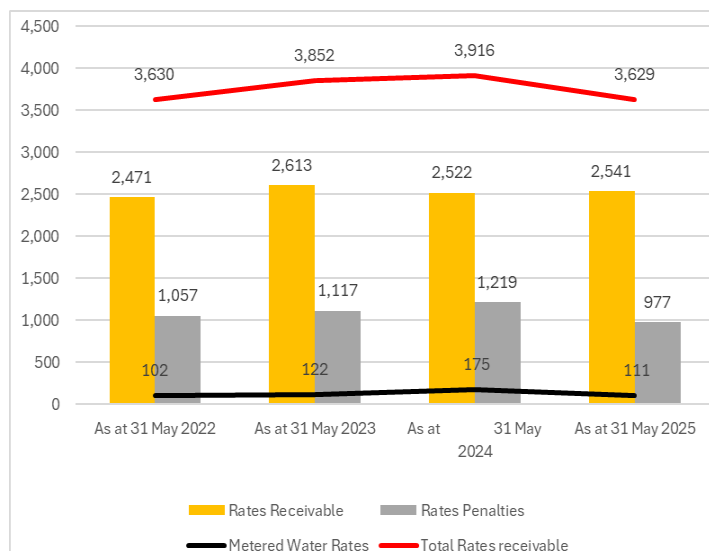
Overall, the capital spend year to date is \$14.9 million (2024: \$16.8 million), this represents 50% of the revised budget. Staff have identified potential carryovers for those projects that have been delayed or will not be fully complete by June 2025. These proposed carryovers will be presented to Council at the August meeting for consideration.

Further detail on the significant capital expenditure projects is included within each Group of Activities.

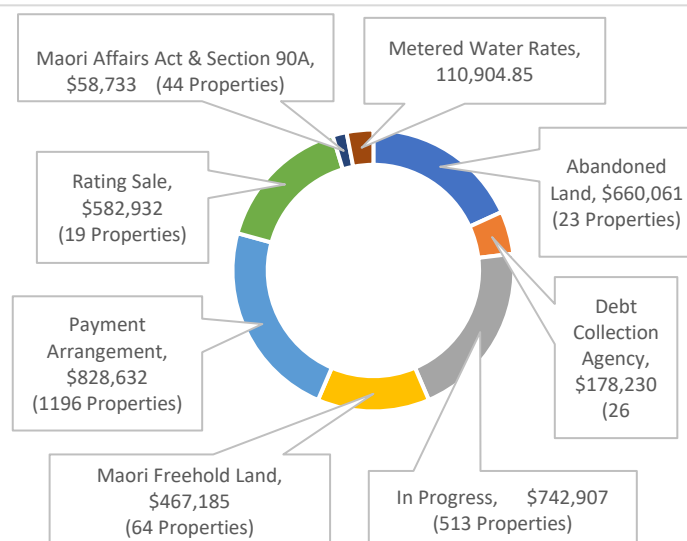
RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$'000's

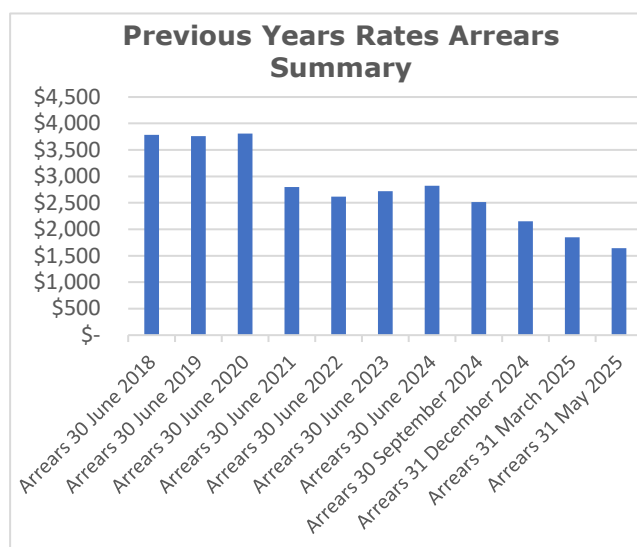
Set out below is the summary of Rates Receivables as at 31 May 2025.



RATES OUTSTANDING AT 31 MAY 2025



PREVIOUS YEARS RATES ARREARS \$'000's*



Progress

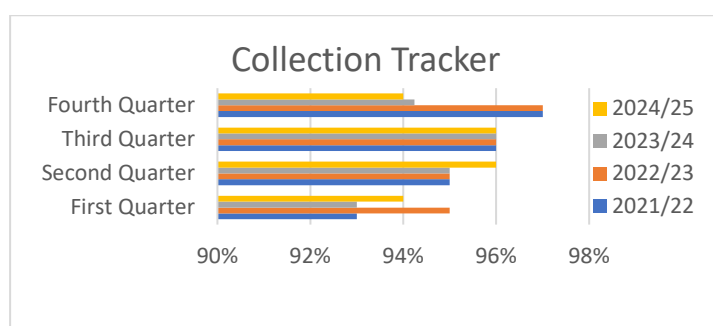
Five possible Abandoned Land properties were advertised in the King Country News and Waikato Times in the first week of April. This generated multiple phone calls and emails to DMC from family members and the information provided is still being worked through. One property has had the arrears substantially cleared with a lump sum payment and has an arrangement to clear the remaining balance.

An Abandoned Land property was advertised for sale again through a local Real Estate Agent. Tenders closed on 1 July 2025, with no tenders received.

A significant metered water arrears customer fully paid the outstanding debt on their water account in early May.

*Excludes metered water rates

RATES INSTALMENT COLLECTION



Rates Rebates 31/05/25	Rates Rebates 31/05/24
304	284

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,814)	(3,341)	(3,341)	(3,290)	(3,308)	(18)	
Subsidies and Grants	(262)	(270)	(270)	(1)	0	1	
Interest Revenue	(148)	(66)	(66)	(182)	(32)	151	A
Fees and Charges	(27)	(105)	(105)	(21)	(97)	(75)	B
Other Revenue incl Gains/Losses	(76)	0	0	(338)	0	338	C
Total Revenue	(4,327)	(3,781)	(3,781)	(3,833)	(3,437)	396	-12%
Operating Expenditure							
Other Expenditure	3,429	2,746	2,529	1,922	2,047	125	D
Depreciation	679	777	777	659	712	53	E
Finance Costs	351	365	365	275	334	59	F
Total Operating Expenditure	4,459	3,889	3,672	2,856	3,093	237	8%
Net (Surplus)/Deficit	133	108	(109)	(977)	(344)	633	-184%

Variance Comments:

- A Interest revenue was more than budget due to favourable bank interest rates for cash held in the main operating account and the contract retention funds account.
- B Fees and charges were below budget for royalties for council owned quarries due to less use of WDC owned quarries by lessee.
- C Other revenue was recognised for depreciation recovered on the sale of ten motor vehicles. The gain on sale will be added to the asset replacement reserve to fund future vehicle replacements. Dividend revenue was also received from Inframax Construction Ltd.
- D Other expenditure was below budget mostly for IT and cloud migration costs.
- E Depreciation is tracking less than budget as information services capital expenditure was less than forecast last year.
- F Finance costs are less than budget for Leadership as the Treasury Management activity also includes the recovery of internal interest from other groups. Overall interest cost for all council activities is within budget the period.

CAPITAL EXPENDITURE

LEADERSHIP \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Quarry Safety Improvements	40	81	0	81	A
Information Systems Improvements	11	29	5	23	B
Information Systems Renewals	147	180	43	137	C
Aerial Photography	50	100	0	100	D
Fleet Replacements	419	470	482	(12)	E
Administration Building Renovations	0	85	3	82	F
Other Minor Renewals	41	41	25	15	G
Total Capital Expenditures	707	985	559	426	

Variance Comments:

The revised budget includes carryover budgets of \$278,000.

- A Includes a carryover of \$41,000 for quarry safety improvements. The quarry safety improvements project work commenced in June, with any unspent budget expected to be carried over.
- B Includes a carryover of \$18,000 for system improvements. This year's spend has been on security systems work.
- C Includes a carryover of \$33,000 for hardware replacement. There was a purchase of replacement laptops in April and further purchases to be completed in June.
- D Includes a carryover of \$50,000. The aerial photography project has been delayed by WRC and will now be taking place in the 2025/26 year. WRC have estimated the cost of this work to be \$60,000.
- E Includes a carryover of \$51,000. Fleet replacements for vehicles are complete as is the mower and other equipment replacement. Gains on the sale of old fleet partly fund the replacements vehicles.
- F A project for the administration building facility upgrades have been mostly completed as of June, with costs still to come in. The total approved budget for this project is \$85,000.
- G Minor renewals include have been for air conditioning upgrades and office equipment.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,694)	(1,583)	(1,583)	(1,574)	(1,583)	(9)	
Subsidies and Grants	(599)	(735)	(785)	(528)	(625)	(97)	A
Fees and Charges	(16)	(4)	(4)	(11)	(3)	8	B
Total Revenue	(2,308)	(2,323)	(2,373)	(2,113)	(2,211)	(98)	4%
Operating Expenditure							
Other Expenditure	2,144	2,463	2,493	1,730	1,996	266	C
Depreciation	9	10	10	6	9	2	
Total Operating Expenditure	2,152	2,473	2,503	1,736	2,005	269	13%
Net (Surplus)/Deficit	(155)	150	130	(376)	(206)	170	-83%

Variance Comments:

- A Subsidies and grants revenue recognised during the period includes the Mayor's Taskforce for Jobs and BoF funding for the Rangatahi Pathways programme.
- B Fees and charges were recognised for the Te Kuiti Muster and Te Kuiti Tech Step event.
- C Other expenditure was below budget for the safe communities, district and regional promotion and budgets for the development of surplus land for residential sections were not fully spent.

CAPITAL EXPENDITURE

COMMUNITY PARTNERSHIPS \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Minor Improvements	3	3	0	3	
Total Capital Expenditures	3	3	0	3	

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,866)	(4,486)	(4,486)	(4,458)	(4,486)	(29)	
Subsidies and Grants	(851)	(547)	(464)	(441)	(464)	(23)	A
Fees and Charges	(530)	(614)	(614)	(505)	(569)	(63)	B
Other Revenue incl Gains/Losses	(320)	(53)	(53)	(124)	(53)	71	C
Total Revenue	(5,567)	(5,700)	(5,617)	(5,528)	(5,572)	(44)	1%
Operating Expenditure							
Other Expenditure	3,879	4,000	3,967	3,577	3,469	(108)	D
Depreciation	1,524	1,584	1,584	1,378	1,451	73	E
Finance Costs	149	132	132	137	121	(16)	F
Total Operating Expenditure	5,551	5,716	5,683	5,091	5,041	(51)	-1%
Net (Surplus)/Deficit	(16)	16	66	(437)	(531)	(95)	18%

Variance Comments:

- A Subsidies and grants revenue includes Better Off and Tourism Infrastructure Funding for demolition of the old schoolhouse at Marokopa, the Walkways project and Grass Roots funding for the Centennial Park upgrade project for the grandstand ablutions and cricket facilities.
- B Fees and charges revenue was less than budget for housing rentals (due to sale of properties during the year), aerodrome and campground revenue.
- C Other revenue includes the gain on the sale of properties at 4 and 8 Jennings Street and 59 Esplanade. and contributions towards the operating costs and long-term maintenance of the Gallagher Recreation Centre.
- D Consultants fees were more than forecast for the aerodrome (Council approved additional funding in the previous year for the development of the sustainability report) tree maintenance, electricity and gas and cleaning costs across the recreation and property activity were also more than budget. Costs spent to date on the Mokau seawall have also been expensed. Offsetting these expenditures were asset management, contractor costs and repairs. A loss on disposal was recognised for Mokauiti Hall.
- E Due to the delay in the capital spend for last year and this year, depreciation on assets is less than budgeted. Depreciation is further decreased due to the sale of assets, being 4 and 8 Jennings St and 59 Esplanade.
- F Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Recreation and Property activity attracted a greater proportion of interest than forecast.

CAPITAL EXPENDITURE

RECREATION AND PROPERTY \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Aquatic Centre Renewals	22	44	7	37	A
BoF Town Gateways	446	0	0	0	
BoF and TIF funded Walkways	0	113	75	38	B
Centennial Park Grandstand Ablutions and Changing Rooms Upgrade	0	269	304	(35)	C
Les Munro Centre Air Conditioning Renewal	12	202	216	(14)	D
Library Building and Book Renewals	68	68	52	16	
Mokau Seawall Renewal	32	106	4	102	E
Housing and Other Property Renewals	57	57	62	(6)	
Parks and Reserves Improvements and Renewals	134	230	38	192	F
Public Facilities Renewals	72	148	50	98	G
Te Kuiti Cemetery Improvements	50	50	6	44	H
Centennial Park Improvements	200	244	142	101	I
Total Capital Expenditures	1,093	1,530	956	574	

Variance Comments:

The revised budget includes carryover budgets, \$250,000 for Centennial Park ablutions and changing rooms updated (funded by Grassroots), \$43,000 additional budget for cricket equipment (funded by Grassroots and Northern Districts Cricket Association) and additional budget approved for LMC air conditioning.

- A Includes a carryover of \$22,000 for repairing the sand filter. This will need to be carried over to 2025/26.
- B Includes a re-sequenced budget of \$113,000. The major work to date has been along the Mangaokewa walkway.
- C The Centennial Park Grandstand Upgrade was completed at the end of February 2025.
- D Includes a carryover of \$151,000 for the replacement of air conditioning system installation and ducting and additional budget funding of \$38,000 approved by Council. The upgrade of the air conditioning at the Les Munro Centre has been completed.
- E Includes a carryover budget of \$74,000. Costs related to Mokau seawall were transferred to operating expenses with the project not going ahead. The remaining capital expenditure is for a set of steps that have been completed at Tokopapa St.
- F Includes a carryover of \$96,000 for revocation of reserve classifications and completion of subdivisions for Eketone Street, Mangarino Road, Esplanade, Moa Street; playground renewals and Motakiora/Brook Park renewals. The minor spend to date is for fencing.
- G Includes a carryover of \$76,000 for skatepark and toilet renewals. The spend to date includes toilet renewals, tables and bins renewal and, security camera renewals. The renewal of the security cameras in underway with the remaining work to be completed by August.
- H The budget is for the installation of berms, landscaping and fencing of the new plot at Te Kuiti cemetery. The design work is complete but the budget for the development will need to be carried over to 2025/26.
- I The budget is for the Centennial Park project including improvements to the north field and oval. Installation of the cricket pitch and cages and rugby goals have been completed. Plans are being completed for the remainder of the park developments for Council review before the lottery funding application is submitted.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(878)	(1,420)	(1,420)	(1,411)	(1,420)	(9)	
Subsidies and Grants	(17)	0	0	0	0	0	
Fees and Charges	(520)	(713)	(713)	(698)	(668)	30	A
Other Revenue incl Gains/Losses	(19)	(17)	(17)	(14)	(17)	(3)	
Total Revenue	(1,435)	(2,150)	(2,150)	(2,123)	(2,105)	18	-1%
Operating Expenditure							
Other Expenditure	1,574	2,195	2,207	1,706	1,973	267	B
Depreciation	14	15	15	15	14	(1)	
Total Operating Expenditure	1,588	2,211	2,223	1,721	1,987	266	13%
Net (Surplus)/Deficit	153	61	73	(402)	(118)	284	-241%

Variance Comments:

- A Additional revenue for animal control services from Otorohanga District Council for the period January to June 2024 and health licence fees. This additional revenue was partly offset by less revenue for building services as building consents applications were down as building activity in Waitomo district has followed the national trend of a reduction in building consent applications and activity.
- B Other expenditure was below budget for noise control, animal control contractor, consultant's fees and earthquake prone building expenditure. Spends for the consultants and earthquake prone building costs are expected to remain below budget for the year.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	10	10	6	4	
Total Capital Expenditures	10	10	6	4	

RESOURCE MANAGEMENT

FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(418)	(445)	(445)	(442)	(445)	(3)	
Fees and Charges	(254)	(216)	(216)	(196)	(198)	(2)	
Total Revenue	(671)	(661)	(661)	(638)	(643)	(5)	1%
Operating Expenditure							
Other Expenditure	1,185	970	970	679	872	192	A
Finance Costs	55	67	67	61	61	0	
Total Operating Expenditure	1,241	1,036	1,037	740	932	192	21%
Net (Surplus)/Deficit	569	375	376	102	289	187	65%

Variance Comments:

- A Other expenditure was less during the period for legal and general expenses for the District Plan development. Due to the involved and complex nature of this project. It is not unexpected to have variations in the timing of expenditure. It is expected that the legal fees spend will increase with arbitration actions due.

PROJECTS AND PROGRAMME UPDATES

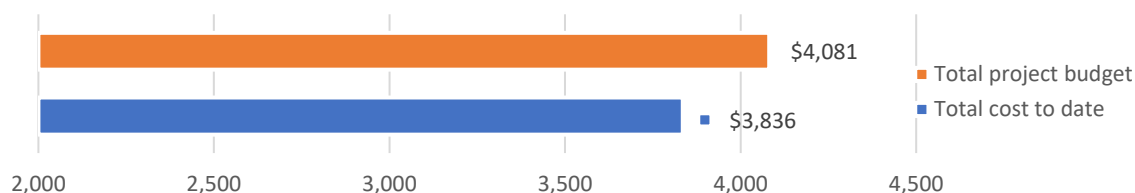


Programme Summary: A review of the Operative Waitomo District Plan in accordance with statutory requirements.

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District and is inherently complex with many associated workstreams. This project will continue through the 2024/25 period.

Progress: Decisions on the PDP were issued on 19 June 2025. The appeals period closes on 1 August 2025.

District Plan Development Total Project Costs to date (\$000's)



Next steps: Receive and review notices of appeal.
End date: Appeals period closed on 1 August 2025.

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,445)	(1,633)	(1,633)	(1,653)	(1,633)	20	
Subsidies and Grants	(56)	0	0	(10)	0	10	A
Fees and Charges	(1,692)	(2,237)	(2,237)	(1,702)	(2,053)	(350)	B
Other Revenue incl Gains/Losses	(185)	(125)	(125)	(183)	(114)	69	C
Total Revenue	(3,378)	(3,994)	(3,994)	(3,549)	(3,800)	(251)	7%
Operating Expenditure							
Other Expenditure	3,210	3,708	3,711	3,338	3,414	76	D
Depreciation	115	122	122	103	111	8	
Finance Costs	130	124	124	104	114	11	
Total Operating Expenditure	3,455	3,953	3,956	3,545	3,639	95	3%
Net (Surplus)/Deficit	77	(41)	(38)	(4)	(160)	(156)	97%

Variance Comments:

- A A grant payment was received from the Ministry for Environment (MfE) for the feasibility study of the kerbside organic collection. A shared project between MfE, Otorohanga District Council (ODC) and WDC where MfE contributes 75%, ODC 12.5% and WDC 12.5% of total costs.
- B Revenue received from the landfill was less for general refuse charges as waste volumes deposited at the landfill have reduced. This is offset partly by increased revenue for green waste and special waste.
- C Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes.
- D Other expenditure is below budget for waste minimisation levy and emissions trading scheme costs offset in part by increased contract costs for landfill operations, consultants' costs, recycling removal, landfill bin movements and kerbside collection and disposal costs.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Gas Flaring Equipment	165	165	0	165	A
New Cell Development	2,846	2,846	72	2,774	B
Resource Consent Renewal	40	100	4	96	C
Te Kuiti Transfer Station Improvements	0	27	0	27	D
Transfer Station Renewals	90	116	10	105	E
Purchase of carbon credits	0	0	8	(8)	F
Total Capital Expenditures	3,141	3,253	94	3,159	

Variance Comments:

The revised budget included carryovers of \$112,000.

- A The gas flaring equipment project will not proceed following the decision not to continue with the cell development.
- B There was necessary work undertaken on the highwall overburden, the catchpits and culverts. Final costs are expected to be about \$80K.

- C Includes carryover of \$60,000 for delaying the consent activation date and to comply with new resource consent conditions
- D Includes carryover of \$27,000 for transfer station improvements.
- E Includes carryover of \$26,000 for transfer station renewals.
- F These costs are for carbon credits purchased to meet our future obligations.

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(510)	(918)	(918)	(929)	(918)	11	
Subsidies and Grants	0	(719)	(722)	0	0	0	
Fees and Charges	(7)	0	0	(26)	0	26	A
Total Revenue	(517)	(1,637)	(1,640)	(954)	(918)	36	-4%
Operating Expenditure							
Other Expenditure	404	651	653	602	596	(6)	B
Depreciation	257	259	259	233	237	3	
Finance Costs	14	40	40	20	37	17	
Total Operating Expenditure	675	950	952	856	870	14	2%
Net (Surplus)/Deficit	158	(687)	(688)	(99)	(48)	51	-106%

Variance Comments:

- A Fees and charges revenue includes stormwater connection fees for Te Kuiti.
- B Consultants fees for the stormwater modelling programme were more than budget for the period. These costs have been offset by reduced costs for open drain maintenance and the stormwater inspection programme. A loss on disposal was recognised for a small number of pipes have been identified as being redundant and have been removed from the asset register.

CAPITAL EXPENDITURE

Storm Water \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Stormwater Discharge Resource Consent Renewals	45	45	12	33	
Stormwater Improvements	1,240	1,240	341	899	A
Stormwater Renewals	503	503	122	381	B
Total Capital Expenditures	1,788	1,788	475	1,312	

Variance Comments:

- A The budget is for the attenuation ponds at Te Kuiti. Other spending was for continuing improvements work, the remainder to be carried forward to be spent next year.
- B Major works have been for the Carroll Street SH3 project (partly funded by NZTA), Hospital Road and Awakino Road being from this budget. Other works have been completed at Piopio and Mokau.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(2,378)	(2,713)	(2,713)	(2,731)	(2,713)	18	
Subsidies and Grants	0	0	(15)	0	0	0	
Fees and Charges	(1,083)	(796)	(796)	(966)	(730)	236	A
Total Revenue	(3,461)	(3,510)	(3,524)	(3,697)	(3,444)	253	-7%
Operating Expenditure							
Other Expenditure	2,757	3,213	3,047	2,426	2,737	311	B
Depreciation	1,043	1,088	1,088	964	996	32	C
Finance Costs	251	217	217	231	199	(32)	D
Total Operating Expenditure	4,051	4,518	4,352	3,621	3,932	311	8%
Net (Surplus)/Deficit	590	1,008	827	(76)	488	565	116%

Variance Comments:

- A Fees and charges were more than budget for trade waste revenue. Additional revenue was also recognised for wastewater connection fees for Te Kuiti.
- B Other expenditure was below budget for sludge disposal costs as dried sludge has not been delivered to landfill this year and electricity costs. This was offset partly by increased chemicals costs, reticulation maintenance and sampling costs. A loss on disposal was recognised for a small number of pipes have been identified as being redundant and have been removed from the asset register.
- C Due to the capital spend for 2023/24 being less than forecast, the depreciation on assets is less than budget.
- D Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Wastewater activity attracted a greater proportion of interest than forecast.

CAPITAL EXPENDITURE

Wastewater \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Pump Stations Improvements	75	75	30	45	A
Benneydale Resource Consent Renewals	30	133	134	(1)	B
Resource Consent Vegetation Planting and Wetland	0	26	1	25	
Reticulation Renewals	344	702	105	597	C
Sludge Removal improvements	0	485	527	(42)	D
Te Waitere Wastewater	7	18	6	12	
Treatment Plant Renewals	37	71	23	48	E
Total Capital Expenditures	493	1,510	826	684	

Variance Comments:

The revised budget includes carryover budgets of \$966,000 and additional budget approved for Benneydale wastewater consent, \$78,000.

- A This project is currently completed for this year with pumps and equipment being purchased and installed. Further spending of \$35,000 has taken place in June.

- B Includes carryover of \$25,000 and additional approved budget of \$78,000. The application was lodged in November however is now on hold due to changes in the national wastewater environmental performance standards and higher costs than anticipated in assessing the cultural impact report. Further clarification on the standards is expected in September 2025.
- C Includes a carryover of \$351,000 for reticulation renewals. Renewals projects are planned and ready to start with Te Kuiti plant mechanicals renewals to take place, Telemetry/Scada renewals approved and starting. Work has not yet commenced on the major Mains renewal project; this has a budget of \$512,000. Work on the Carroll Street SH3 projects is now completed.
- D Includes a carryover of \$485,000 for sludge improvements. The capital spend for this project is now completed for this year.
- E Includes a carryover of \$60,000 for improvements to Te Kumi, Tammadge and Hillview pump stations by installation of new SCADA and renewal of old aerials at Redwood and the treatment plant sludge area. The balance of these projects will need to be carried over to 2025/26.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,006)	(3,714)	(3,714)	(3,327)	(3,314)	13	
Subsidies and Grants	0	0	(383)	(400)	(382)	18	A
Fees and Charges	(34)	0	0	(26)	0	26	B
Total Revenue	(3,040)	(3,714)	(4,096)	(3,752)	(3,696)	56	-2%
Operating Expenditure							
Other Expenditure	2,864	2,867	3,221	2,757	2,749	(8)	C
Depreciation	935	954	954	861	876	15	
Finance Costs	317	377	377	300	345	45	D
Total Operating Expenditure	4,117	4,198	4,553	3,918	3,970	52	1%
Net (Surplus)/Deficit	1,077	484	456	166	274	108	39%

Variance Comments:

- A The subsidy revenue has been recognised from NZTA for the Carroll Street SH3 works. A portion of the subsidy received will be transferred to stormwater and wastewater activities.
- B Fees and charges revenue was recognised for connection fees.
- C Other expenditure includes a loss of disposal of \$113,000 for pipes and tobies and meters. This is partly offset by unspent consultants' fees.
- D Finance costs allocated to Water Supply are tracking less than budget due to the delays in the resilience project resulting in a lower level of loan funding last year than was forecast.

CAPITAL EXPENDITURE

Water Supply \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
SCADA Improvements and Renewals	65	92	2	90	A
WSP Improvements	277	277	8	269	B
Reticulation Renewals	366	931	824	108	C
Te Kuiti Water Resilience Project	4,250	4,345	216	4,129	D
Backflow Preventors and Bulk Monitoring Improvements	147	148	61	87	E
Treatment Plant Renewals	293	206	70	137	F
Total Capital Expenditures	5,399	5,999	1,180	4,819	

Variance Comments:

The total revised budget includes carryover budgets of \$100,000; a transfer of budget to operations for fencing at Mokau; additional capital budgets for reticulation renewals on Carroll Street (partly funded by NZTA).

- A The SCADA projects have been completed for this year with further costs of \$60,000 coming through in June 2025 with the balance to be carried over to 2025/26.
- B Major parts of the approved Water Safety plan have been approved and have started in June at Piopio and Mokau. The projects approved so far total \$85,000.

- C Projects have been approved and are underway. The major project this year was the recently completed Carroll Street SH3.
- D The Te Kuiti water resilience project has been approved and is underway.
- E The backflow preventors are being completed as required. The remaining budget may need to be carried forward.
- F A portion of the renewals budget has been transferred to operations for the contribution to fencing at Mokau.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(4,495)	(5,197)	(5,197)	(5,226)	(5,197)	29	
Subsidies and Grants	(18,369)	(13,429)	(19,822)	(13,334)	(17,168)	(3,833)	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(222)	(165)	(165)	(240)	(151)	89	B
Other Revenue incl Gains/Losses	(127)	(140)	(140)	(123)	(129)	(5)	
Total Revenue	(23,213)	(18,931)	(25,324)	(18,924)	(22,644)	(3,720)	16%
Operating Expenditure							
Other Expenditure	8,775	9,438	9,593	8,617	8,724	106	C
Depreciation	4,871	5,206	5,206	4,725	4,772	47	D
Finance Costs	366	299	299	333	274	(59)	E
Total Operating Expenditure	14,012	14,943	15,098	13,675	13,769	94	1%
Net (Surplus)/Deficit	(9,201)	(3,988)	(10,226)	(5,249)	(8,875)	(3,626)	41%

Variance Comments:

- A Subsidies and grants revenue was less than budget as road maintenance and renewals costs were less than forecast for the year to date.
- B Capitation fees received towards road maintenance were more than budget year to date.
- C Other expenditure was below budget for sealed pavement maintenance, professional services, allocated roading business unit costs, structures maintenance and unsealed pavement maintenance. This was offset in part by emergency reinstatement, network and asset management and drainage maintenance.
- D Depreciation is tracking less than budget as asset additions for the prior year were lower than forecast.
- E Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Roads and Footpaths activity attracted a greater proportion of interest than forecast.

CAPITAL EXPENDITURE

CAPITAL EXPENDITURE ROADS \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Footpaths and Road to Zero Improvements	280	310	31	279	A
Unsubsidised Road Improvements	136	136	16	120	B
Other Road Renewals	2,292	914	500	414	C
Pavement Rehabilitation Renewals	1,683	1,683	1,768	(85)	D
Sealed Surfacing Renewals	2,665	2,665	2,534	131	E
Bridge and Bridge Structures Replacement	270	270	94	176	F
Unsealed Road Metalling Renewals	880	880	862	18	G
Cyclone and Wet Weather Reinstatements	700	8,084	5,025	3,059	H
Total Capital Expenditures	8,907	14,943	10,830	4,112	

Variance Comments:

The total revised budget of includes \$4.17 million of carryover budgets, additional budgets have also been reflected to recognise the increased NZTA funding for the Dovi and wet weather emergency works and speed management.

- A The footpath improvements works are no longer funded. NZTA is providing funding for the Speed Management Implementation, this is to be undertaken through July 2025.
- B Some of the unsubsidised road improvements budget is to be utilised for the improvements around Centennial Park.
- C This budget has been reduced to reflect the changes in the NZTA three-year programme and now only has \$2.3 million available over three years. The major spending this year has been on drainage renewals. Also anticipated this year was Kent St, \$430,000, which has been deferred to September 2025.
- D Pavement rehabilitation projects were tendered and completed within the financial year. This included Mangaotaki Road and Walker Road sites.
- E The pavement sealing programme has been completed for the year and was undertaken as part of the Maintenance Contract.
- F Programmed works are being undertaken on bridge upgrades. The Bridge Structural Maintenance project is programmed to undertake physical works during the 25/26/27 financial years under a multi-year contract.
- G The work on the Unsealed Road Metalling has largely been completed by Inframax Construction Ltd, these works are generally undertaken during the wetter months to reduce dust impacts.
- H Includes carryover of \$4.17 million to continue the emergency reinstatement programme. Major works are currently underway; it is expected that \$6.5 million will be spend by the end of the financial year.



ANNUAL REPORT 2024

DIRECTORS' REPORT	1
DIRECTORY	5
INDEPENDENT AUDITOR'S REPORT	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONSOLIDATED STATEMENT OF CASH FLOWS	13
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14
SHAREHOLDERS' DETAILS	BACK COVER

DIRECTORS' REPORT**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2024**

Your Directors have pleasure in submitting the 64th Annual Report of the affairs of the Company, Civic Financial Services Limited ('Civic'), for the year ended 31 December 2024, which is to be presented at the Annual General Meeting of Members in June 2025.

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 Conduct. 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 2024 was \$262,626.

This compares favourably to the budgeted before-tax surplus of \$123,949 as set out in the 2024 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 2024 from providing services to LAPP, Riskpool, the Local Government Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme were \$3,039,014 (2023: \$2,919,375).

Investment Revenue

Income from investments was \$552,013 (2023: \$613,757).

Sponsorship and Support for the Sector

Civic continues as a sponsor of Taituarā – Local Government Professionals Aotearoa 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.

The Schemes have a combined membership of 11,376, with funds under management as at December 2024 of \$629 million (December 2023 \$550 million). Out of the 78 councils in the country, 71 of them have chosen SuperEasy KiwiSaver as their Preferred KiwiSaver Provider.

The investments of the Schemes funds are managed by the investment fund managers according to their agreements with the Company. During the year with ANZ NZ Investments Limited, who had managed the majority of the Schemes funds, exiting the wholesale investment services market, extensive work was carried out to find the replacements and transfer the investments from ANZ NZ Investments Limited to the other existing fund manager Harbour Assets Management Limited and the new fund manager Mercer (NZ) Limited. The transition was successfully completed in July 2024 with minimum disruptions to the Company's day-to-day operations and the investment of the members funds held in the Schemes.

DIRECTORS' REPORT

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. There are currently 22 council members in LAPP. LAPP's website is: www.lappfund.co.nz. Civic is the administration and fund manager for LAPP.

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 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.

During the year, the loan facilities that previously existed between Civic and LGMFT on behalf of Riskpool and were fully repaid in 2023 were finally terminated.

Civic Property Pool (CPP)

Civic Property Pool ('CPP') is a charitable trust registered on 10 August 2012.

The main objective of CPP is providing financial assistance for the reinstatement of lost or damaged local authority infrastructure and assets, being a matter beneficial to the community.

In March 2024, the Trustees of CPP unanimously resolved to wind up the Pool following a long period of inactivity since 2017. The wind up was completed in early 2025. Civic is the administration manager for CPP.

4. DIRECTORS

As at 31 December 2024 there were five Civic directors: Marty Grenfell, Nicola Mills, Ken Morris, Sue Bidrose, and Craig Stevenson. Basil Morrison retired as a director with effect from 21 June 2024. Sue Bidrose was appointed director on the same day.

Director attendances at Board meetings held in 2024:

Marty Grenfell	4 / 6
Nicola Mills	6 / 6
Ken Morris	6 / 6
Basil Morrison	3 / 3
Craig Stevenson	5 / 6
Sue Bidrose	3 / 3

Section 139 of the Companies Act 1993

All Civic directors are directors of LGMFT except for Sue Bidrose who is 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 2024, Directors' remuneration was:

Marty Grenfell	\$17,445
Nicola Mills	\$26,168
Ken Morris	\$17,445
Basil Morrison	\$8,129
Sue Bidrose	\$9,363
Craig Stevenson	\$34,891
	\$113,441

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

Marty Grenfell	(LGMFT)	\$24,480
Nicola Mills	(LGMFT)	\$12,240
Ken Morris	(LGMFT)	\$12,240
Basil Morrison	(LGST)	\$14,805
Craig Stevenson	(LGMFT)	\$12,240
		\$68,537

DIRECTORS' REPORT**Interests Register**

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2024 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; Chief Financial Officer of City Rail Link Ltd.
Ken Morris	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of Local Government Superannuation Scheme and 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 of Harry and Pauline Morris Family Trust; Chair of Village Lake Apartments Body Corporate (Hanmer Springs).
Craig Stevenson	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Trustee of Ratanui Trust; Wife Fiona Aitken being the Chief Executive of South Taranaki District Council (one of Civic's members/owners).
Sue Bidrose	Trustee of Civic Property Pool; Chief Executive of AgResearch Ltd; Chair of Science New Zealand Ltd; Director of FoodHQ; Director of AgResearch (PPGRC Consortia) Ltd; Director of AgResearch (Pastoral Genomics Consortia) Ltd; Director of Covina Ltd; Director of Celentis Ltd; Director of Phytagro New Zealand Ltd; Director of Encoate Holdings Ltd; Trustee of Wise Trust; Commissioner of Local Government Commission.

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 2024.

Remuneration	Number of Employees
\$100,000 – \$110,000	3
\$110,000 – \$120,000	1
\$120,000 – \$130,000	1
\$200,000 – \$210,000	1
\$290,000 – \$300,000	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 2024: 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 (2023: \$0).

8. STAFF

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



Craig Stevenson, **Chair**
March 2025

DIRECTORS

Craig Stevenson (Chair)

Marty Grenfell

Nicola Mills

Ken Morris

Sue Bidrose

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

Website: 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 2024; and
 - its financial performance and cash flows for the year then ended.
- 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 21 March 2025. 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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 1993.

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

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 and the provision of other assurance services, we have no relationship with, or interests in, the Group.



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 2024

	NOTE	2024 \$	2023 \$
REVENUE			
Administration Fees	17	3,039,014	2,919,375
Interest Income	4	552,013	613,757
Other Income		-	135
Total Revenue		3,591,027	3,533,267
EXPENDITURE			
Audit Fee	14		
Statutory Audit of the Financial Statements		52,327	58,519
Other Fees Paid to Auditors for Assurance Services		37,298	36,269
Other Fees Paid to Auditors for Entities Administered by Civic		73,786	69,857
Depreciation	7	10,923	18,996
Amortisation	7	41,644	68,664
Directors' Remuneration	3	113,441	108,879
Other Expenses	6	1,830,582	1,674,727
Employee Remuneration		1,118,843	1,022,057
Superannuation Subsidies		49,557	36,058
Total Expenditure		3,328,401	3,094,025
Surplus Before Taxation		262,626	439,242
Taxation Expense	10	76,261	123,554
TOTAL COMPREHENSIVE SURPLUS AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY	15	186,365	315,688

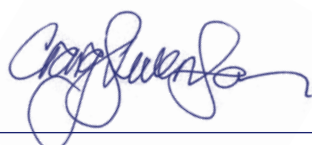
This statement is to be read in conjunction with the notes on pages 14 to 32.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTE	2024 \$	2023 \$
SHAREHOLDERS' EQUITY			
Issued and Paid-Up Ordinary Shares			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	(102,434)	(288,799)
TOTAL EQUITY		10,661,072	10,474,707
Represented By:			
CURRENT ASSETS			
Cash and Cash Equivalents		1,445,290	2,789,339
Term Deposits		7,870,665	6,366,929
Accrued Interest		184,596	65,256
Sundry Debtors and Prepayments	12	469,703	589,339
Total Current Assets		9,970,254	9,810,863
NON CURRENT ASSETS			
Property, Plant and Equipment	7	31,232	28,722
Intangible Assets (Software)	7	50,826	23,162
Deferred Tax Asset	10	843,378	919,639
Total Non Current Assets		925,436	971,523
TOTAL ASSETS		10,895,690	10,782,387
CURRENT LIABILITIES			
Sundry Creditors and Accrued Charges	12	145,922	193,955
Accrued Holiday Pay		88,697	93,314
CLP / Riskpool Admin Fee Reserve		-	20,410
Total Current Liabilities		234,619	307,679
TOTAL LIABILITIES		234,619	307,679
EXCESS OF ASSETS OVER LIABILITIES		10,661,072	10,474,707

For and on behalf of the Directors



CRAIG STEVENSON Director 21 March 2025



NICOLA MILLS Director 21 March 2025

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 2024

	NOTE	2024 \$	2023 \$
OPENING EQUITY		10,474,707	10,159,019
Total Comprehensive Surplus Net of Tax		186,365	315,688
Dividend Payment		-	-
Ordinary Shares issued during the year	15	-	-
CLOSING EQUITY		10,661,072	10,474,707

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 2024

	NOTE	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Administration Fees Received		3,105,985	2,807,633
Other Income		-	135
		3,105,985	2,807,768
Cash was applied to:			
Payments to Suppliers and Employees		3,296,230	3,134,691
		3,296,230	3,134,691
Net Cash Flow (used in) / from Operating Activities	11	(190,245)	(326,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Investment Income		432,673	198,764
Loan Interest Received		-	752,394
Term Deposits		6,651,929	4,860,561
Loans Repaid from Related Parties		-	6,582,230
		7,084,602	12,393,949
Cash was applied to:			
Term Deposits		8,155,664	6,670,497
Purchase of Property, Plant and Equipment		13,433	5,678
Purchase of Intangible Assets		69,308	-
Loans Issued to Related Parties		-	3,123,568
		8,238,406	9,799,743
Net Cash Flow (used in) / from Investing Activities		(1,153,804)	2,594,206
Net (Decrease) / Increase in Cash Held		(1,344,049)	2,267,283
Opening Cash Balance as at 1 January		2,789,339	522,056
Closing Cash Balance as at 31 December		1,445,290	2,789,339
Being:			
Cash and Cash Equivalents		1,445,290	2,789,339

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 2024

NOTE 1 REPORTING ENTITY

The reporting entity is Civic Financial Services Limited (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 accordance 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 PBE Standards RDR. The Group is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$30 million and it does not have a public accountability, as defined by XRB A1.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

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, and all values are rounded to the nearest dollar.

Critical Judgements and Estimates in Applying the Accounting Policies

In the application of the PBE Standards RDR 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 2024 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand. Two of these, Local Government Superannuation Trustee Limited ("LGST") 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 2023 and 31 December 2024.

LGST is the trustee for Trustee for the Local Government Superannuation Scheme ("LGSS") and SuperEasy KiwiSaver Superannuation Scheme ("SKSS"). The Company provides administrative services to LGSS and SKSS.

SuperEasy Limited acts as a name protection company protecting the trading name of the LGST schemes.

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 2024

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

Employee remuneration is recognised as an expense as employee provide services. 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.

	2024	2023	2024	2023
	Number		\$	\$
Short term employee benefits				
Executive Management Personnel	3	3	609,633	527,933
Directors	6*	7*	113,441	108,879
			723,074	636,812

*This is the total number of directors paid during the year. There are only 5 directors at any given time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Sundry Debtors 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 2024

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

	2024 \$	2023 \$
Loans		
Interest Income – Loans	-	411,093
Term Deposits and Savings Account		
Interest Income – Term Deposits and Savings Account	552,013	202,664
Total Interest Income	552,013	613,757

(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.

All fixed interest investments carry a minimum Standard and Poors credit rating of "A" or equivalent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024 \$	2023 \$
Financial Asset: Amortised Cost		
Sundry Debtors	421,575	520,111
Accrued Interest	184,596	65,256
Cash and Cash Equivalents	1,445,290	2,724,083
Term Deposits	7,870,665	6,366,929
Total Financial Assets: Amortised Cost	9,922,126	9,676,379
Financial Liability: Amortised Cost		
Sundry Creditors and Accrued Charges	145,537	193,955
Total Financial Liabilities: Amortised Cost	145,537	193,955

(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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(3) Financial Risk – Structure and Management continued

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 2024						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash and Cash Equivalents	0% to 4.37%	1,445,290	-	-	-	1,445,290
Term Deposits and Accrued Interest	5.15% to 6.20%	4,452,367	3,602,894	-	-	8,055,261
Other Receivables	n/a	421,575	-	-	-	421,575
Total Financial Assets		6,319,232	3,602,894	-	-	9,922,126
Liabilities						
Sundry Creditors and Accrued Expenses	n/a	145,537	-	-	-	145,537
Total Financial Liabilities		145,537	-	-	-	145,537
Maturity Analysis as at 31 December 2023						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
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
Total Financial Assets		9,741,635	-	-	-	9,741,635
Liabilities						
Sundry Creditors and Accrued Expenses	n/a	193,955	-	-	-	193,955
Total Financial Liabilities		193,955	-	-	-	193,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024 \$	2023 \$
Cash and Cash Equivalents	1,445,290	2,789,339
Term Deposits and Accrued Interest	8,055,261	6,432,185
Other Receivables	421,575	520,111
Total	9,922,126	9,741,635

(ii) Concentration of Credit Exposure

96% of the Company's credit exposure is in the form of cash and term deposits held with registered banks (2023: 95%).

NOTE 5 OPERATING LEASE COMMITMENTS

	2024 \$	2023 \$
Operating Lease Expense Commitments:		
Not later than one year	73,716	72,717
Later than one year but not later than five years	180,288	44,406
Later than five years	-	-
	254,004	117,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 6 OTHER EXPENSES

	2024 \$	2023 \$
Compliance Costs	180,090	179,298
Consultants	87,554	50,991
Legal Fees	80,260	88,773
Other Expenses	1,482,678	1,355,664
Total	1,830,582	1,674,727

Other Expenses include investment management fees paid to the fund managers.

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	2.5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	2024 \$	2023 \$
(a) Property, Plant and Equipment		
Office Furniture and Equipment – cost	187,856	184,520
Plus Additions	13,433	5,783
Less Disposals	-	(2,447)
Closing Value – cost	201,289	187,856
Office Furniture and Equipment – Accumulated Depreciation	(159,134)	(141,790)
Plus Depreciation Charge	(10,923)	(18,996)
Less Disposals	-	1,652
Closing Accumulated Depreciation	(170,057)	(159,134)
Net Book Value	31,232	28,722

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes losses on disposal of fixed assets of \$nil. (2023: \$690).

	2024 \$	2023 \$
(b) Intangible Assets		
Software – cost	436,911	436,911
Plus Additions	69,308	-
Less Disposals	-	-
Closing Value – cost	506,219	436,911
Software – Accumulated Amortisation	(413,749)	(345,085)
Less Amortisation Charge	(41,644)	(68,664)
Less Disposals	-	-
Closing Accumulated Amortisation	(455,393)	(413,749)
Net Book Value	50,826	23,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2023: \$nil).

NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities (2023: \$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 12 years. The Group expects to remain profitable and have a steady income stream over the medium to long term.

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 2024

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

	2024 \$	2023 \$
Tax expense comprises:		
Current tax expense	72,568	124,631
Adjustments recognised in the current year in relation to the current tax of prior years	1,883	(86)
Deferred tax relating to temporary differences	1,810	(991)
Total tax expense	76,261	123,554
Attributable to:		
Continuing operations	76,261	123,554
	76,261	123,554

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:

	2024 \$	2023 \$
Surplus before tax	262,626	439,242
Income tax calculated at 28%	73,536	122,988
Tax effect of permanent differences	842	652
Prior Period Adjustment	1,883	(86)
Income Tax Expense	76,261	123,554

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 10 TAXATION CONTINUED

(b) Current tax assets and liabilities

	2024 \$	2023 \$
Tax refund receivable	-	-
	-	-

(c) Deferred tax balances

	2024 \$	2023 \$
Deferred tax assets comprise:		
Temporary differences and tax losses	843,378	919,513
	843,378	919,513
Deferred tax liabilities comprise:		
Temporary differences	-	126
	-	126
Net Deferred Tax balance	843,378	919,639

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 \$
2024	Property and equipment	451	(451)	-	-	-
		451	(451)	-	-	-
	Employee entitlements	84,543	(6,016)	-	(6,726)	71,801
	Losses carried forward	3,199,436	(259,169)	-	-	2,940,267
		3,283,979	(265, 185)	-	(6,726)	3,012,068
	Attributable to:					
	Continuing operations	3,284,433	(265,636)	-	(6,726)	3,012,071
	Total	3,284,433	(265,636)	-	(6,726)	3,012,071
	Tax effect at 28%	919,639	(74,378)	-	(1,883)	843,378
2023	Property and equipment	914	(767)	-	304	451
		914	(767)	-	304	451
	Employee entitlements	80,236	4,307	-	-	84,543
	Losses carried forward	3,644,544	(445,108)	-	-	3,199,436
		3,724,780	(440,799)	-	-	3,283,979
	Attributable to:					
	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

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 \$4,163,472 (2023: \$4,161,783) and unrecognised deferred tax asset effect at 28% of \$1,165,772 (2023: \$1,165,299).

(d) Imputation Credit Account

	2024 \$	2023 \$
Closing Balance	1,593,490	1,593,490

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024

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

	2024 \$	2023 \$
Total Comprehensive Surplus / (Deficit)	186,365	315,688
Add/(less) non cash items		
Loan Interest	-	341,298
Depreciation	10,923	18,996
Amortisation	41,644	68,664
	52,567	428,958
Add/(less) movements in consolidated position of financial statement items		
Sundry Debtors, Prepayments and Accrued Interest	295	(99,236)
Sundry Creditors and Accrued Charges	(52,650)	(126,163)
Movement in CLP/ Riskpool Admin Fee Reserve	(20,410)	(19,256)
Movement in Deferred Tax Asset	76,261	123,554
	3,496	(121,101)
Add/(less) Items Classified as Investing Activity		
Investment Income	(432,673)	(198,764)
Loan Interest Received	-	(752,394)
Disposal of Assets	-	690
	(432,673)	(950,468)
Add/(Less) Items Classified as Financing Activity	-	-
Net Cash Flow (used in) / from Operating Activities	(190,245)	(326,923)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 12 SUNDRY DEBTORS AND CREDITORS

(a) Sundry Debtors and Prepayments

	2024 \$	2023 \$
Sundry Debtors	421,575	520,111
Prepayments	48,128	69,228
GST Receivable	-	-
Sundry Debtors and Prepayments	469,703	589,339

(b) Sundry Creditors and Accrued Charges

	2024 \$	2023 \$
Sundry Creditors and Accrued Charges	145,537	193,627
GST Payable	385	328
Sundry Creditors and Accrued Charges	145,922	193,955

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.

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 2024 is \$nil (2023: \$nil).

The loan facilities that previously existed between Civic and LGMFT on behalf of Riskpool were fully repaid in 2023. The three loan facilities that were in place were all terminated during the year. The loan outstanding at 31 December 2024 is \$nil (2023: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 14 AUDIT FEES

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

	2024 \$	2023 \$
Audit or Review Related Services		
Civic Financial Services	52,327	58,519
Civic Liability Pool	-	-
Local Government Superannuation Trustee	73,786	69,857
Total Audit or Review Related Services	126,113	128,376
Other Assurance Services	37,298	36,269
Total Fees Paid to the Auditors	163,411	164,645

The Other Assurance Services relate to the ISAE (NZ) 3402 Controls Assurance Engagement and the other assurance provided in respect of the LGST schemes' member registries.

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 2023 there were no shares issued. There were no shares issued during 2024.

	2024 \$	2023 \$
Retained Earnings		
Opening Balance (Deficit)	(288,799)	(604,487)
Net Surplus After Taxation	186,365	315,688
Dividend Payment	-	-
Closing balance	(102,434)	(288,799)
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024 \$	2023 \$
LGSS & SKSS	2,545,137	2,423,319
LAPP	316,667	310,000
Riskpool	156,800	166,800
Civic Liability Pool	20,411	19,256
Administration Fees from Related Parties	3,039,014	2,919,375

Accounts Receivable

	2024 \$	2023 \$
LGSS & SKSS	421,460	431,340
LAPP	-	89,125
Accounts Receivable from Related Parties	421,460	520,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTE 18 SUBSEQUENT EVENTS

There have been no material events subsequent to 31 December 2024 that require adjustment to or disclosure in the financial statements (2023: nil).

NOTE 19 CAPITAL COMMITMENTS

The Company has no capital commitments at balance date (2023: \$nil).

CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2024

SHAREHOLDER MEMBER		NO. OF SHARES		SHAREHOLDER MEMBER		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%	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%		
			Waikato	41,070	0.37%		
			Waimakariri	88,172	0.78%		
DISTRICT COUNCILS				Waimate	30,458	0.27%	
Ashburton	56,016	0.50%	Waipa	149,082	1.33%		
Buller	27,698	0.25%	Wairoa	22,992	0.20%		
Carterton	23,642	0.21%	Waitaki	120,000	1.07%		
Central Hawke’s Bay	28,580	0.25%	Waitomo	16,940	0.15%		
Central Otago	91,238	0.81%	Western Bay of Plenty	28,142	0.25%		
Clutha	33,711	0.30%	Westland	28,356	0.25%		
Far North	85,440	0.76%	Whakatane	38,788	0.34%		
Gisborne	99,404	0.88%	Whanganui	289,660	2.57%		
Gore	54,589	0.49%	Whangarei	63,524	0.56%		
Grey	33,742	0.30%					
Hastings	129,170	1.15%	REGIONAL COUNCILS				
Hauraki	63,434	0.56%	Bay of Plenty	55,000	0.49%		
Horowhenua	110,689	0.98%	Canterbury	152,696	1.36%		
Hurunui	14,000	0.12%	Hawke’s Bay	20,000	0.18%		
Kaikoura	10,000	0.09%	Horizons	2,000	0.02%		
Kaipara	13,629	0.12%	Southland	10,000	0.09%		
Kapiti Coast	15,060	0.13%	Taranaki	1,000	0.01%		
Kawerau	31,161	0.28%	Waikato	22,000	0.20%		
Manawatu	203,964	1.81%	Wellington	80,127	0.71%		
Marlborough	86,022	0.76%					
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		