



AGENDA

Executive, Audit & Risk

Monday 21 June 2021, 10am

Executive, Audit & Risk Committee

21 June 2021 10:00 AM

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Purpose of Executive, Audit and Risk Committee

This committee handles all of the administrative and financial matters relating to Council's operations and works programme. Because these matters relate to all aspects of the Council, the membership is aimed to reflect the different aspects of Council's committee structure.

Responsibilities

Financial and expenditure

Capital expenditure

Work proposals and expenditure

Corporate services and personnel matters

Port Taranaki Ltd matters

General Contractual and other matters.

Membership of Executive, Audit and Risk Committee

Councillor N W Walker (Chairperson)	Councillor M J Cloke
Councillor M P Joyce (ex officio)	Councillor D L Lean
Councillor C L Littlewood	Councillor M J McDonald
Councillor D N MacLeod (ex officio)	Mr B Robertson (Independent - Yarrow Stadium)

Health and Safety Message

Emergency Procedure

In the event of an emergency, please exit through the emergency door in the committee room by the kitchen.

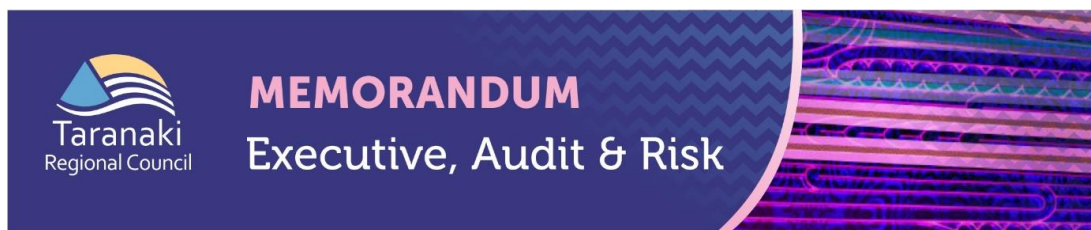
If you require assistance to exit please see a staff member.

Once you reach the bottom of the stairs make your way to the assembly point at the birdcage. Staff will guide you to an alternative route if necessary.

Earthquake

If there is an earthquake - drop, cover and hold where possible.

Please remain where you are until further instruction is given.



Date 21 June 2021

Subject: **Confirmation of Minutes - 10 May 2021**

Approved by: M J Nield, Director - Corporate Services
S J Ruru, Chief Executive

Document: 2796115

Recommendations

That Executive, Audit and Risk Committee of the Taranaki Regional Council:

- a) takes as read and confirms the minutes and resolutions of the Executive, Audit and Risk Committee held in the Taranaki Regional Council Chambers, 47 Cloten road, Stratford on Monday 10 May 2021 at 9am
- b) notes the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 18 May 2021.

Matters arising

Appendices/Attachments

Document 2769971: Minutes Executive, Audit and Risk Committee - 10 May 2021



Date	10 May 2021, 9am
Venue:	Taranaki Regional Council chambers, 47 Cloten Road, Stratford
Document:	2769971

Members	Councillors	N W Walker M J Cloke C L Littlewood M J McDonald D N MacLeod M P Joyce	Committee Chairperson <i>ex officio</i> <i>ex officio</i>
Attending	Messrs	S J Ruru M J Nield D R Harrison P Ledingham	Chief Executive Director – Corporate Services Director - Operations Communications Adviser
	Miss	L Davidson	Committee Administrator
Apologies	An apology was received from Councillor D L Lean. MacLeod/Littlewood		
Notification of Late Items	There were no late items.		

1. Confirmation of Minutes – 29 March 2021

Resolved

That the Executive, Audit and Risk Committee of the Taranaki Regional Council:

- takes as read and confirms the minutes and resolutions of the Executive, Audit and Risk Committee held in the Taranaki Regional Council Chambers, 47 Cloten road, Stratford on Monday 29 March 2020 at 10am
- notes the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 6 April 2021.

Joyce/MacLeod

Matters arising

There were no matters arising.

2. Financial and Operational Report

- 2.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum for members to receive information on the operational and financial performance of the Council.

Councillor M J McDonald arrived 9.04am

Recommended

That the Taranaki Regional Council:

- a) receives the memorandum *Financial and Operational Report* and the March 2021 Monthly Financial Report
- b) notes the digital media update
- c) notes the health and safety reports for March 2021.
Littlewood/MacLeod

3. Quarterly Operational Report – March 2021

- 3.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum for Members to receive and consider information on the Council’s Quarterly Operational Report (QOR) for the quarter ended 31 March 2021.

- 3.2 It was requested that the Health and Safety report could be better encapsulated within the agenda and potentially be a stand-alone item. Officers will look at options and bring it back to the Committee.

Recommended

That the Taranaki Regional Council:

- a) receives and adopts the Quarterly Operational Report for the quarter ended 31 March 2021.
Littlewood/McDonald

4. Public Transport Operational Update for the Quarter Ending 31 March 2021

- 4.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum providing members with an operational report on public transport services for the quarter ending 31 March 2021.

- 4.2 It was noted that there has been a significant decrease in patronage for the Ironside service. Officers are working with them to understand why that is and how we can help the service to increase patronage.

Recommended

That the Taranaki Regional Council:

- a) receives the report *Public Transport Operational Report for the Quarter Ending 31 March 2021*
- b) notes the operational report of the public transport services for the quarter ending 31 March 2021.
Cloke/Walker

5. Public Excluded

In accordance with section 48(1) of the *Local Government Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 10 May 2021 for the following reasons:

Item 6 - Public Excluded Minutes - 29 March 2020

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Item 7 - Taranaki Biodiversity Trust “Wild for Taranaki” Update

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Item 8 - Yarrow Stadium Update

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Littlewood/McDonald

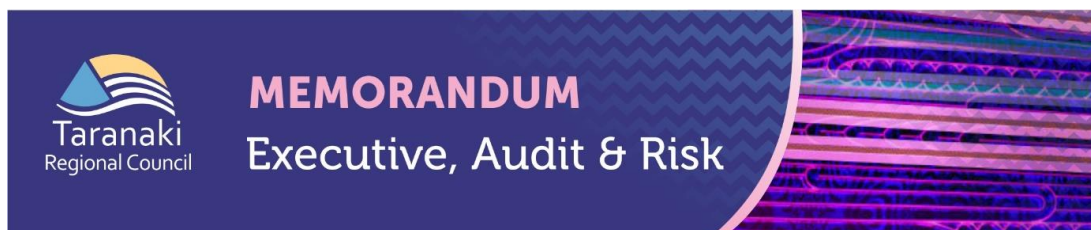
There being no further business, the Committee Chairperson, Councillor N W Walker, declared the open meeting of the Executive, Audit and Risk Committee closed at 10.13am.

Confirmed

**Executive, Audit &
Risk Chairperson:** _____

N W Walker

21 June 2021



Date: 21 June 2021

Subject: **Financial and Operational Report**

Approved by: M J Nield, Director - Corporate Services
S J Ruru, Chief Executive

Document: 2792308

Purpose

1. The purpose of this memorandum is to receive information on operational and financial performance.

Recommendations

That the Taranaki Regional Council:

- a) receives the memorandum *Financial and Operational Report* and the April 2021 Monthly Financial Report
- b) approves the right-off of \$372.60 due from Coastal Drainage Limited
- c) notes the digital media update
- d) approves the common seal transactions:
 - 2021/01 - Renewal of Lease - 43-49 Centennial Drive, new Plymouth - Alcatraz Storage
 - 2021/02 - Regional Pest Management Plan

Background

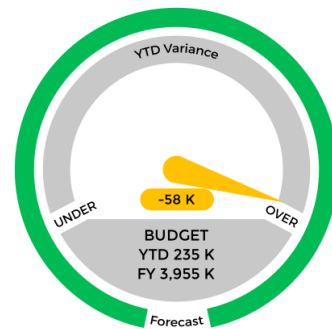
2. The Council produces a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Common Seal is operated under delegated authority. Part of that delegated authority is the reporting back of the seal transactions.

Discussion

3. Attached is the Monthly Financial Report for April 2021.
4. In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is

within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

5. The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.
6. For each Group of Activities (Resource management, Biosecurity and biodiversity, Transport, Hazard management, Recreation culture and heritage, and Regional representation, advocacy and investment management, in the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.



7. In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5%, yellow – plus or minus variance of more than 5% but less than 10% and red – plus or minus variance of more than 10%. The key components of each dial are:
 - The outer ring is the forecast for the rest of the year - green OK, yellow performance at risk, red target will not be achieved
 - The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance - the actual variance figure sits at the bottom of the pointer
 - The YTD and full year (FY) budgets are included in the grey section.
8. Financially, the Council is in-line with the estimates established for 2020/2021 in the 2020/2021 Annual Plan.
9. At 30 April 2021, the overall financial result is ahead of budget.
10. Corporate services' expenditure is running over budget due to increases in legal, information technology and recruitment expenditure. Additionally, there is a significant investment in investigations for the accommodation review. These expenses are affecting all activities as overheads. These expenditure trends will continue through the

financial year as we continue to address the significant changes, such as the essential freshwater reforms, facing the Council.

11. Significant income and expenditure variances by activity (plus or minus \$100,000) are:
- *Resource management planning* - \$157,303 under budget due to staff vacancies and expenditure forecasted to occur later in the year.
 - *Compliance monitoring programmes* - \$178,873 over budget due to staff focus on monitoring and reporting along with higher overheads.
 - *State of the environment monitoring* - \$372,446 over budget due to increased staff focus, overheads and increased costs associated with NPS Freshwater.
 - *Resource investigations and projects* - \$151,847 under budget due to staff focusing on compliance and SEM activities.
 - *Sustainable land management plans and plant supply programme* - \$169,395 over budget due to higher overheads and consent condition expenditure.
 - *Enhancement grants* - \$1,867,448 over budget due to the timing of Fresh Water Improvement, Public Waterways and Eco-system Restoration funds and STRESS expenditure. This additional expenditure is offset by reimbursing *Resource management government grants revenue* being \$2,081,944 over budget.
 - *Waitara River catchment* - \$3,999,950 under budget due to Waitara Lands expenditure not occurring until after the establishment of the Waitara River Committee.
 - *Resource management direct charges revenue* - \$806,268 over budget due to Waitara Lands reserve distributions being received earlier than budgeted.
 - *Biosecurity/pest management* - \$414,924 and *Biodiversity* - \$139,706 under budget due to the timing of Towards Predator Free Taranaki expenditure. Both of these variances are forecast to be on budget by year-end.
 - *Biosecurity and biodiversity direct charges revenue* - \$947,215 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned).
 - *Passenger transport* - \$391,823 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the implementation of the regional integrated ticketing project.
 - *Transport direct charges revenue* - \$273,326 under budget due to bus fare revenue being down. This has been affected by the ongoing impacts of Covid-19.
 - *Transport government grants revenue* - \$388,779 over budget due to Covid-19 lost passenger revenue and the delayed regional integrated ticketing project being funded by Waka Kotahi.
 - *River control schemes* - \$113,033 under budget mainly due to no flood damage so far this year
 - *Regional Gardens* - \$1,040,259 under budget due to a delay in the Kaitake Trail project funding.
12. As part of the preparation of the *2020/2021 Annual Report*, a full review of all debtors has been completed. From this review, it is recommended that one bad debtor be written off; Coastal Drainage Limited for \$372.60 including GST (non-compliance charges). The full range of debt collection procedures have been applied. However, in this instance,

the Company has been removed from the Companies Register and there are no avenues remaining to collect the outstanding amount.

Operational Report

13. Operationally, programmes are materially on target with the planned levels of activity established for 2020/2021 in the *2020/2021 Annual Plan*.

Communications and Engagement

14. Communications activities are delivered across a range of channels including publications, media releases, advertising and digital media. Some recent highlights are:
- A media release decrying vandalism to important flood warning equipment in the Waitotara Valley was picked up by national and local media.
 - As part of our ongoing communications around pest plants, a new "Weed of the Week" social campaign was launched with promising initial results - each video has achieved 2.8k views and approximately 600 engagements, and audience retention stats are improving with each post.
 - Publicity for the Council's annual load out of riparian plants occurred across various channels, and included the production of a Ministry for the Environment-funded video, showcasing the Taranaki programme, which will be utilised by TRC for future promotion.
 - The decision not to renew Remediation NZ's resource consent attracted significant local and national media coverage. This issue will continue to attract media attention as the matter progresses through any subsequent appeal processes.
 - Proactive media releases have had good uptake by local media including the sighting of endangered grey petrels at Oākura, and additional \$750k Jobs for Nature funding for Towards Predator Free.

Social Media by the Numbers

15. The total reach (non-unique users) across eight Facebook pages was 134,463 people (previously the statistics reflected seven pages, but this month Enviroschools Facebook has been included). The total user engagement (where users liked, shared, clicked or commented) on our posts was 5,048. Our Facebook page followers continue to trend upwards, with 17,836 (non-unique) fans across eight pages.

Facebook page	Page followers	Reach	Engagement
TaranakiRegionalCouncil	4,831	69,757	1,980
TaranakiPublicTransport	1,173	3,030	22
Tūpare	1,736	3,890	268
Pukeiti	2,496	5,930	218
Hollard Gardens	1,985	5,016	176

Towards Predator-Free Taranaki	1,528	32,370	1,955
Yarrow Stadium	3,692	12,034	240
Enviroschools	395	2,436	189

Top Facebook posts		Reach	Engaged
1	<p>ROOK ALERT! There has today been a sighting of a rook in the vicinity of Hollard Gardens, Kaponga. This is our first confirmed sighting in Taranaki in a couple of years and we need your help to track it down.</p> <p>If you see or hear a rook please call us immediately on 0800 736 222 or PM us here. Let us know where it was and what direction it was flying. Please do not try to shoot it...[continues]</p> <p>(Taranaki Regional Council)</p>	21K	2.9K
2	<p>A family of copper skinks have set up home in a New Plymouth community garden - with a little help from their human friends.</p> <p>New Zealand's smallest native lizard used to be common in New Plymouth but is becoming increasingly rare in the city.</p> <p>So when Taranaki Regional Council ecologist Halema Jamieson got a call to say at least four skinks had been spotted at the Marfell Community Garden... [continues]</p> <p>(Towards Predator Free)</p>	7.7K	1.9K
3	<p>Grey-faced petrels have been spotted around Oākura, sparking excitement a new breeding colony may be becoming established among the coastal cliffs. If confirmed, it would be just the second colony of the native seabird in Taranaki... [continues]</p>	7.1K	1.3K
4	<p>A million native plants - that's a lot of plants! They're ready and waiting at five depots around the region, to be picked up next week by almost 1000 farmers and landowners who are part of our Riparian Management Programme. They'll be planted along streams and rivers, contributing to improved freshwater quality and biodiversity.</p> <p>(Taranaki Regional Council)</p>	5.4K	471
5	<p>TALL ORDER: The crew is halfway through the first phase of piling at the West Stand (Noel and Melva Yarrow Stand), where eight of these giant casings have already been vibrated into the ground in front of the stand. Their job is to prevent any forward movement in the event of an earthquake.</p>	3.5K	292

Top Facebook posts		Reach	Engaged
	(Yarrow Stadium)		
6	<p>#WeedoftheWeek There's an aggressive South American invader taking the place of our native plants and we need your help to stop it!</p> <p>Pampas (often confused with native toetoe) is a problem across Taranaki, particularly in coastal areas, along riverbanks and on forest margins... [continues]</p> <p>(Taranaki Regional Council)</p>	2.8K	559
7	<p>ROOK UPDATE! Since our last post, there have been a number of potential sightings, around Hollard Gardens and a cluster in the Ōpunake area. Thank you to everyone who has got in touch.</p> <p>So far, this rook remains elusive. It may have moved on by now, but it's also quite possible it's still around... [continues]</p>	3.3K	253
8	<p>What a fantastic day we had at Hollard Gardens yesterday celebrating #WorldBiodiversityDay. Tamariki from five Taranaki schools got hands on learning about worms, soil, predators, native birds, bugs, fungi and a whole lot more!</p> <p>(Taranaki EnviroSchools)</p>	1.5K	189
9	<p>Introducing our brand new Fitness Trail</p> <p>Take your exercise outside with our brand new Fitness Trail! Featuring 14 exercise stations to test your strength, endurance and agility plus a 1km running track and Strava incline challenge!... [continues]</p>	1.3K	82
10	<p>Want to be part of the hard working and passionate team who make the Hollard Gardens vision a reality? We have a rare opportunity for a Gardener to join our team!</p> <p>(Hollard Gardens)</p>	1.3K	97

Common Seal

16. There were two Common Seal transactions for the period:

- 2021/01 - Renewal of Lease - 43-49 Centennial Drive, New Plymouth - Alcatraz Storage
- 2021/02 - Regional Pest Management Plan

Financial considerations—LTP/Annual Plan

17. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included

in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

18. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

19. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

Community considerations

20. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

21. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document 2797343: April 2021 Financial Report



APRIL 2021

MONTHLY FINANCIAL REPORT

TARANAKI REGIONAL COUNCIL





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Executive summary

Financial performance

FINANCIAL INDICATORS					
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:		Council's total revenue less operating expenditure:	
Actual YTD:	Trend:	Actual YTD:	Trend:	Actual YTD:	Trend:
\$36.8M	\$1898.0K over budget ↑	\$31.4M	\$4,167.5K under budget ↑	\$5.4M	\$6,065.6.8K ahead of budget ↑
Against a YTD budget of \$34.9M and a full year budget of \$47.9M.		Against a YTD budget of \$35.6M and a full year budget of \$49.2M.		Against a YTD budget of \$-0.7M and a full year budget of \$-1.3M.	

FINANCIAL PERFORMANCE			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance 	Future Performance 	Financial Performance 	Future Performance 

Commentary and variances

The overall financial result is tracking ahead of budget and this is expected to continue to the end of the financial year.

Corporate services expenditure is running over budget due to increases in legal, information technology and recruitment expenditure. Additionally, there is a significant investment in investigations for the accommodation review. These expenses are impacting all activities as overheads. These expenditure trends will continue through the financial year as we continue to address the significant changes, such as the essential freshwater reforms.

Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

Introduction

In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

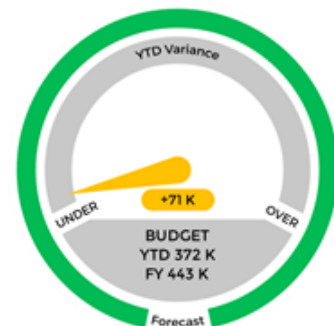
For each Group of Activities:

In the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000.

The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2020/2021
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Cost of services							
Resource management	2,832,600	3,097,863	265,263	14,017,608	15,756,546	1,738,938	24,532,923
Biosecurity and biodiversity	665,912	386,909	-279,003	5,830,643	6,414,683	584,040	7,360,373
Transport	388,725	408,191	19,466	3,729,342	4,132,175	402,833	4,992,065
Hazard management	71,854	107,721	35,867	690,017	834,781	144,764	998,686
Recreation culture and heritage	250,713	363,779	113,066	5,687,790	6,728,049	1,040,259	8,554,161
Regional representation advocacy and investment management	152,404	138,623	-13,781	1,461,626	1,439,453	-22,173	1,760,516
Total operating expenditure	4,362,207	4,503,086	140,879	31,417,026	35,305,687	3,888,661	48,198,724
Revenue from exchange transactions							
Direct charges revenue	291,729	285,963	5,766	3,436,764	3,790,350	-353,586	4,376,777
Rent revenue	134,472	95,833	38,639	1,137,923	958,330	179,593	1,150,000
Dividends	0	0	0	8,000,000	8,000,000	0	8,000,000
Revenue from non-exchange transactions							
General rates revenue	0	0	0	5,965,794	5,965,794	0	7,954,392
Targeted rates revenue	0	0	0	4,478,419	4,478,379	40	5,971,173
Direct charges revenue	1,976,215	2,172,194	-195,979	8,299,035	8,408,142	-109,107	15,026,419
Government grants	1,967,120	248,414	1,718,706	5,244,943	2,774,220	2,470,723	4,094,968
Vested assets	0	0	0	0	0	0	0
Total income	4,369,536	2,802,404	1,567,132	36,562,877	34,375,215	2,187,662	46,573,729
Operating surplus/(deficit) before finance income/expenses & taxation	7,330	-1,700,682	1,708,012	5,145,852	-930,472	6,076,324	-1,624,995
Finance income	18,291	275,000	-256,709	260,371	550,000	-289,629	1,341,772
Finance expense	0	-250,000	250,000	-21,118	-300,000	278,882	-1,041,772
Net finance expense	18,291	25,000	-6,709	239,252	250,000	-10,748	300,000
Operating surplus before taxation	25,620	-1,675,682	1,701,302	5,385,104	-680,472	6,065,576	-1,324,995
Other gains/losses							
Gains/(losses) on revaluation of properties	0	0	0	0	0	0	0
Operating surplus before taxation	25,620	-1,675,682	1,701,302	5,385,104	-680,472	6,065,576	-1,324,995
Income tax expense	0	0	0	0	0	0	10,000
Surplus/(deficit) for the period	25,620	-1,675,682	1,701,302	5,385,104	-680,472	6,065,576	-1,334,995
Other comprehensive income							
Revaluation of property, plant and equipment	0	0	0	0	0	0	0
Other comprehensive income, net of tax	0	0	0	0	0	0	0
Operating surplus/(deficit)	25,620	-1,675,682	1,701,302	5,385,104	-680,472	6,065,576	-1,334,995

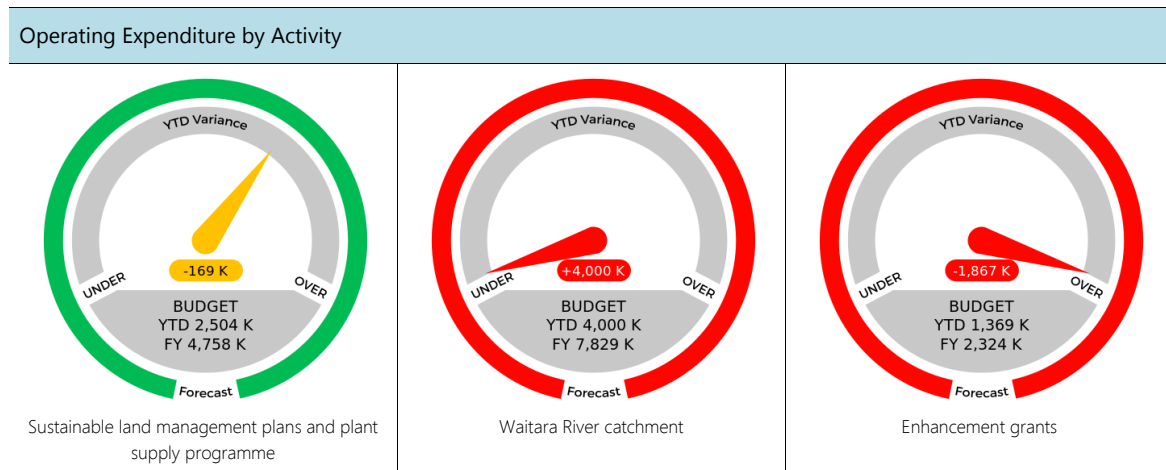
Resource management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$12.3M	\$2888.2K over budget ↑	\$14.0M	\$1738.9K under budget ↑
Against a YTD budget of 9.4M and a full year budget of 17.3M.		Against a YTD budget of 15.8M and a full year budget of 24.5M.	

Operating Expenditure by Activity					
<p>Resource management planning</p>	<p>Consent processing and administration</p>	<p>Compliance monitoring programmes</p>	<p>Pollution incidence and response</p>	<p>State of the environment monitoring</p>	<p>Resource investigations and projects</p>

RESOURCE MANAGEMENT



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Resource management planning - \$157,303 under budget due to staff vacancies and expenditure forecasted to occur later in the year.

Compliance monitoring programmes - \$178,873 over budget due to staff focus on monitoring and reporting along with higher overheads.

State of the environment monitoring - \$372,446 over budget due to increased staff focus, overheads and costs associated with NPS Freshwater.

Resource investigations and projects - \$151,847 under budget due to staff focusing on compliance and SEM activities.

Sustainable land management plans and plant supply programme - \$169,395 over budget due to higher overheads and consent condition expenditure.

Enhancement grants - \$1,867,448 over budget due to the timing of Fresh Water Improvement, Public Waterways and Eco-system Restoration funds and STRESS expenditure. This additional expenditure is offset by reimbursing government grant revenue being \$2,081,944 over budget.

Waitara River catchment - \$3,999,950 under budget due to Waitara lands expenditure not occurring until after the establishment of the Waitara River Committee.

Direct charges revenue - \$806,268 over budget due to Waitara Lands reserve distributions being received earlier than expected.

RESOURCE MANAGEMENT

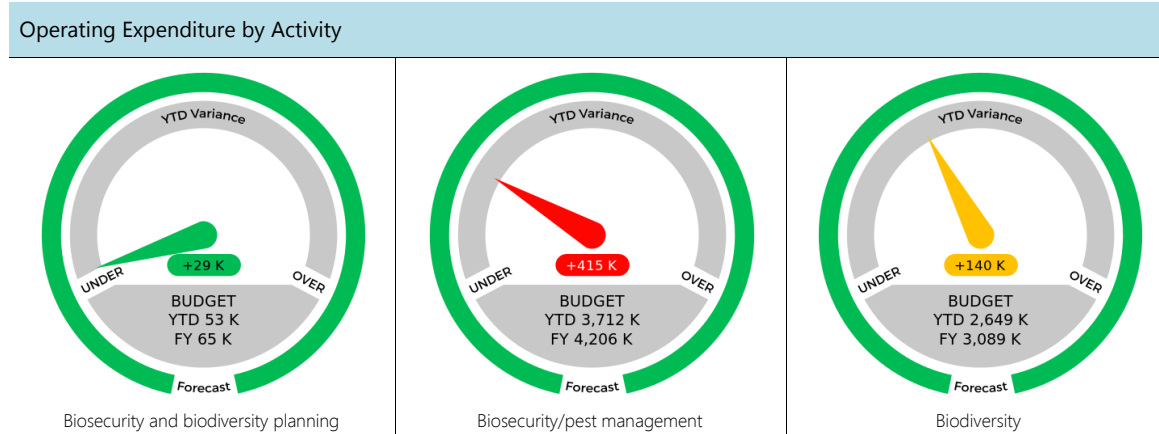
Cost of services statement

RESOURCE MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Resource management planning	72,090	83,960	11,870	706,778	864,081	157,303	1,055,744
Consent processing and administration	92,589	90,484	-2,105	896,643	949,628	52,985	1,157,001
Compliance monitoring programmes	233,445	278,855	45,410	3,073,279	2,894,406	-178,873	3,535,190
Pollution incidents and response	96,848	79,272	-17,576	857,080	822,096	-34,984	1,004,005
State of the environment monitoring	239,203	192,530	-46,673	2,367,697	1,995,251	-372,446	2,434,537
Resource investigations and projects	22,974	34,731	11,758	206,092	357,939	151,847	435,802
Sustainable land management plans and plant supply programme	211,652	208,673	-2,979	2,673,535	2,504,140	-169,395	4,757,793
Waitara River catchment	0	2,000,000	2,000,000	50	4,000,000	3,999,950	7,828,882
Enhancement grants	1,863,799	129,358	-1,734,441	3,236,453	1,369,005	-1,867,448	2,323,969
Total expenditure	2,832,600	3,097,863	265,263	14,017,608	15,756,546	1,738,938	24,532,923
Income							
General rates	288,679	288,679	0	2,631,542	2,631,542	0	3,061,369
Direct charges	2,084,309	2,322,504	-238,195	9,131,028	8,324,760	806,268	15,258,159
Government grants	1,749,558	83,333	1,666,225	3,205,354	1,123,410	2,081,944	2,036,000
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	-1,370,305	0	-1,370,305	-4,875,145	0	-4,875,145	-100,000
Investment funds	80,358	403,347	-322,989	3,924,829	3,676,834	247,995	4,277,395
Total income	2,832,600	3,097,863	-256,263	14,017,608	15,756,546	-1,738,938	24,532,923
Operating surplus/(deficit)	0	0	0	0	0	0	0

Biosecurity and biodiversity

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.7M	\$947.2K under budget ↑	\$5.8M	\$584.0K under budget ↓
Against a YTD budget of 2.7M and a full year budget of 2.7M.		Against a YTD budget of 6.4M and a full year budget of 7.4M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall biosecurity and biodiversity expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Biosecurity/pest management - \$414,924 and Biodiversity - \$139,706 under budget due to the timing of Towards Predator Free Taranaki expenditure. Both of these variances are forecasted to be on budget by year end.

Direct charges revenue is \$947,215 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.

BIOSECURITY AND BIODIVERSITY

Cost of services statement

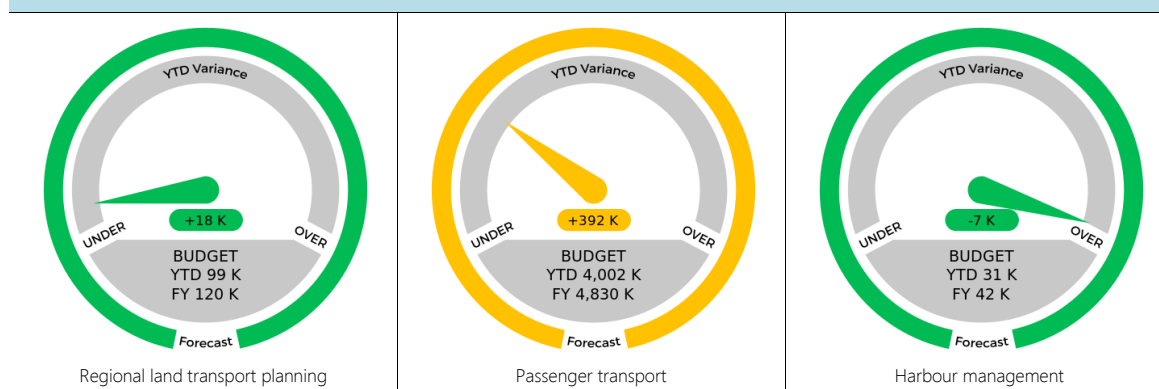
BIOSECURITY AND BIODIVERSITY							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Biosecurity and biodiversity planning	2,446	5,200	2,754	24,004	53,414	29,410	65,272
Biosecurity/pest management	400,152	200,330	-199,822	3,297,165	3,712,089	414,924	4,206,046
Biodiversity	263,314	181,379	-81,935	2,509,474	2,649,180	139,706	3,089,055
Total expenditure	665,912	386,909	-279,003	5,830,643	6,414,683	584,040	7,360,373
Income							
General rates	155,019	155,019	0	1,562,033	1,562,033	0	1,985,485
Direct charges	55,711	15,295	40,416	1,722,937	2,670,152	-947,215	2,700,737
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	-100,000
Investment funds	455,182	216,595	238,587	2,545,673	2,182,498	363,175	2,774,151
Total income	665,912	386,909	279,003	5,830,643	6,414,683	-584,040	7,360,373
Operating surplus/(deficit)	0	0	0	0	0	0	0

Transport

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$2.7M	\$115.5K over budget ↑	\$3.7M	\$402.8K under budget ↑
Against a YTD budget of 2.6M and a full year budget of 3.2M.		Against a YTD budget of 4.1M and a full year budget of 5.0M.	

Operating Expenditure by Activity



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall transport expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Passenger transport - \$391,823 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the implementation of the regional integrated ticketing project.

Direct charges revenue - \$273,326 under budget due to bus fare revenue being down. This has been affected by the on-going impacts of Covid-19.

Government grants revenue - \$388,779 over budget due to Covid-19 lost passenger revenue and the delayed regional integrated ticketing project being funded by Waka Kotahi.

TRANSPORT

Cost of services statement

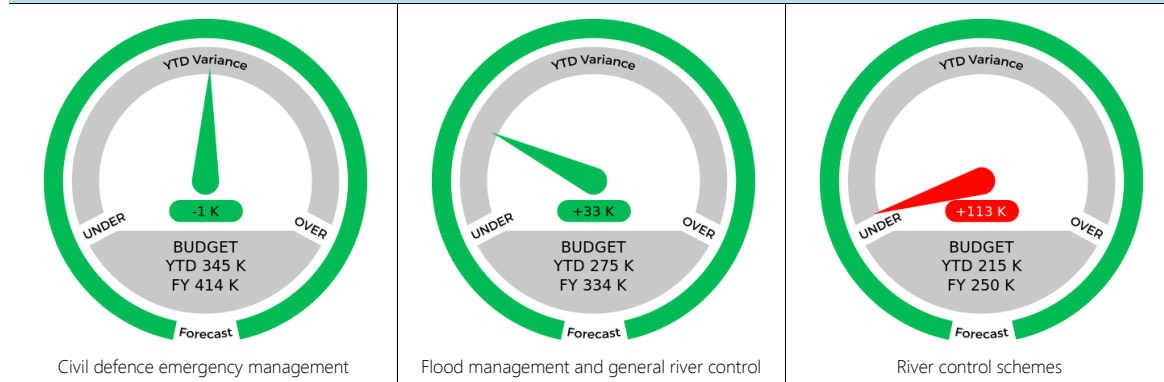
TRANSPORT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional land transport planning	6,753	9,437	2,684	80,728	98,565	17,837	120,377
Passenger transport	381,972	398,629	16,657	3,610,537	4,002,360	391,823	4,830,188
Harbour management	0	125	125	38,077	31,250	-6,827	41,500
Total expenditure	388,725	408,191	19,466	3,729,342	4,132,175	402,833	4,992,065
Income							
General rates	60,592	60,592	0	226,211	226,211	0	199,448
Targeted rates	0	0	0	960,508	960,507	2	1,280,678
Direct charges	89,372	97,858	-8,486	705,254	978,580	-273,326	1,174,300
Government grants	217,561	165,081	52,480	2,039,589	1,650,810	388,779	2,058,968
Government grants for capital	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0	0
Investment funds	21,200	84,660	-63,460	-202,221	316,067	-518,288	278,671
Total income	388,725	408,191	-19,466	3,729,342	4,132,175	-402,833	4,992,065
Operating surplus/(deficit)	0	0	0	0	0	0	0

Hazard management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● $\geq 5\%$ and ● $< 10\% \geq 10\%$			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.0M	\$0.6K over budget ↑	\$0.7M	\$144.8K under budget ↑
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 0.8M and a full year budget of 1.0M.	

Operating Expenditure by Activity



Key	YTD Variance
■	$< 5\%$ and less than \$50,000
■	$\geq 5\% < 10\%$ and between \$50,000 and \$100,000
■	$\geq 10\%$ and greater than \$100,000

Commentary and variances

Overall hazard management expenditure is under budget. Material activity variances ($>$ or $<$ than \$100,000) are:

River control schemes - \$113,033 under budget mainly due to no flood damage so far this year.

HAZARD MANAGEMENT

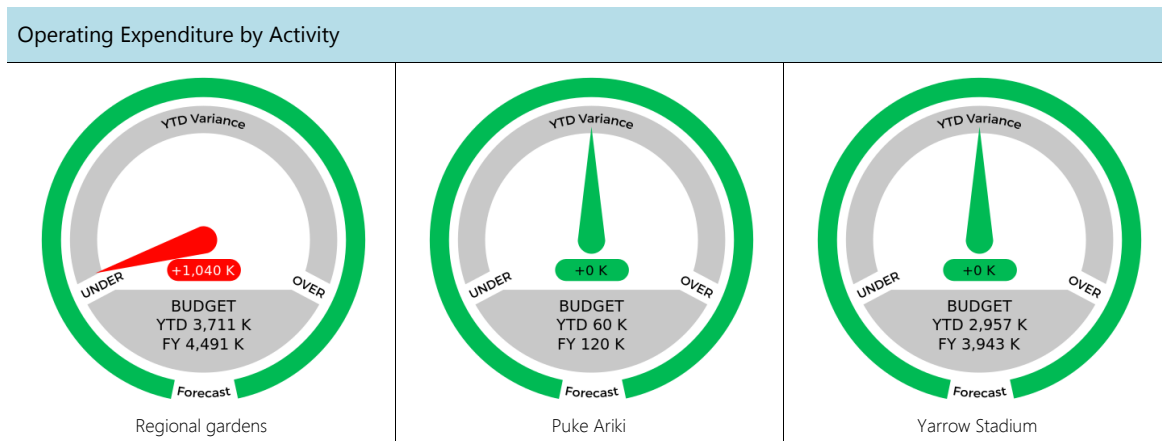
Cost of services statement

HAZARD MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Civil defence emergency management	33,247	34,505	1,258	346,500	345,050	-1,450	414,058
Flood management and general river control	22,670	27,204	4,534	241,915	275,096	33,181	334,138
River control schemes	15,937	46,012	30,075	101,602	214,635	113,033	250,490
Total expenditure	71,854	107,721	35,867	690,017	834,781	144,764	998,686
Income							
General rates	44,936	44,936	0	142,056	142,056	0	162,654
Targeted rates	0	0	0	560,832	560,832	0	747,776
Direct charges	74	0	74	643	0	643	0
Government grants	0	0	0	0	0	0	0
Transfer from reserves	22,716	0	22,716	118,307	0	118,307	0
Transfer to reserves	0	0	0	-505,155	0	-505,155	-50,228
Investment funds	4,128	62,785	-58,657	439,922	198,481	241,441	227,263
Total income	71,854	107,721	-35,867	756,605	901,369	-144,764	1,087,465
Operating surplus/(deficit)	0	0	0	66,588	66,588	0	88,779

Recreation, culture and heritage

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.2M	\$33.4K over budget ↓	\$5.7M	\$1040.3K under budget ↑
Against a YTD budget of 0.2M and a full year budget of 0.2M.		Against a YTD budget of 6.7M and a full year budget of 8.6M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall recreation, culture and heritage expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Regional Gardens - \$1,040,259 under budget due to a delay in the Kaitake Trail project funding.

RECREATION, CULTURE AND HERITAGE

Cost of services statement

RECREATION CULTURE AND HERITAGE							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional gardens	250,713	363,779	113,066	2,670,750	3,711,009	1,040,259	4,491,442
Puke Ariki	0	0	0	60,000	60,000	0	120,000
Yarrow Stadium	0	0	0	2,957,040	2,957,040	0	3,942,719
Total expenditure	250,713	363,779	113,066	5,687,790	6,728,049	1,040,259	8,554,161
Income							
General rates	144,902	144,902	0	1,504,592	1,504,592	0	1,841,487
Targeted rates	0	0	0	2,957,078	2,957,040	38	3,942,719
Direct charges	12,273	16,418	-4,145	197,533	164,180	33,353	197,000
Investment funds	93,538	202,459	-108,921	1,028,587	2,102,237	-1,073,650	2,572,955
Total income	250,713	363,779	-113,066	5,687,790	6,728,049	-1,040,259	8,554,161
Operating surplus/(deficit)	0	0	0	0	0	0	0

Regional representation, advocacy and investment management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council’s activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.1M	\$34.0K over budget ↑	\$1.5M	\$22.2K over budget ↓
Against a YTD budget of 0.1M and a full year budget of 0.1M.		Against a YTD budget of 1.4M and a full year budget of 1.8M.	

Operating Expenditure by Activity		
<p>Investment management</p>	<p>Community engagement</p>	<p>Advocacy and response</p>
<p>Governance</p>	<p>Key</p> <ul style="list-style-type: none"> YTD Variance ■ < 5% and less than \$50,000 ■ ≥ 5% < 10% and between \$50,000 and \$100,000 ■ ≥ 10% and greater than \$100,000 	

Commentary and variances

Overall regional representation and advocacy expenditure is on budget. There are no material activity variances (> or < than \$100,000).

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

Cost of services statement

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Investment management	0	500	500	0	5,000	5,000	6,000
Community engagement	40,339	34,792	-5,547	347,153	359,718	12,565	438,513
Advocacy and response	23,816	25,345	1,529	218,940	261,284	42,344	319,091
Governance	88,249	77,986	-10,263	895,533	813,451	-82,082	996,912
Total expenditure	152,404	138,623	-13,781	1,461,626	1,439,453	-22,173	1,760,516
Income							
General rates	55,289	55,289	0	575,092	575,092	0	703,948
Direct charges	35,248	6,083	29,165	94,856	60,830	34,026	73,000
Investment funds	61,867	77,251	-15,384	791,678	803,531	-11,853	983,568
Total income	152,404	138,623	13,781	1,461,626	1,439,453	22,173	1,760,516
Operating surplus/(deficit)	0	0	0	0	0	0	0

Statement of financial position

This statement summarises the Council's assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2020/2021 Estimates \$	2019/2020 Annual Report \$
Current Assets			
Cash and cash equivalents	6,748,824	632,347	2,945,237
Current portion of investments	6,374,740	-	12,595,467
Trade and other receivables	3,478,073	2,000,000	6,969,430
Inventories	162,185	-	162,185
Loan to Taranaki Stadium Trust	5,000,000	25,000,000	4,000,000
Prepayments	778,839	100,000	245,831
Work in progress	438,929	400,000	189,382
Total current assets	22,981,592	28,132,347	27,107,532
Non-current assets			
Treasury investments	13,363,227	4,900,000	1,000,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Intangible assets	616,840	1,825,922	869,701
Investment properties	19,249,000	17,380,500	19,559,000
Property plant and equipment	33,673,648	35,040,516	32,786,757
Deferred tax asset	80,499	-	80,499
Total non-current assets	93,782,332	85,946,056	81,095,075
Total assets	116,763,924	114,078,403	108,202,607
Current liabilities			
Trade and other payables	6,770,389	2,500,000	5,539,140
Work-in-progress	1,619,865	600,000	591,816
Employee entitlements current	1,057,917	935,000	1,141,005
Borrowings	5,000,000	-	4,000,000
Total current liabilities	14,448,171	4,035,000	11,271,961
Non-current liabilities			
Employee entitlements term	556,500	800,000	556,500
Borrowings	-	25,000,000	-
Total non-current liabilities	556,500	25,800,000	556,500
Total liabilities	15,004,671	29,835,000	11,828,461
Public equity			
Retained earnings	70,324,493	60,800,538	70,501,379
Reserves	26,217,888	18,933,527	20,655,895
Asset revaluation reserves	5,216,872	4,509,338	5,216,872
Total public equity	101,759,253	84,243,403	96,374,146
Total liabilities and equity	116,763,924	114,078,403	108,202,607

Commentary and variances

There are no significant variances to report.

Capital expenditure and disposals

Capital expenditure in excess of \$10,000 for the month was:

DESCRIPTION	AMOUNT \$
2021 Ford Ranger Ute	48,708
LiDar Data Project WIP	78,000
Regional Integrated Ticketing Project WIP	44,641

Fixed asset disposals in excess of \$10,000 for the month were:-

DESCRIPTION	AMOUNT \$
2016 Toyota Aurion	11,604

Local Authorities (Members' Interests) Act 1968

Additions to the *Creditors Detail List* for the month were:

CODE	CREDITOR NAME	ADDRESS	DATE ESTABLISHED
3813	Occupational Medical Services Ltd	P O Box 9513, Newmarket, Auckland	01-Apr-21
3814	Burkhart Farm Equipment Ltd	510 Manutahi Road, Lepperton	01-Apr-21
3823	Boot It Taranaki	41 Murray Street, Bell Block	09-Apr-21
3824	AgEnviro Solutions Limited	878 Salisbury Road, Stratford	09-Apr-21
3825	Crighton Engineering & Manufacturing Ltd	P O Box 13-438, Onehunga	12-Apr-21
3826	St Joseph's Primary School	21 Nelson Street, Waitara	19-Apr-21
3827	HDR Service Centre Ltd T/A Naki Sprint	5 Arygle Place, New Plymouth	21-Apr-21
3828	Oaks Wellington Hotel	89 Courtenay Place, Wellington	28-Apr-21
3829	RR Blackwell T/A Mangaotea	183 Mangaotea Road, Inglewood	28-Apr-21
3830	MaryBourke Unlimited	P O Box 247, Stratford	28-Apr-21
3831	Maumahara Consultancy Services Limited	47 Wairere Road, Wainui, Gisborne	28-Apr-21
3832	BL Tourism Group	2 Hilkaka Street, Te Kuiti	28-Apr-21
3833	Meyer, Kurt	481 Mangorei Road, New Plymouth	29-Apr-21

Notes:

1. The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.
2. The schedule excludes any staff who may have become a creditor.
3. Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

Financial delegations

The following payments were made during the period to 30 April 2021 that exceeded the budgeted approved delegated authority levels:

DESCRIPTION	AMOUNT \$
Nil	

Aged debtors analysis

The total debtors outstanding at 30 April 2021 were aged as follows:

DESCRIPTION	AMOUNT \$	PERCENT %
Current balance	2,898,212	90
30 days balance	112,295	3
60 days balance	50,885	2
90 days and over balance	159,596	5
Total debtors	3,220,988	100

Reserves

As at 30 April 2021 the following reserve balances were held:

DESCRIPTION	AMOUNT \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,584,385
South Taranaki Rivers Control Scheme Reserve	(2,938)
Dividend Equalisation Reserve	6,424,063
Egmont National Park Control Reserve	613,000
Endowment Land Sales Reserve	2,470,000
Waitara Lands Act 2018 Reserve	14,043,378
Total reserves	26,217,888

Bank and investment balances

As at 30 April 2021 the following cash, bank and investment balances were held:

	% OF TOTAL	INVESTED \$	YIELD %	MATURITY DATE
Bank of New Zealand:				
Call Account	10	2,521,014	0.3	On Call
Current accounts	16	4,151,640	0.1	On Call
Waitara Lands Account		1,046	0.1	On Call
Waitara Lands Term Investment	5	1,361,338	1.0	29/04/2022
Subordinated Notes	4	1,002,273	2.7	17/12/2025
TSB Bank:				
Cheque Accounts		731		On Call
Call Account		67,241	0.3	On Call
Term Investment	6	1,626,131	0.9	09/10/2021
Waitara Lands Term Investment	8	2,220,405	0.8	31/07/2021
ASB Bank:				
Cheque Account		6,654		On Call
Term Investment	4	1,061,673	0.9	18/08/2021
Term Investment	8	2,006,055	0.9	13/06/2021
Waitara Lands Term Investment	8	2,128,161	0.9	07/05/2021
Waitara Lands Term Investment	4	1,165,240	0.9	18/02/2022
Westpac:				
Waitara Lands Account		498	0.1	On Call
Waitara Lands Term Investment	10	2,669,203	0.8	06/10/2021
Waitara Lands Term Investment	9	2,256,964	0.9	22/07/2021
Waitara Lands Term Investment	8	2,240,524	0.8	22/06/2021
Total	100	26,486,791	1.0*	

All investments are in accordance with the *Investment Policy*. * Weighted average interest rate.

www.trc.govt.nz



Date 21 June 2021

Subject: **Health and Safety Reporting**

Approved by: M J Nield, Director - Corporate Services
S J Ruru, Chief Executive

Document: 2798665

Purpose

1. The purpose of this memorandum is to receive and consider reports on health and safety performance.

Recommendations

That the Taranaki Regional Council:

- a) receives the April and May 2021 health and safety reports.

Background

2. At the last Executive, Audit and Risk Committee meeting it was agreed to separate health and safety reporting from operational and financial reporting. It was also agreed to expand upon the level of health and safety reporting. Feedback on the expanded reporting for May 2021 would be useful for future enhancements.

Discussion

3. The April and May 2021 health and safety reports are attached. The April report is based on the previous level of reporting whereas the May 2021 has included expanded reporting. Additional information has been provided on the types of incidents and near misses, the number of health and safety activities undertaken and health and safety training.
4. Additional information and reporting can be provided dependent upon the information needs of Members and the strategic review of high-level risks being undertaken at a leadership level.
5. The April report outlines the investigation of a near miss vehicle incident. Additional defensive driving training is being considered and there was confirmation of our vehicle procurement policies in terms of the purchasing of five star safety vehicles only.
6. The May 2021 report includes a near miss overdue staff member. The use of technologies and our business practices around overdue staff are being reviewed.

Financial considerations—LTP/Annual Plan

7. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

8. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

9. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

Community considerations

10. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

11. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document 2795229: April 2021 Health and Safety Dashboard

Document 2795747: May 2021 Health and Safety Dashboard



Health and Safety Dashboard

Reporting Period:

1 – 30 April 2021

Incidents (1 July 2020 – 30 June 2021)

Illness 0 (0)	Incidents 1 (12)	Injury 2 (20)
----------------------	-------------------------	----------------------

ACC Claims 0 (5)	Near Miss 2 (52)	Notifiable 0 (0)
-------------------------	-------------------------	-------------------------

Types of Incidents and Injuries

Slips/Trips/Falls (no injury)	-	No Treatment	-
Sprains/Strains	-	First Aid	2
Cuts/Abrasions	-	Medical Centre	-
Bruising	-	Physiotherapy/Osteopath	-
Near Miss	2	Hospital	-
Vehicle Damage	-		
Insect Stings	-	Formal Investigation	-
Other	1	WorkSafe Investigation	-

Health and Wellbeing

Workstation Assessments 3

Health Monitoring Assessments 23
Pre-employment assessments 3

Wellness Initiatives
Flu Vaccinations

4 non-work related return to work plans
in place

Health and Safety Objectives Update

49% of staff have active Workplace Wellbeing accounts	Hazard reviews completed: 13
TRC wellbeing plan based on the Māori health model: Te Whare Tapa Whā	Emergency Procedures in Review
Health and Safety training days: 4	2020/21 Health and Safety plan adopted Preparing 2021/22 plan

Critical events or have the potential to be critical

Event	Potential Consequence	Actual Consequence	Potential Controls to implement
Near miss - vehicle accident	Very high	Low	Consideration of defensive driving training as part of our training programme. Ensure all vehicles purchased follow the Vehicle Replacement Policy – five star safety rating.



Health and Safety Dashboard

Reporting Period:

1 – 31 May 2021

Incidents (1 July 2020 – 30 June 2021)

Illness 0 (0)	Incidents 1 (13)	Injury 3 (23)
----------------------	-------------------------	----------------------

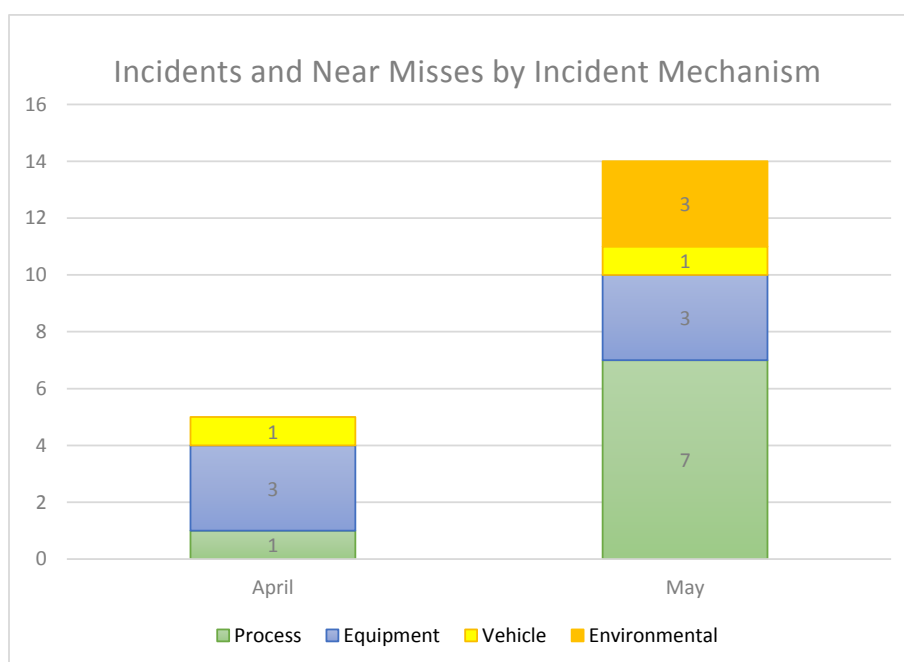
ACC Claims 0 (5)	Near Miss 10 (62)	Notifiable 0 (0)
-------------------------	--------------------------	-------------------------

Types of Incidents and Injuries

Slips/Trips/Falls (no injury)	-
Sprains/Strains	3
Cuts/Abrasions	-
Bruising	-
Near Miss	10
Vehicle Damage	-
Insect Stings	-
Other	1

No Treatment	-
First Aid	3
Medical Centre	-
Physiotherapy/Osteopath	-
Hospital	-

Formal Investigation	-
WorkSafe Investigation	-



Health and Wellbeing

Wellness Initiatives
Flu Vaccinations – 83 given

Health Monitoring Assessments 4
Pre-employment assessments 1

Workplace Wellbeing – most viewed pages
Mental Health – Stress/Anxiety
Exercise Motivation

3 non-work related return to work plans in place

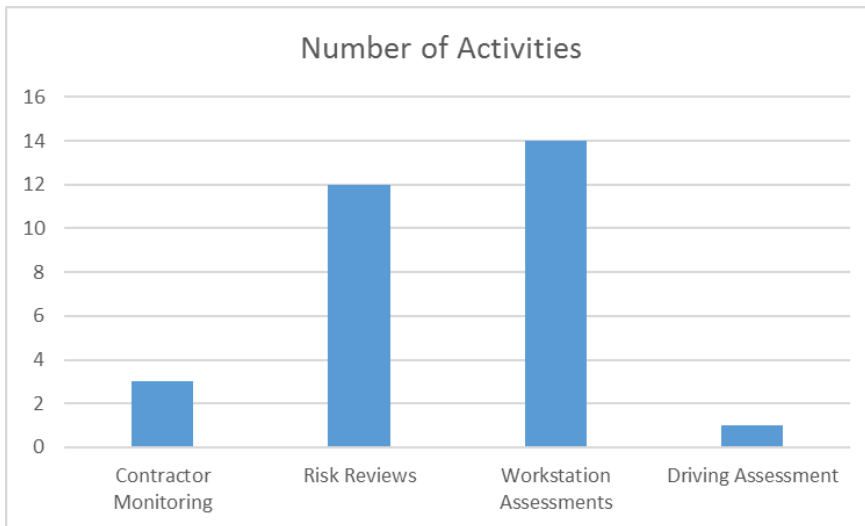
Health and Safety Objectives Update

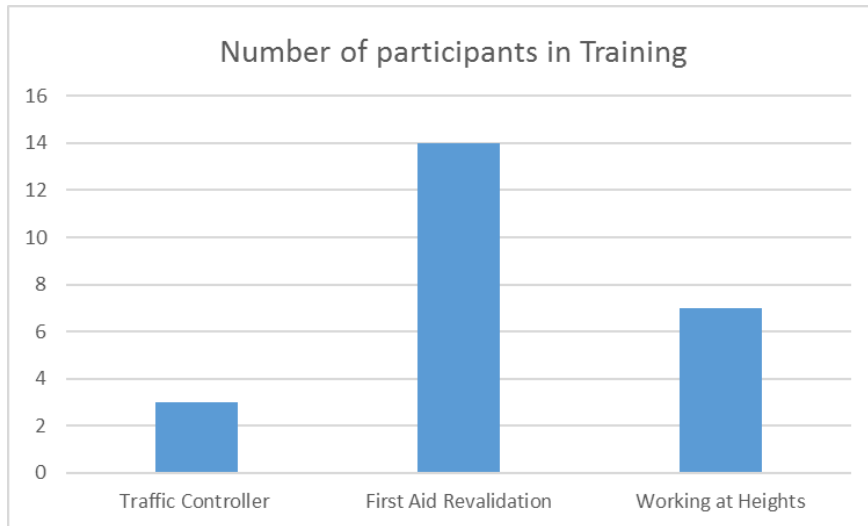
TRC wellbeing plan based on the Māori health model: Te Whare Tapa Whā

Emergency Procedures in Review
On call for Inspectorate in Review

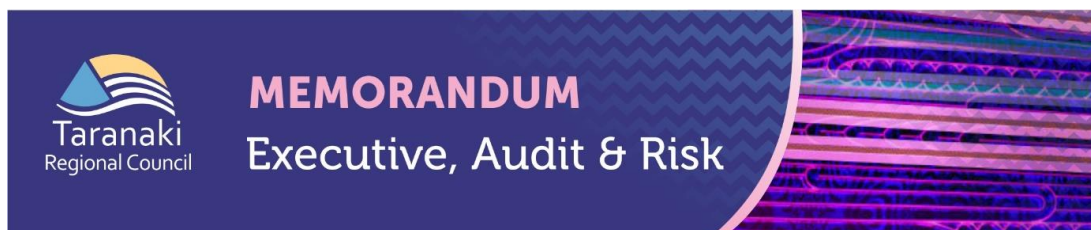
2021/22 Health and Safety Annual Plan prepared

As part of the Health and Safety Annual Plan, there will be high level strategic reviews of the critical/highest health and safety risks. These reviews will focus on the approach and mitigation controls in place. The reviews will be undertaken by the leadership team.





Critical events or have the potential to be critical			
Event	Potential Consequence	Actual Consequence	Potential Controls to implement
Near miss - vehicle accident	Very high	Low	Consideration of defensive driving training as part of our training programme. Ensure all vehicles purchased follow the Vehicle Replacement Policy – five star safety rating.
Near miss - missing person	Very High	Low	Review of technology and business processes around overdue staff.



Date: 21 June 2021

Subject: **Civic Financial Services Ltd: 2020 Annual Report**

Approved by: M J Nield, Director - Corporate Services
S J Ruru, Chief Executive

Document: 2786693

Purpose

1. The purpose of this memorandum is to receive and consider Civic Financial Services Ltd's 2020 Annual Report.

Recommendations

That the Taranaki Regional Council:

- a) receives Civic Financial Services Ltd's 2020 Annual Report.

Background

2. The Council holds 1,000 shares in Civic Financial Services Ltd (Civic). This equates to 0.01% of the ownership of the company or \$1,082 of the net assets. The Council's ownership and risk exposure from this investment is immaterial.
3. The Council's Investment Policy notes that annual reports will be considered by the Council. The shares continue to be held as the shares are not readily transferrable.

Discussion

4. Civic provides a range of financial services (mainly insurance and superannuation) to the local government sector. Currently, Civic does not provide insurance products. It earns its money from administration fees for services to RiskPool, the LAPP Disaster Fund, the SuperEasy Superannuation Scheme, and the SuperEasy KiwiSaver Superannuation Scheme.
5. The company had a successful year with a net profit after tax of \$344,823.
6. Given the lack of risk and exposure to this investment it is recommended that the Annual Report be received.

Financial considerations—LTP/Annual Plan

7. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

8. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the *Local Government Act 2002*, the *Resource Management Act 1991* and the *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

9. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan.

Community considerations

10. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

11. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document 2771676: Civic Financial Services Ltd: 2020 Annual Report

The background of the page is composed of several overlapping, curved, semi-transparent shapes in shades of teal and dark blue. In the center, there is a circular inset image showing a close-up of a modern building's glass and metal facade, reflecting light and creating a grid-like pattern.

ANNUAL REPORT 2020

DIRECTORS' REPORT	1
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
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SHAREHOLDERS' DETAILS	BACK COVER

DIRECTORS' REPORT**ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

Your Directors have pleasure in submitting the 60th Annual Report of the affairs of the Company (formerly New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance) for the year ended 31 December 2020, which is to be presented at the Annual General Meeting of Members in June 2021.

1. PERFORMANCE

Civic's before-tax profit in 2020 was \$480,458.

This compares favourably to the forecasted before-tax surplus of \$258,772 as set out in the 2020 Statement of Intent.

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

2. OPERATIONS*Administration Services*

Fees in 2020 from providing services to LAPP, Riskpool and the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes were \$2,973,440 (2019: \$2,947,683).

Investment Revenue

Income from investments was \$141,233 (2019: \$329,517).

Sponsorship and Support for the Sector

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

3. ASSOCIATED ENTITIES*Local Government Superannuation Trustee Limited*

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. Both are administered by Civic and from 1 April 2016 both have been registered with the FMA (Financial Markets Authority). Director appointments to LGST are made by LGNZ (two), Civic (one), CTU (one), Taituarā (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The SuperEasy schemes feature low member charges and simple administration for councils. Both make use of passive fund managers, which as well as allowing lower member fees removes the possibility of a fund manager making a bad call, which is something that can happen at any time.

The SuperEasy schemes also 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.

Superannuation funds under management as at December 2020 were \$470 million (December 2019 \$420 Million) and the combined membership of over 11,000. SuperEasy's fund managers are AMP Capital Investors (New Zealand) Ltd and ANZ New Zealand Investments Ltd. Of the councils that have a preferred provider for KiwiSaver, 70 out of 74 (94%) have appointed Civic.

The SuperEasy website is www.supereasy.co.nz.

LAPP Disaster Fund

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993 to assist with the reinstatement of lost or damaged local government underground infrastructure. LAPP's membership is 23. It could be said that LAPP is New Zealand's original LASS (Local Authority Shared Services).

LAPP extended its cover arrangement from two events to three events from July 2017.

LAPP settled its Kaikoura-Hurunui earthquake claims with the settlement of the Hurunui District Council's claim in April 2019 having previously settled with Kaikoura and Marlborough District Councils in 2018, for a combined settlement of \$4.66 million.

Civic is the administration and fund manager for LAPP. LAPP's website is: www.lappfund.co.nz.

Civic Financial Services Limited

DIRECTORS' REPORT

Riskpool/Civic Liability Pool (CLP)

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. It is not a company, but a mutual liability fund governed by a trust deed. CLP is similar to Riskpool, but has no facility for calls. For the fund year ending 30 June 2017 Riskpool/CLP had 31 members.

As support had dropped off in recent years to this low level Riskpool could no longer offer the competitively priced cover and risk management services that it had provided over the previous 20 years.

As a result Riskpool/CLP decided to no longer provide cover after 30 June 2017 and is now in run-off mode.

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

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

Riskpool members were advised in October 2018 that due to deteriorating claims experience in 2017-18 that Riskpool needed to make one interim call before a final call is made on wind up. The call which has been paid was for an amount of \$6 million payable on 1 July 2019, split \$3 million each to fund years 7 and 10.

A final call from Riskpool is likely in 2025 or 2026. It is expected that the amount of that call will be less than this previous call.

4. DIRECTORS

As at 31 December 2020 there were five directors: A.T. Gray, J.E. Miller, A.J. Marryatt, J.B. Melville and B.J. Morrison. M.C. Hannan retired as a director with effect from 4 December 2020.

Director attendances at Board meetings held in 2020:

Tony Gray	4 / 5
Mike Hannan	5 / 5
Tony Marryatt	5 / 5
John Melville	5 / 5
Basil Morrison	4 / 5

Jo Miller was appointed a Director on 18 December 2020, as such did not attend any Board meetings held in 2020.

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

Section 139 of the Companies Act 1993

All Civic directors are directors of LGMFT except Basil Morrison who resigned from LGMFT in March 2019 to ensure that one Civic director was independent of LGMFT. Subsequently there are two secured loan facility agreements that have been entered into between the Company and LGMFT whereby Civic loans LGMFT up to \$2,250,000 under each of two separate loans.

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

For the year ended 31 December 2020, Directors' remuneration was:

Tony Gray	\$15,569
Mike Hannan	\$14,418
Tony Marryatt	\$31,139
John Melville	\$23,354
Jo Miller	\$597
Basil Morrison	\$15,569
	\$100,646

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

Tony Gray	(Riskpool)	\$8,310
Mike Hannan	(Riskpool)	\$7,700
Tony Marryatt	(Riskpool)	\$16,620
John Melville	(Riskpool)	\$8,310
Jo Miller	(Riskpool)	\$316
Basil Morrison	(LGST)	\$12,571
		\$53,827

DIRECTORS' REPORT**Interests Register**

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2020 were:

A.T. Gray	Chair of Ngati Pukenga Investments Ltd; Chair of Tatau Tatau o Te Wairoa Commercial Limited; Artemis Nominees Ltd; Quality Roding and Services (Wairoa) Limited; Local Government Mutual Funds Trustee Ltd; Chair of Establishment Board, Hawke's Bay Food Innovation Hub; Nga Hua o Ngati Pukenga Limited; Chair of Te Turapa Wai Ariki Limited; Centralines Limited; EA Networks Limited; Executive Project Advisor to Hastings District Council; Trustee of Civic Property Pool; a party to an agreement for finance with the LGMFT.
A.J. Marrayatt	Chair of Local Government Mutual Funds Trustee Ltd; AJM Holdings Ltd; Trustee of Civic Property Pool; Member of SuperEasy KiwiSaver Superannuation Scheme; a party to an agreement for finance with the LGMFT.
J.B. Melville	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT.
J. E. Miller	Trustee of Civic Property Pool; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Hutt City Council; Taituarā (previously known as SOLGM) Executive Council Member; Board Member Hutt Valley Chamber of Commerce; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance the LGMFT.
B.J. Morrison	Chairman of Local Government Superannuation Trustee Ltd; Basil J Morrison & Associates Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Trustee of the Martha Trust; Trustee of Hauraki Railtrail Charitable Trust; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Thames-Coromandel District Council Hearings Panel, Waikato Regional Council Hearings Commissioner; NZ Freshwater Commissioner; Accredited Commissioner – RMA.

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

Conduct of the Board and Board Committee

The Board has put in place and regularly reviews a number of good governance policies including Charters for the Board and the Risk and Audit Committee, Fit and Proper Policy, Code of Conduct, and a Risk Management Plan.

Use of Information

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

Loans to Directors

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

5. EMPLOYEE REMUNERATION

Detailed below is the number of employees who received remuneration in their capacity as employees of \$100,000 or more during the year ended 31 December 2020.

Remuneration	Number of Employees
\$150,000 – \$160,000	1
\$190,000 – \$200,000	1

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

Civic Financial Services Limited

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 Silvio Bruinsma using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee (RAC) comprises the full Board. John Melville is the Chairman of this committee. RAC met five times in 2020: the Auditor attended two of those meetings and a part of one of those meetings was held without management present.

7. DONATIONS

No donations have been made during the year by any Company in the Group (2019: \$0).

8. STAFF

We sincerely thank the staff for their work during the year. They are: Ian Brown, Sylvia Jackson, Chathuri Mendis, Lisa Norris, Tim Sole, Sue Tong and Glenn Watkin.



Tony Marryatt **Chairman**
March 2021

DIRECTORS

Anthony (Tony) J. Marryatt (Chairman)

Anthony (Tony) T. Gray

John B. Melville

Johanna (Jo) E. Miller

Basil J. Morrison CNZM JP

EXECUTIVE OFFICERS

Chief Executive : Ian Brown

Chief Financial Officer : Glenn Watkin

COMPANY REGISTRATION NO: 13271

AUDITORS

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

BANKERS

ANZ Banking Group (New Zealand) Limited

Bank of New Zealand

LEGAL ADVISERS

Dentons Kensington Swan

REGISTERED OFFICE

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

POSTAL ADDRESS

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

OTHER CONTACT DETAILS

Telephone (04) 978 1250

Facsimile (04) 978 1260

Email admin@civicfs.co.nz

Website www.civicfs.co.nz

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

The cover page features a large, abstract graphic composed of overlapping circular and semi-circular shapes in various shades of teal and light blue. In the center, the text "Statement of Accounts" is displayed in a dark blue, sans-serif font. Below the text, a portion of a black and white photograph is visible, showing a grid-like structure, possibly a ceiling or a wall with a geometric pattern.

Statement of Accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
REVENUE			
Administration Fees		2,973,440	2,947,683
Interest Income	4	141,233	329,517
Property Income		-	571,970
Gain on sale of Building	7	-	1,209,909
Other Income		608	129
Total Revenue		3,115,281	5,059,208
EXPENDITURE			
Audit Fee	14		
Statutory Audit of the Financial Statements		127,639	116,462
Other Fees Paid to Auditors Re Assurance Services		26,784	30,500
Other Fees Paid to Auditors Re Tax Compliance		37,388	19,077
Compliance Costs		140,179	103,122
Consultants		82,075	44,852
Depreciation	6	16,107	35,053
Amortisation	6	65	-
Directors' Remuneration	3	100,646	103,511
Interest Expense		-	130,249
Legal Fees		180,747	38,273
Property Operating Expenses		119	396,332
Other Expenses		1,176,616	1,039,624
Employee Remuneration	3	725,518	729,533
Superannuation Subsidies		20,940	21,261
Total Expenditure		2,634,823	2,807,849
Surplus Before Taxation		480,458	2,251,359
Taxation Expense	10	135,635	300,881
TOTAL COMPREHENSIVE SURPLUS AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY	15	344,823	1,950,478

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

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
SHAREHOLDERS' EQUITY			
Issued and Paid-Up Ordinary Shares			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	58,366	(286,457)
TOTAL EQUITY		10,821,872	10,477,049
Represented By:			
CURRENT ASSETS			
Cash & Cash Equivalents		897,157	274,428
Term Deposits		4,735,000	5,290,045
Sundry Debtors and Prepayments	12	526,169	554,609
Loan Receivable	13	2,588,354	1,996,527
Total Current Assets		8,746,680	8,115,609
NON CURRENT ASSETS			
Property, Plant and Equipment	6	28,728	34,447
Intangible Assets (Software)	6	170,885	89,000
Deferred Tax Asset	10	2,350,445	2,486,080
Total Non Current Assets		2,550,058	2,609,527
TOTAL ASSETS		11,296,738	10,725,136
CURRENT LIABILITIES			
Sundry Creditors and Accrued Charges	12	328,375	112,990
Accrued Holiday Pay		68,312	37,662
CLP/ Riskpool Admin Fee Reserve		52,530	52,530
Total Current Liabilities		449,217	203,182
NON-CURRENT LIABILITIES			
CLP/ Riskpool Admin Fee Reserve		25,649	44,905
Total Non Current Liabilities		25,649	44,905
TOTAL LIABILITIES		474,866	248,087
EXCESS OF ASSETS OVER LIABILITIES		10,821,872	10,477,049

For and on behalf of the Directors:



TONY MARRYATT Chairman 12 March 2021



JOHN MELVILLE Director 12 March 2021

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
OPENING EQUITY		10,477,049	17,945,051
Total Comprehensive Surplus Net of Tax		344,823	1,950,478
Dividend Payment		-	(9,418,480)
Ordinary Shares issued during the year	15	-	-
CLOSING EQUITY		10,821,872	10,477,049

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

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Rent Received		-	561,561
Administration Fees Received		2,970,690	2,849,062
Other Income		608	129
Taxation (Paid)/Refunded		-	(5,133)
		2,971,298	3,405,619
Cash was applied to:			
Payments to Suppliers and Employees		2,360,681	2,605,883
		2,360,681	2,605,883
Net Cash Flow from Operating Activities	11	610,617	799,736
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Investment Income		90,268	115,061
Term Deposits		555,045	-
Investment Property		-	9,116,888
Loans Repaid from Related Parties		3,422,432	5,300,000
		4,067,745	14,531,949
Cash was applied to:			
Term Deposits		-	4,090,045
Purchase of Property, Plant and Equipment		92,338	30,721
Loans Issued to Related Parties		3,963,376	985,550
		4,055,714	5,106,316
Net Cash Flow from Investing Activities		12,031	9,425,633
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Loan Interest Received		81	183,763
Borrowings		-	(4,000,000)
		81	(3,816,237)
Cash was applied to:			
Interest Paid		-	130,249
Dividend Paid		-	9,418,480
		-	9,548,729
Net Cash Flow from Financing Activities		81	(13,364,966)
Net (Decrease)/Increase in Cash Held		622,729	(3,139,597)
Opening Cash Balance as at 1 January		274,428	3,414,025
Closing Cash Balance as at 31 December		897,157	274,428
Being:			
Cash & Cash Equivalents		897,157	274,428

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1 REPORTING ENTITY

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

Statement of Compliance

The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 2 Public Sector Public Benefit Entity (PBE) Standards.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES**General Accounting Policies**

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

Critical Judgements and Estimates in Applying the Accounting Policies

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

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

Particular Accounting Policies

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

(a) Consolidation of Subsidiaries

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

(b) Investment in Subsidiaries

At 31 December 2020 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand.

Two of these, Local Government Superannuation Trustee Limited and SuperEasy Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited (LGMFTL) with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2019 and 31 December 2020.

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.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

(d) Employee Benefits

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

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

(e) Basis of Measuring Other Income and Expenses

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

(f) Changes in Accounting Policies

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

NOTE 3 KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

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

	2020	2019	2020	2019
	Number		\$	\$
Short term employee benefits				
Executive Management Personnel	3	3	427,434	409,204
Directors	5	6	100,646	103,511
			528,080	512,715

As at 31 December 2020 the Company had a loan receivable from New Zealand Mutual Liability Riskpool ("Riskpool") of \$2,074,371 (2019: \$973,927) and from Civic Liability Pool ("CLP") of \$513,983 (2019: \$1,022,600). Refer to Note 13 for the terms and information relating to loans with subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 4 FINANCIAL INSTRUMENTS

Accounting Policies:

i) Classification and Measurement

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

Loans and Receivables

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

Bank and Cash Equivalents

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

Financial Liabilities

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

ii) Offsetting Financial Instruments

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

iii) Asset Quality**Impairment of Financial Assets**

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

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

iv) Fair Value of Financial Instruments

Fair value measurements recognised in the Statement of Financial Position

Financial instruments are categorised into 3 levels:

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

v) Derivatives

The Group do not use any derivative financial instruments.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Loans		
Interest Received – Loans	50,965	214,456
Cash & Cash Equivalents		
Interest Received – Short Term Deposits	90,268	115,061
Total Interest Income	141,233	329,517

(2) Financial Assets and Liabilities

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Financial Asset: Loans and Receivables		
Sundry Debtors	484,840	501,440
Loans	2,588,354	1,996,527
Total Loans and Receivables	3,073,194	2,497,967
Financial Asset: Amortised Cost		
Cash & Cash Equivalents	897,157	274,428
Financial Liability: Amortised Cost		
Sundry Creditors & Accrued Charges	328,375	112,990
Total Amortised Cost	328,375	112,990

(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 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 and 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.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

Maturity Analysis as at 31 December 2020						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash & Cash Equivalents	0 to 0.48%	897,157	-	-	-	897,157
Term Deposits	0.7% to 1.78%	2,735,000	2,000,000	-	-	4,735,000
Other Receivables	n/a	484,840	-	-	-	484,840
Loans	2.96% to 3.96%	2,588,354	-	-	-	2,588,354
Total Financial Assets		6,705,351	2,000,000	-	-	8,705,351
Liabilities						
Sundry Creditors & Accrued Expenses	n/a	328,375	-	-	-	328,375
Total Financial Liabilities		328,375	-	-	-	328,375
Maturity Analysis as at 31 December 2019						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash & Cash Equivalents	0 to 0.35%	274,428	-	-	-	274,428
Term Deposits	1.75% to 2.75%	5,290,045	-	-	-	5,290,045
Other Receivables	n/a	501,440	-	-	-	501,440
Loans	3.79% to 4.52%	1,996,527	-	-	-	1,996,527
Total Financial Assets		8,062,440	-	-	-	8,062,440
Liabilities						
Sundry Creditors & Accrued Expenses	n/a	112,990	-	-	-	112,990
Total Financial Liabilities		112,990	-	-	-	112,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Cash & Cash Equivalents	897,157	274,428
Term Deposits	4,735,000	5,290,045
Other Receivables	484,840	501,440
Loans	2,588,354	1,996,527
Total	8,705,351	8,062,440

(ii) Concentration of Credit Exposure

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

NOTE 5 OPERATING LEASE COMMITMENTS

	2020 \$	2019 \$
Operating Lease Expense Commitments:		
not later than one year	69,807	74,208
later than one year but not later than five years	251,888	256,832
later than five years	-	37,400
	321,695	368,440

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 6 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**Accounting Policy:**

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

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

	2020 \$	2019 \$
(a) Property, Plant and Equipment		
Office Furniture and Equipment – cost	129,384	690,697
Plus Additions	10,388	33,776
Less Disposals	-	(595,089)
Closing Value – cost	139,772	129,384
Office Furniture and Equipment – Accumulated Depreciation	(94,937)	(525,577)
Less Depreciation Charge	(16,107)	(35,053)
Less Disposals	-	465,693
Closing Accumulated Depreciation	(111,044)	(94,937)
Net Book Value	28,728	34,447

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes no gains or losses on disposal of fixed assets (2019: \$3,055 loss).

	2020 \$	2019 \$
(b) Intangible Assets		
Software - cost	519,453	519,453
Plus Additions	81,950	-
Less Disposals	-	-
Closing Value – cost	601,403	519,453
Software – Accumulated Amortisation	(430,453)	(430,453)
Less Amortisation Charge	(65)	-
Less Disposals	-	-
Closing Accumulated Amortisation	(430,518)	(430,453)
Net Book Value	170,885	89,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 7 INVESTMENT PROPERTY

Accounting Policy:

Investment property is measured at fair value, by reference to an external market valuation (performed annually), with any resulting unrealised gain or loss recognised in the Statement of Comprehensive Income.

The investment property was sold during in 2019 for \$10,115,000 following the completion of earthquake strengthening and asbestos works. Settlement for the sale of Civic Assurance House was 15 August 2019. Following settlement, on 19 August 2019 the Company paid a special dividend to shareholders of \$9,418,480 plus accompanying imputation credits to offset any tax liability for shareholders.

NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2019: \$nil).

NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities (2019: \$nil).

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 10 TAXATION

Accounting Policies:

i) Current Tax

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

ii) Deferred Tax

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

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

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

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

iii) Goods and Services Tax (GST)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Tax expense comprises:		
Current tax expense	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Deferred tax relating to temporary differences	135,635	300,881
Total tax expense	135,635	300,881
Attributable to:		
Continuing operations	135,635	300,881
	135,635	300,881

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:

	2020 \$	2019 \$
Surplus before tax	480,458	2,251,359
Income tax calculated at 28%	134,528	630,382
Tax effect of permanent differences	830	(337,412)
Prior Period Adjustment	277	7,912
Income Tax Expense	135,635	300,881

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Tax refund receivable	-	-
	-	-

(c) Deferred tax balances

	2020 \$	2019 \$
Deferred tax assets comprise:		
Temporary differences	2,349,610	2,484,665
	2,349,610	2,484,665
Deferred tax liabilities comprise:		
Temporary differences	835	1,416
	835	1,416
Net Deferred Tax balance	2,350,445	2,486,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 \$	
2020	Investment gains	-	-	-	-	
	Building, property and equipment	5,057	(1,081)	-	2,987	
		5,057	(1,081)	-	(989)	2,987
	Employee entitlements	26,540	35,496	-	-	62,036
	Losses carried forward	8,847,264	(517,836)	-	-	8,329,428
		8,873,804	(482,340)	-	-	8,391,464
	Attributable to:					
	Continuing operations	8,878,861	(483,421)	-	(989)	8,394,451
	Total	8,878,861	(483,421)	-	(989)	8,394,451
	Tax effect at 28%	2,486,080	(135,358)	-	(277)	2,350,445
2019	Investment gains	-	-	-	-	
	Building, property and equipment	(1,872,109)	1,905,422	-	(28,256)	5,057
		(1,872,109)	1,905,422	-	(28,256)	5,057
	Employee entitlements	41,132	11,033	-	(25,625)	26,540
	Losses carried forward	11,784,413	(2,962,774)	-	25,625	8,847,264
		11,825,545	(2,951,741)	-	-	8,873,804
	Attributable to:					
	Continuing operations	9,953,436	(1,046,319)	-	(28,256)	8,878,861
	Total	9,953,436	(1,046,319)	-	(28,256)	8,878,861
	Tax effect at 28%	2,786,963	(292,970)	-	(7,913)	2,486,080

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

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

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 10 TAXATION CONTINUED**(d) Imputation Credit Account**

	2020 \$	2019 \$
Closing Balance	1,593,490	1,593,490

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 2020

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

	2020 \$	2019 \$
Total Comprehensive Surplus	344,823	1,950,478
Add/(less) non cash items		
Loan Interest	(50,883)	(30,693)
Depreciation	16,107	35,053
Amortisation	65	-
Movement in CLP/ Riskpool Admin Fee Reserve	(19,256)	(19,256)
Movement in Deferred Tax Asset	135,635	300,881
Net change in fair value of investment property	-	-
	81,668	285,985
Add/(less) movements in other working capital items		
Sundry Debtors and Prepayments and Reinsurance Recoveries	28,440	39,835
Sundry Creditors and Accrued Charges	246,035	(98,603)
Tax Refund Due	-	3,580
	274,475	(55,188)
Add/(Less) Items Classified as Investing Activity	(90,349)	(1,511,787)
Add/(Less) Items Classified as Financing Activity	-	130,249
Net Cash Flow from Operating Activities	610,617	799,736

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 \$	2019 \$
Sundry Debtors	484,840	501,440
Prepayments	41,329	43,296
GST Receivable	-	9,873
Sundry Debtors and Prepayments	526,169	554,609

(b) Sundry Creditors and Accrued Charges

	2020 \$	2019 \$
Sundry Creditors and Accrued Charges	165,435	112,990
GST Payable	162,940	-
Sundry Creditors and Accrued Charges	328,375	112,990

NOTE 13 LOANS***Loan Receivable***

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

Secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of Riskpool were entered into in February 2017, August 2017 and again in November 2018 to assist with Riskpool's cashflow. The amounts made available under the 2017 agreements were reduced in 2018 to provide facilities of \$2,250,000 each (2017: \$3,000,000) and under the terms of the loans the interest rate is set as BKBM plus a margin. The November 2018 agreement provides a loan facility of \$4,000,000. Under the terms of the loan agreement the interest rate is set at the ANZ Bank lending rate plus a margin. Riskpool may repay the loans and any interest at any time without penalty. The Company may at any time withdraw the facilities by notice in writing to Riskpool to that effect, from which time no further funds will be provided but without giving rise to a requirement for Riskpool to repay the outstanding balance of the loan. The Company may require repayment of the loans (including all interest) in full or in part at any time with six months' notice. Either party may terminate the agreements on six months' notice or any other such period that both parties agree to. On termination, the loan outstanding and any interest due to the date of repayment must be paid within the period of notice. The loan outstanding at 31 December 2020 is \$2,074,371 (2019: \$973,927).

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 2020 is \$513,983 (2019: \$1,022,600).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 14 AUDIT FEES

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

	2020 \$	2019 \$
Statutory Audit of the Financial Statements		
Civic Financial Services	49,566	57,975
Civic Liability Pool	17,640	15,000
Local Government Superannuation Trustee	60,433	43,487
Total Statutory Audit of the Financial Statements	127,639	116,462
Other Fees Paid to Auditors for Assurance Services	26,784	30,500
Other Fees Paid to Auditors for Tax Compliance	37,388	19,077
Total Fees Paid to the Auditors	191,811	166,039

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 2019 there were no shares issued. There were no shares issued during 2020.

	2020 \$	2019 \$
Retained Earnings		
Opening Balance	(286,457)	7,181,545
Net Surplus After Taxation	344,823	1,950,478
Dividend Payment	-	(9,418,480)
Closing balance	58,366	(286,457)
Shareholders Capital		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
Closing balance	10,763,506	10,763,506
Number of Ordinary Shares Fully Paid	11,249,364	11,249,364
Par Value per Share	\$0.96	\$0.93
Dividend Payment per Share	\$0.00	\$0.84

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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. A special dividend of \$9,418,480 was paid to shareholders on 19 August 2019 following the sale of Civic Assurance House.

NOTE 17 STANDARDS APPROVED BUT NOT YET EFFECTIVE**Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial report, one Standard and Interpretation was in issue that was relevant to the Group, but not yet effective.

Initial application of the following Standard is not expected to affect any of the amounts recognised in the financial report or change the presentation and disclosures presently made in or relation to the Group's financial report:

	<i>Effective for annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
Revised NZ IFRS 9 'Financial Instruments'	1 January 2021	31 December 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 18 SUBSEQUENT EVENTS

There have been no material events subsequent to 31 December 2020 that require adjustment to or disclosure in the financial statements.

NOTE 19 CAPITAL COMMITMENTS

The Company has no capital commitments at balance date (2019: \$nil).

NOTE 20 GOING CONCERN

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

The profitability of financial services supports the going concern assumption for Civic Financial Services Ltd as a whole. The deferred tax asset is reviewed regularly and at balance date against forecast profits and future business opportunities. The Directors believe that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilised.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

OPINION

We have audited the consolidated financial statements of the Group on pages 7 to 29, that comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

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

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards.

Our audit was completed on 12 March 2021. This is the date at which our opinion is expressed.

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

BASIS FOR OUR OPINION

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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



INDEPENDENT AUDITOR'S REPORT *CONTINUED*

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

The Board of Directors' responsibilities arise from the Companies Act 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 *CONTINUED*

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

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

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

A handwritten signature in blue ink that reads "Silvio Bruinsma".

Silvio Bruinsma
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2020

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%
DISTRICT COUNCILS			Waikato	41,070	0.37%
Ashburton	56,016	0.50%	Waimakariri	88,172	0.78%
Buller	27,698	0.25%	Waimate	30,458	0.27%
Carterton	23,642	0.21%	Waipa	149,082	1.33%
Central Hawke's Bay	28,580	0.25%	Wairoa	22,992	0.20%
Central Otago	91,238	0.81%	Waitaki	120,000	1.07%
Clutha	33,711	0.30%	Waitomo	16,940	0.15%
Far North	85,440	0.76%	Wanganui	289,660	2.57%
Gisborne	99,404	0.88%	Western Bay of Plenty	28,142	0.25%
Gore	54,589	0.49%	Westland	28,356	0.25%
Grey	33,742	0.30%	Whakatane	38,788	0.34%
Hastings	129,170	1.15%	Whangarei	63,524	0.56%
Hauraki	63,434	0.56%	REGIONAL COUNCILS		
Horowhenua	110,689	0.98%	Bay of Plenty	55,000	0.49%
Hurunui	14,000	0.12%	Canterbury	152,696	1.36%
Kaikoura	10,000	0.09%	Hawke's Bay	20,000	0.18%
Kaipara	13,629	0.12%	Horizons	2,000	0.02%
Kapiti Coast	15,060	0.13%	Southland	10,000	0.09%
Kawerau	31,161	0.28%	Taranaki	1,000	0.01%
Manawatu	203,964	1.81%	Waikato	22,000	0.20%
Marlborough	86,022	0.76%	Wellington	80,127	0.71%
Masterton	127,230	1.13%	OTHER		
Matamata-Piako	122,554	1.09%	TrustPower	137,251	1.22%
New Plymouth	441,456	3.92%			
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			
Total Shares				11,249,364	

Executive, Audit & Risk Committee Public Excluded

In accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 21 June 2021 for the following reason/s:

Item 6 - Public Excluded Minutes – 10 May 2020

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Item 7 - Office Refurbishment

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Item 8 – Yarrow Stadium Update

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.