2016

Annual Report

city care

Our people. Making it work.


city care
city care

Contents

Pages 1 – 24 of this report: While every effort has been taken to present accurate information, the base data and qualitative statements located in pages 1 – 24 of this document have not been externally audited and are not addressed in Audit New Zealand's report on our financial statements.

Image Courtesy *CERA*

The Year in Review

In a year in which City Care's shareholder Christchurch City Holdings Ltd announced the proposed sale of the company, and after undertaking this process decided not to sell, City Care delivered a satisfactory financial result and continued to win strategically-significant tenders, including two major greenspace maintenance contracts.

During 2015/16 City Care further advanced its vision to build great communities through expanding its portfolio of construction and maintenance contracts, as well as consolidating its commitment to building positive, enduring relationships with its client partners.

City Care's industry-leading health and safety approach was further progressed during the year by the implementation of a three-year strategy focusing on the four pillars of Visible Leadership, Risk Management, Health and Wellness and Systems and Assurance. The success of this approach was demonstrated with a 50% reduction in serious harm injuries and a 50% decline in the total recordable injury frequency rate.

Financial Performance

City Care performed satisfactorily in 2015/2016, returning a net profit after tax of $6.8 million.

There were a number of factors that impacted the result:

- The sale process took a significant amount of management time that inhibited the rollout of a number of initiatives
- All acquisition activities were halted during the sale process
- A very competitive marketplace in the construction sector
- Command Building Services finished well below its planned financial performance

Revenue for the year was $306.8 million and the after tax return on average equity was 12.0%.

The equity ratio at 30 June 2016 was 56%.

City Care achieved strong operating cash flow of $11.9 million, which was invested in:

- The purchase of a majority-owned subsidiary, Apex Environmental Services
- Dividends to the shareholder of $4.1 million
- A reduction in interest-bearing debt to $6.5 million, from $8.6 million in the previous year

Statement of Intent (SOI)

City Care's SOI sets out the company's financial, operational, social and environmental targets. These targets form the foundation of the company's strategic direction and are used to measure success. Full details of these targets and the performances against them can be found in the Financial Statements accompanying this document.

City Care and our people

City Care employs 1399 people to deliver its services throughout New Zealand. Through deploying a workforce of highly competent committed people the company pursues its objective to continually and sustainably enhance its operating systems and commercial relationships.

To that end, the company invested significantly in providing a comprehensive range of on-job and external training opportunities for employees to gain new skills and further develop their careers.

762 City Care team members were actively engaged in training during the year.

Staff satisfaction, as measured by the annual staff opinion survey, increased during the year to 77%, up from 74% in the previous year.

This is a particularly pleasing result within the environment of uncertainty around the sale process.

Working with our clients

During the year City Care focused closely on enhancing its customer relationship management processes.

Engaging in collaborative and rewarding partnerships with our clients is central to our business and critical to our continued success.

Overall our customers are satisfied with their relationships with City Care.

The results of our customer satisfaction survey show a pleasing increase in overall customer satisfaction.

The survey highlighted a number of areas where we can enhance our service delivery, and we will be focusing on those areas in the coming year.

▲ 77%

STAFF SATISFACTION

▲ 70%

CLIENT SATISFACTION

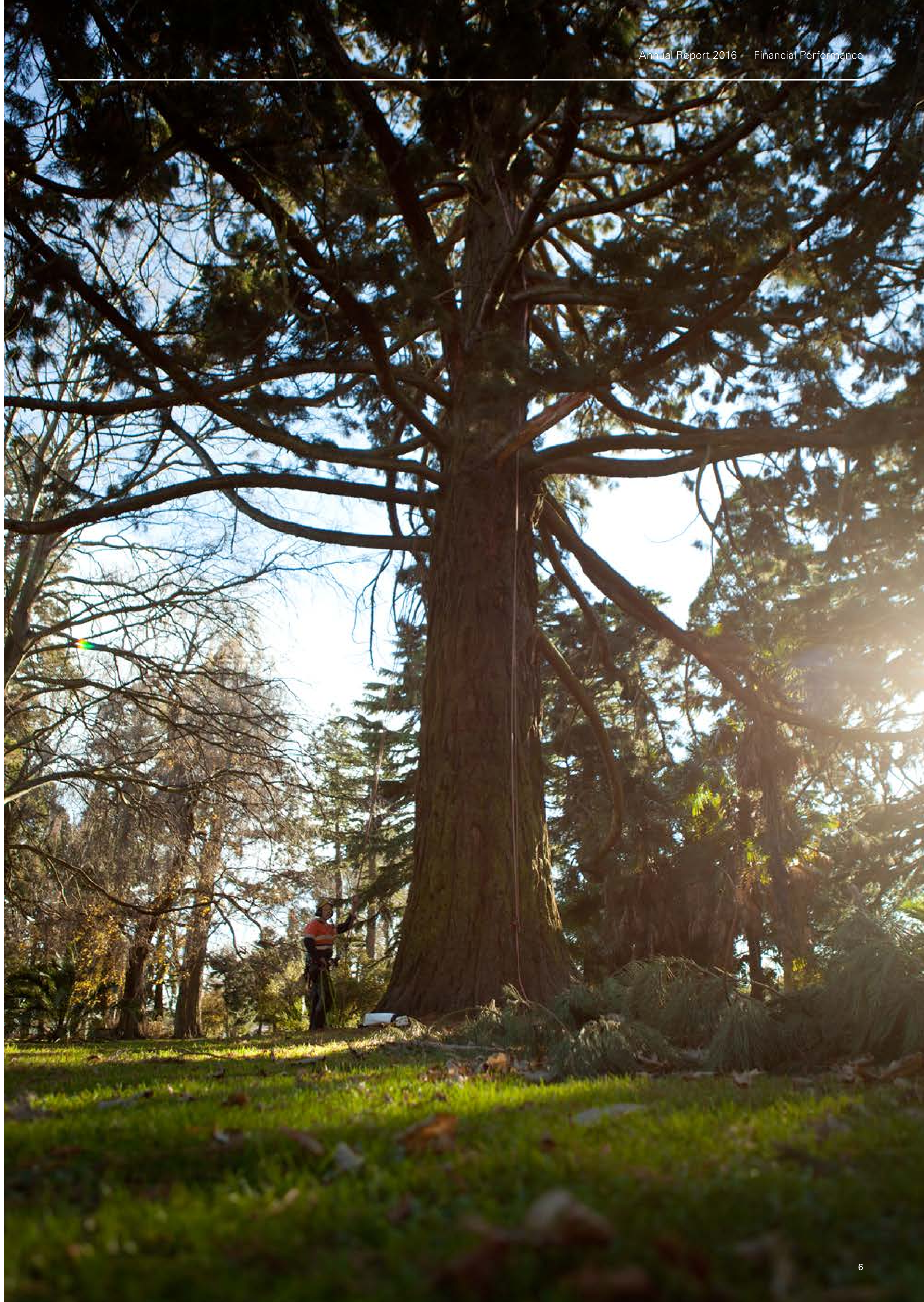
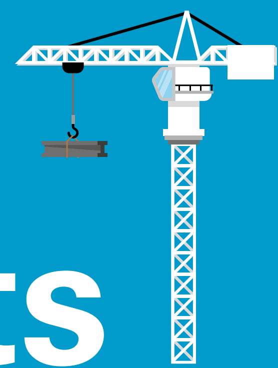


Image Courtesy Fairfax Media NZ/The Press

Our Projects



In early 2016 City Care was awarded Dunedin City Council's Parks Maintenance South contract for an initial term of five years, commencing 1 July 2016.

In May the company gained a further greenspace maintenance contract win when Waikato District Council announced City Care as its new Open Spaces Maintenance contractor for a term of up to 10 years, commencing 1 August 2016.

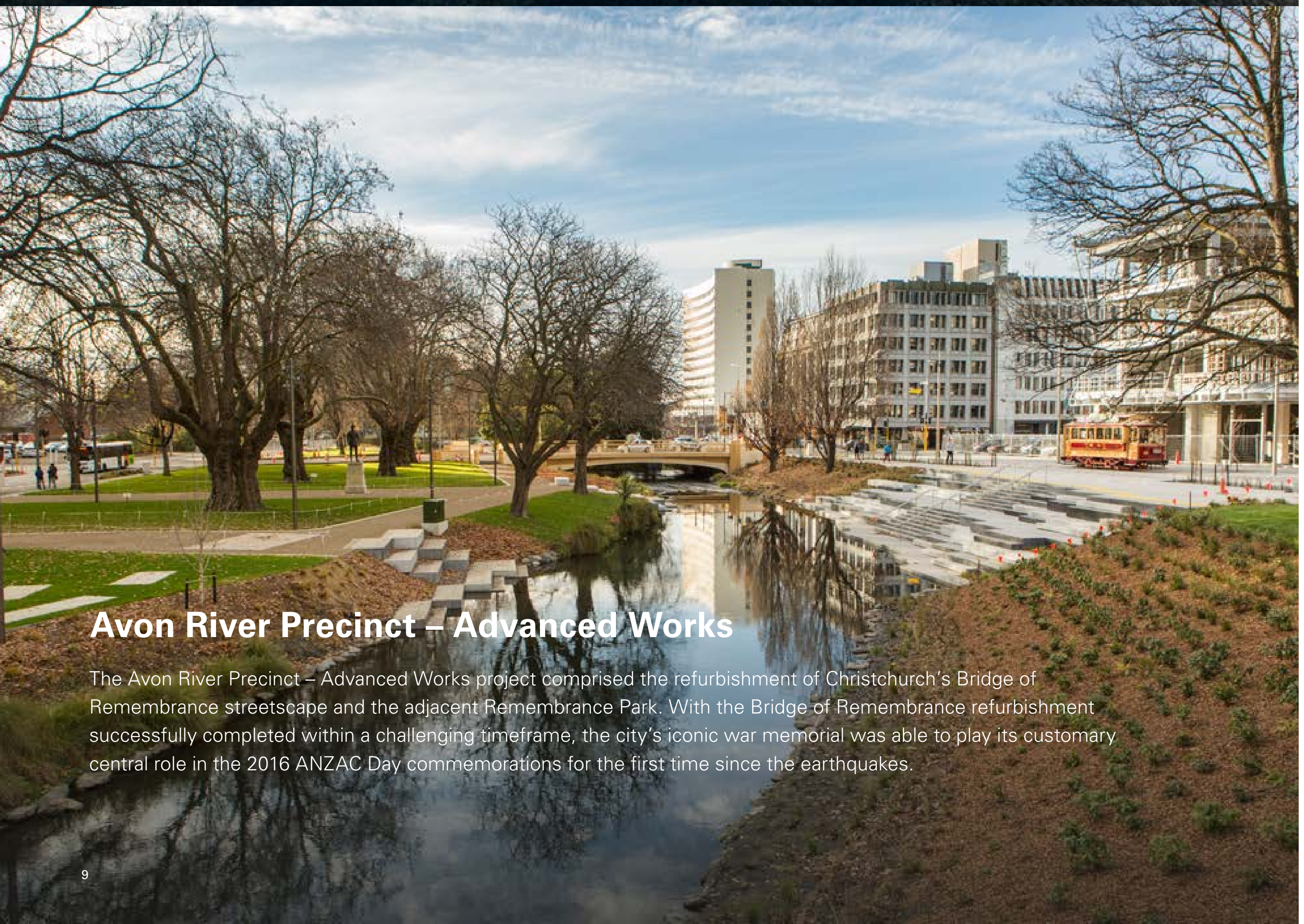
The tendering for, and winning, of these two prominent Local Authority maintenance contracts recognises City Care's unparalleled reputation in the delivery of greenspace maintenance services and further consolidates the company's market-leading positioning within this important industry sector.

A joint venture between City Care and John Fillmore Contracting Ltd was awarded a number of high-profile construction contracts within the Christchurch rebuild, by CERA and the new crown company Ōtākaro Ltd.

Margaret Mahy Family Playground

The Margaret Mahy Family Playground was officially opened in December 2015 and instantly became a popular destination in the new Christchurch inner-city landscape. This revolutionary mega-playground has received extensive media coverage since its opening and is already playing a pivotal role in the city's regeneration. Construction work, including the introduction of additional attractions, is continuing into the 2016/17 year.

Image Courtesy *Fairfax Media NZ / The Press*



Avon River Precinct – Advanced Works

The Avon River Precinct – Advanced Works project comprised the refurbishment of Christchurch's Bridge of Remembrance streetscape and the adjacent Remembrance Park. With the Bridge of Remembrance refurbishment successfully completed within a challenging timeframe, the city's iconic war memorial was able to play its customary central role in the 2016 ANZAC Day commemorations for the first time since the earthquakes.

Ministry of Education

Major building construction projects completed during the year for the Ministry of Education include works in Timaru and Auckland, as well as a new school in Marshland, Christchurch, which was officially opened by the Minister of Education Hon. Hekia Parata in December.

Cholmondeley Children's Centre

The Cholmondeley Children's Centre project in Governors Bay, a combined rebuild of the earthquake-damaged sections and refurbishment of the surviving structures, was officially opened in October. The return of this acclaimed community asset, with its unique blend of modern learning environments and purpose-built care facilities, marked a major milestone in the Canterbury region's post-quake recovery.

Wellington Museum

In September Wellington Museum emerged from its shrink-wrapped shroud following an extensive maintenance project completed by City Care (and Wellington City Council). The facility's refurbished exterior includes a new colour scheme which accentuates the building's architectural features and allows it to 'pop' more conspicuously from its surroundings.

In April City Care won a 12-month service trial to provide Ravensdown with reactive facilities maintenance across two North Island facilities.

City Care successfully negotiated a three-year extension to its facilities management contract with Wellington City Council.

City Care's renowned emergency response capability was called upon several times during the year, including extreme rain events in Timaru and the central and lower North Island, and following the Valentine's Day 5.7 magnitude quake in Christchurch.

Image Courtesy *Fairfax Media NZ / Timaru Herald*

Community Sponsorship

City Care's deep community connections were reinforced during the year through a close sponsorship relationship with the University of Canterbury's Student Volunteer Army (SVA).

This very active and inspirational organisation, born out of the Christchurch earthquakes, has continued to expand its activities and influence throughout Canterbury and beyond. With City Care's assistance the SVA undertook a number of community clean-up days, replanting projects and assorted 'random acts of kindness' during the year.

Acknowledgements from the Chairman and Chief Executive

The proposed sale process placed extraordinary stress on our people over an extended period. Our team members are renowned for their dedication and commitment to delivering for their clients and serving their communities.

Operating within an environment of uncertainty and insecurity has therefore been extremely challenging for City Care. Despite the uncertainty and increased pressure, our people have continued to excel in their jobs and to shine in their communities.

Quite simply, our company is our people, and our reputation and success depends on them.

With the conclusion of the sale process, and the announcement by Christchurch City Council that City Care is to remain in their ownership, our people are now able to refocus on our strategic goals and continue the profitable growth we have achieved in the past.

We wish to thank all of our people for their support and hard work during the year.

Hugh Martyn
Chairman

Onno Mulder
Chief Executive

Social

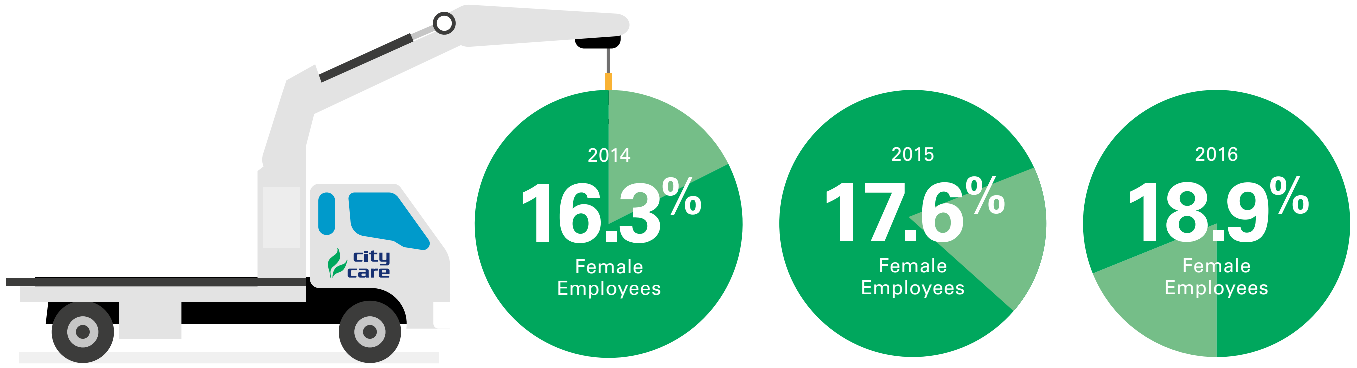
People

As at the end of June 2016 City Care employed 1399 team members (excluding Command and Apex) throughout its 17 locations across New Zealand.

This number is a decrease from last year's figure of 1473, and includes casual, fixed-term, and pre-apprentice staff. The decreased numbers are due to a reduced number of Civil Construction contracts last year and overhead reductions.

1,399

TEAM MEMBERS AS OF JUNE 2016



Employee Profile

Employee numbers in the 55 to 64 and the 65+ age bracket continued the five-year trend of increasing. Employees in the 55 to 64 bracket represent City Care's second-highest age grouping.

The majority of City Care staff are in the 45 to 54 age bracket. This represents a stable section of the workforce, often with a long industry track record.

The average length of service for City Care employees has remained stable at 5.5 years.

The number of City Care female employees has continued to increase over the past years as we focus on diversity in our workforce.

Recruitment

A total of 316 people (excluding Command and Apex) were recruited into permanent/permanent part-time/fixed term and casual positions at City Care during the period 1 July 2015 to 30 June 2016.

National Maintenance recruited heavily, with 163 (51.6%) new starters followed by Civil Construction with 82 new starters (26.0%). Facilities Management recruited 35 new staff members (11.0%). National Office/PPC hired 29 new staff members (9.2%) and Building Construction hired 7 (2.2%) members onto their team. In February 2016 City Care implemented a Managed Service Programme (MSP) through Hays Talent Solutions to improve the supply chain of temporary staff. This initiative has reduced our temporary labour costs.

The number of City Care female employees has continued to increase over the past years as we focus on diversity in our workforce.

Training

City Care works closely with six different industry training organisations and a number of tertiary education and private training providers throughout New Zealand, to offer a comprehensive range of opportunities and initiatives to staff.

In order to ensure a qualified workforce is maintained in the field, completion of National Certificates is a core objective for staff engaged in technical training.

To that end, 95 staff completed National Certificates at Level 3 or above in the last year and 132 staff were actively pursuing National Certificates at those levels on 30 June 2016. A significant increase in completions.

482 employees (33% of City Care's workforce) hold a National Qualification at Level 3 or above.

City Care continues to review training plans to ensure training is targeted and relevant, enabling staff to complete their work efficiently and safely. These training plans are used by managers and staff as a tool to identify career pathways.

Management and leadership development are key to ensuring the company can continue to meet and exceed its strategic objectives. City Care has therefore maintained its focus on delivery of its field leader programme and leadership development courses.

Workplace Literacy/ Numeracy Programme (L&N)

City Care has an agreement with Literacy Aotearoa to provide delivery of L&N support to our staff.

Literacy Aotearoa is a national organisation with 42 Member Providers (Nga Poupou) located throughout New Zealand.

City Care has a strong belief in the importance of upskilling its people wherever possible to support them fully in their endeavours.

The confidence gained by employees through this upskilling provides significant personal development benefits for the individual as well as productivity gains for the organisation.

This programme utilises both Tertiary Education Commission (TEC) funding sourced by Literacy Aotearoa for those that meet TEC criteria and those that do not meet TEC criteria will be funded by City Care.

Economic Contribution

City Care paid $109 million in salaries, wages and additional employee benefits this year.

Spreading the Word to Young New Zealanders – WorkChoice Day

City Care maintained its long term commitment to WorkChoice in 2015/16, once again hosting high school students in Christchurch. WorkChoice Trust, formerly a youth employment charity, is now part of the Competenz ITO. The aim of WorkChoice is to bridge the education-to-employment gap by working closely with schools, businesses and young people. This gives City Care the opportunity to showcase career pathways within its business and to promote relevant industry sectors.

Ministry of Social Development (MSD) Industry Partnership Initiatives

City Care continues to maintain a strong relationship with MSD, through its award-winning Pre-Apprentice Programme.

A total of nine MSD clients were recruited onto the Pre-Apprentice Programme with City Care during the past year. This key social initiative targeting youth has resulted in a total of 263 young people joining City Care since its inception in 2002.

City Care will continue to recruit and train young people in the various trade areas of the business and encourage their professional development within the company.

Health and Safety

City Care's Health and Safety vision is to be the Contracting Industry Leader in Health and Safety – delivering a 100% safe working environment.

To achieve this vision a three-year plan was implemented in July 2015 focusing on four strategic areas – Visible Leadership, Risk Management, the Health and Wellness of our people, and Systems and Assurance.

The last financial year saw major improvements in fundamental safety processes. The first of these was the implementation of a formalised Safety Interactions programme, requiring all managers including the CEO and Executive Team to have positive conversations with work teams about risk management and safety.

The year also saw the same group undertake High Risk Checks, a targeted audit of our ten highest risk activities to ensure that all critical controls are in place each and every time.

Worksite General Inspections were focused on supervisors and forepersons to ensure their sites and teams under their watch were fully compliant.

Job Safety and Environmental Analysis (JSEAs) became a requirement throughout the business for all high risk and group work, with the mandatory requirement for these to be handwritten, completed on-the-job with all members of the work team contributing, signed-off by the team and changed throughout the day as circumstances change.

For low risk, one or two person jobs, the use of the Take 5 Hazard ID was broadened and a simple-to-use pocket book or electronic option made available. These ensured that every person undertaking hazardous work is involved in identification of risk and confirmation that required controls are in place before work starts every time.

In February 2016 a 'Pulse Check' was completed across the business to determine the success of the safety process changes so far and to reset the strategic focus for the second half of the financial year.

With the coming into force of the new Health and Safety at Work Act, a compliance audit against each section of the new Act was undertaken, with no areas of concern identified. City Care also retained its tertiary accreditation in the ACC Accredited Employer Programme and its ISO certification against NZS4801.

Over the last 12 months City Care has achieved some outstanding results.

Lag indicators include

▼ 50%	Reduction in serious harm injuries
▼ 35%	Reduction in lost time and medical treatment injuries
▼ 50%	Decline in total recordable injury frequence rate (TRIFR)
▼ 32%	Reduction in hours lost from all work injuries and illness
▼ 22%	Decline in lost time injury severity rate (LTISR)
▼ 28%	Reduced ACC accepted claims
▼ 38%	Reduced ACC total claims lost

Lead indicators for eight months
from 1 November 2015

1,106	Safety Interactions completed
431	High Risk Checks completed
151	Site visits by the CEO and Executive Team

Environment

City Care is committed to fully integrating sound environmental management practices companywide. This means we actively identify and manage every aspect of our operational activities that have the potential to impact upon the natural environment.

We are proud to operate under an environmental management framework that is independently certified to ISO 14001, an internationally recognised environmental management standard. By working closely with regional councils and territorial authorities we make sure our activities are compliant and we continually improve our environmental practices.

The nature of our nationwide operational activities means we often undertake work in environmentally sensitive habitats.

We see this as an opportunity to protect our flora and fauna and leave these environments better than we found them, for example we have recently:

- Enhanced a number of aquatic habitats to support trout and eel spawning
- Hydro seeded the Port Hills, Christchurch to prevent erosion
- Improved waterways by dredging to remove silt, noxious weeds and contaminants
- Increased the public's enjoyment of civic and regional recreational spaces by the beautification of parks, playgrounds and other open public spaces

City Care was honoured to be the national winner of the Civil Contractors New Zealand (CCNZ) 2015 Environmental Award for our environmentally sensitive refurbishment and cleaning of the Avon River, Christchurch.

Financial Statements

For the year ended 30 June 2016

Financial Statements

Directors' Responsibility Statement

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of consolidated financial statements which give a true and fair view of the financial position of City Care Limited as at 30 June 2016 and the results of the operations and cash flows for the year ended 30 June 2016.

The Directors consider that the consolidated financial statements of the group have been prepared using accounting policies appropriate to the group's circumstances, consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act 1993.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the consolidated financial statements of City Care Limited for the year ended 30 June 2016.

This Annual Report is dated 11 August 2016 and is signed in accordance with a resolution of the Directors made pursuant to section 211(1) (k) of the Companies Act 1993.

For and on behalf of the Board of Directors:

Hugh Martyn
Director
11 August 2016

Margaret Devlin
Director
11 August 2016

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Consolidated Financial Statements

Income Statement For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Revenue	2(a)	306,812	333,545
Other income	2(b)	1,250	-
Gain/(loss) on sale of property, plant and equipment	2(c)	496	(251)
Raw materials and consumables used		(45,325)	(45,620)
Subcontractor costs		(119,193)	(125,448)
Employee benefits expense		(111,844)	(118,295)
Depreciation and amortisation expense	2(c)	(9,209)	(10,070)
Impairment of goodwill	9	(553)	-
Finance costs	2(c)	(121)	(382)
Other expenses		(12,935)	(19,223)
Share of profit/(losses) of Joint Venture	12	347	-
Profit before income tax expense		9,725	14,256
Income tax expense	3(a)	(2,892)	(4,031)
Profit for the year		6,833	10,225
Attributable to:			
Equity holders of the parent		6,844	10,225
Non-controlling interests		(11)	-
		6,833	10,225

Statement of Comprehensive Income For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Profit for the year		6,833	10,225
Gain/(loss) on property revaluation	18(ii)	-	620
Total comprehensive income		6,833	10,845
Attributable to:			
Equity holders of the parent		6,844	10,845
Non-controlling interests		(11)	-
		6,833	10,845

Notes to the consolidated financial statements are included on pages 31 to 60

Balance Sheet As at 30 June 2016

	Notes	2016 $000	2015 $000
Current assets			
Cash and cash equivalents	25(a)	5	1,106
Trade and other receivables	6	33,099	32,626
Prepayments		1,324	1,104
Inventories	7	2,123	3,024
Work in progress	16	19,120	20,046
Capitalised contract set up costs	28	94	-
Total current assets		55,765	57,906
Non-current assets			
Property, plant and equipment	8	46,821	48,877
Goodwill	9	1,640	913
Other intangible assets	10	496	758
Share of net assets of Joint Venture	12	347	-
Total non-current assets		49,304	50,548
Total assets		105,069	108,454
Current liabilities			
Bank Overdraft	25(a)	116	-
Trade and other payables	13	29,219	31,359
Current tax payable	3(b)	2,232	3,812
Provisions	15	6,404	8,095
Total current liabilities		37,971	43,266
Non-current liabilities			
Borrowings	14	6,520	8,600
Deferred tax liability	3(c)	1,346	609
Provisions	15	315	290
Total non-current liabilities		8,181	9,499
Total liabilities		46,152	52,765
Net assets		58,917	55,689
Equity			
Share capital and other equity instruments	17	8,536	8,536
Reserves	18	9,880	9,880
Retained earnings		40,020	37,273
Equity attributable to equity holders of the parent		58,436	55,689
Non-controlling interests		481	-
Total equity		58,917	55,689

Notes to the consolidated financial statements are included on pages 31 to 60

Statement of Changes in Equity For the year ended 30 June 2016

	Notes	Share Capital $000	Capital Reserve $000	Asset Revaluation Reserve $000	Retained Earnings $000	Non Controlling Interests $000	Total $000
Balance as at 30 June 2014		8,536	2,314	6,946	32,763	-	50,559
Gain/(loss) on property revaluation	18(ii)	-	-	620	-	-	620
Profit for the year		-	-	-	10,225	-	10,225
Total recognised income and expense for the year		-	-	620	10,225	-	10,845
Dividends	19	-	-	-	(5,715)	-	(5,715)
Balance at 30 June 2015		8,536	2,314	7,566	37,273	-	55,689
Gain/(loss) on property revaluation	18(ii)	-	-	-	-	-	-
Profit/ (loss) for the year		-	-	-	6,844	(11)	6,833
Total recognised income and expense for the year		-	-	-	6,844	(11)	6,833
Dividends	19	-	-	-	(4,097)	-	(4,097)
Acquisition of non-controlling interests		-	-	-	-	492	492
Balance at 30 June 2016		8,536	2,314	7,566	40,020	481	58,917

Notes to the consolidated financial statements are included on pages 31 to 60

Cash Flow Statement For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Cash flows from operating activities			
Receipts from customers		308,156	331,133
Interest received		76	16
Payments to suppliers and employees		(292,517)	(302,094)
Interest and other finance costs paid		(121)	(382)
Subvention payment		(3,739)	(7,219)
Income taxes received		4	-
Net cash provided from operating activities	25(b)	11,859	21,454
Cash flows from investing activities			
Payment for property, plant and equipment		(6,793)	(5,516)
Proceeds from sale of property, plant and equipment		692	173
Payment for intangible assets		(294)	(144)
Investments in subsidiaries and associates		34	(19)
Payment for goodwill		(1,030)	(553)
Net cash used in investing activities		(7,391)	(6,059)
Cash flows from financing activities			
Acquisition of non-controlling interests		492	-
Proceeds from/(repayment of) borrowings		(2,080)	(10,090)
Dividends paid		(4,097)	(5,715)
Net cash used in financing activities		(5,685)	(15,805)
Net increase/(decrease) in cash and cash equivalents		(1,217)	(410)
Cash and cash equivalents at the beginning of the year		1,106	1,516
Cash and cash equivalents at the end of the year	25(a)	(111)	1,106

Notes to the consolidated financial statements are included on pages 31 to 60

Notes to the Financial Statements For the year ended 30 June 2016

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements of City Care Limited ('the company') and its subsidiaries (together, 'the group') have been prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) and NZ GAAP, as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the consolidated financial statements comply with International Financial Reporting Standards. These standards have been consistently applied to all the years presented, unless otherwise stated.

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended 30 June 2016 and the comparative information presented in these consolidated financial statements for the year ended 30 June 2015.

The group's activities are:

- construction of vertical and horizontal assets
- maintenance of amenity assets including water and wastewater, parks, trees and cleaning
- facilities management
- provision of asset management services

City Care Limited is a wholly owned subsidiary of Christchurch City Holdings Limited and is a company registered under the Companies Act 1993. The ultimate controlling party is Christchurch City Council. The company is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002. The company is incorporated and domiciled in New Zealand. The consolidated financial statements of City Care Limited have been prepared in accordance with the requirements of the Companies Act 1993 and the Local Government Act 2002. The registered office is 226 Antigua Street, Christchurch 8011.

Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment. The reporting currency is New Zealand dollars, rounded to the nearest thousand.

Preparing consolidated financial statements to conform to NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any changes to estimates are recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the consolidated financial statements.

Significant accounting policies

(a) Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest basis.

(b) Borrowing costs

Borrowing costs are interest and other costs incurred by the group in connection with the borrowing of funds and are recognised in the income statement in the period in which they are incurred.

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and interest receivable on funds invested.

(c) Capitalisation of contract set up costs

New contract set up costs are capitalised from the point at which there is certainty the contract has been won, in accordance with NZIAS 11. These capitalised costs are internally generated, have a finite life and are amortised over the minimum term of the contract on a straight-line basis.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the balance sheet.

(e) Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Joint arrangements

The group applies NZ IFRS 11 to all joint arrangements. Under NZ IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

For jointly controlled operations, the group recognises in its consolidated financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint operations.

(f) Construction contracts

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Costs include all expenditure related directly to the specific projects.

Once the outcome of a construction contract can be estimated reliably, construction revenue and costs are recognised on the basis of the percentage of completion of the contract at balance date. The stage of completion is assessed by carrying out surveys of work performed.

An expected loss on a contract is recognised immediately in the income statement.

Construction contracts are defined as those in which progress claims are made under the Construction Contracts Act 2002.

(g) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service 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 expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

Defined Benefit Scheme (the Scheme)

The company participates in the National Provident Defined Benefit Scheme, which is a multi-employer defined benefit plan. Because it is not possible to determine, from the terms of the Scheme, the extent to which any deficit will affect future contributions by employers, the company participation in the Scheme is accounted for as if the Scheme were a defined contribution plan.

Defined Contribution Schemes

The company participates in other schemes in addition to the Defined Benefit Scheme which are all defined contribution plans, and contributions to the plans are expensed as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(h) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. Any other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

(i) Financial instruments

Share capital

Ordinary shares are classified as equity. Preference shares are classified as equity as the terms of issue of the shares makes them equity.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(j) Goods and Services Tax (GST)

The consolidated financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

(k) Goodwill

All business combinations are accounted for by applying the purchase method. In respect of business acquisitions that have occurred since 1 July 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement.

(l) Impairment of assets

The carrying amounts of the group's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Impairment losses are recognised in the income statement. Impairment losses on re-valued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their market value less cost to sell and value in use. Receivables with a short duration are not discounted.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of an asset carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences of goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight line basis. Usually this period does not exceed three years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software development costs recognised as assets are amortised over their estimated useful lives. Usually this period is three years.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised over the period of that life. The asset is reviewed annually for indicators of impairment and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually and is carried at cost less accumulated impairment losses.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(p) Leased assets

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. All other leases are classified as operating leases. At inception, finance leases are recognised as assets and liabilities on the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments, using the discount rate provided by the leasing company where available, or the group's marginal cost of borrowing. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

(q) ACC Partnership Programme

City Care Limited belongs to the ACC Partnership Programme whereby the company accepts the management and financial responsibility for employee related illnesses and accidents. Under the programme the company is liable for all its claims costs for a period of two years up to a specified maximum. At the end of the two year period the liability for ongoing claims passes to ACC at no further cost to the company.

The liability for the ACC Partnership Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to the reporting date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(r) Payables

Trade payables and other accounts payable are recognised when the group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective method.

(s) Property, plant and equipment

Land is shown at fair value, based on periodic valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Any revaluation increase arising on the revaluation of land is credited to the asset revaluation reserve except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a re-valued item, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Buildings	7 – 50 years
Plant and equipment	2 – 22 years
Motor vehicles	3 – 13 years
Office and computer equipment	1 – 10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When re-valued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

(t) Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(u) Revenue recognition

Goods sold and services rendered

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due, or associated costs.

Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

(v) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less impairment losses.

(w) Standards or interpretations not yet effective

Under the Accounting Standards Framework, the group is defined as a For-Profit Public Sector entity and as such reports under NZ IFRS.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the group, are:

NZ IFRS 9, 'Financial instruments': The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is assessing the impact of NZ IFRS 9.

NZ IFRS 15, 'Revenue from contracts with customers': The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The group is assessing the impact of NZ IFRS 15.

NZ IFRS 16, 'Lease': The standard removes the classification of leases as either operating or financing lease, for the lessee, effectively treating all leases as finance leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted only for entities that also apply NZ IFRS 15, Revenue from Contracts with Customers. The group is yet to assess the impact of NZ IFRS 16.

Other amendments which are not expected to have a material impact on the company include:

		Effective for the Financial Year Ending 30 June
NZ IFRS 7:	Financial Instruments: Disclosures	2017
NZ IFRS 11:	Joint Arrangements; Accounting for acquisitions of interest in joint operations	2017
NZ IAS 1:	Presentation of Financial Statements; Disclosure initiative	2017
NZ IAS 7:	Statement of Cash Flows; Disclosure Initiative	2018
NZ IAS 12:	Income Taxes; Recognition of Deferred Tax Assets for Unrealised Losses	2018
NZ IAS 16:	Property Plant and Equipment; Clarification of acceptable methods of depreciation and amortisation	2017
NZ IAS 19:	Employee Benefits	2017
NZ IAS 38:	Intangible Assets; Clarification of acceptable methods of depreciation and amortisation	2017

(x) Standards or interpretations adopted in the current financial year

The following amendment to New Zealand Equivalents to International Financial Reporting Standards became effective as of 1 July 2015 and has been adapted to the extent applicable. It is not material to the group.

NZ IFRS 7: Financial Instruments; Disclosures

2. PROFIT FROM OPERATIONS

	2016 $000	2015 $000
(a) Revenue		
Revenue from continuing operations consisted of the following items:		
Revenue from the rendering of services	156,991	170,026
Construction contract revenue	141,677	154,569
Revenue from the sale of goods	8,044	8,905
Rental revenue	24	15
Interest income	76	30
	306,812	333,545

	2016 $000	2015 $000
(b) Other Income		
Other income consisted of the following items:		
Profit distribution from Joint Venture	1,000	-
Receipt of contingent consideration	250	-
	1,250	-

	2016 $000	2015 $000
(c) Profit before income tax		
Profit before income tax has been arrived at after (crediting)/charging the following gains and losses from continuing operations:		
(Gain)/loss on disposal of property, plant and equipment	(496)	251
	(496)	251
Profit before income tax has been arrived at after charging the following expenses:		
Finance costs:		
Interest on loans	121	378
Finance leases	-	4
	121	382
Depreciation of non-current assets	8,635	9,182
Amortisation of non-current assets	574	888
	9,209	10,070
Directors' fees	275	239
Operating lease rental expenses:		
Minimum lease payments	4,515	4,861
Employee benefits expense:		
Defined contributions plans	179	191

3. INCOME TAXES

	2016 $000	2015 $000
(a) Income tax recognised in profit		
Tax expense comprises:		
Current tax expense	2,232	3,812
Prior year adjustments to current tax	(77)	513
Deferred tax expense relating to the origination and reversal of temporary differences	737	(294)
Total tax expense	2,892	4,031

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:

	2016 $000	2015 $000
Profit from operations	9,725	14,256
Income tax expense at 28% (2015: 28%)	2,723	3,992
Tax effect of non-deductible expenses	137	51
Tax effect of capital gain on sale of property, plant and equipment	(33)	(2)
Adjustment between prior year tax accrued and tax return	65	(10)
	2,892	4,031

The tax rate used in the above reconciliation is the corporate tax rate payable by New Zealand corporate entities on taxable profits under New Zealand tax law at the prevailing rates.

	2016 $000	2015 $000
(b) Current tax liabilities		
Current tax payables:		
Income tax payable	2,232	3,812
	2,232	3,812

	Opening Balance $000	Charged to Income $000	Closing Balance $000
(c) Deferred tax balances			
Taxable and deductible temporary difference arising from the following:			
Year ended 30 June 2016			
Deferred tax assets/(liabilities):			
Property, plant and equipment	62	(138)	(76)
Provisions	1,855	(290)	1,565
Work in progress	(1,957)	(281)	(2,238)
Other	(569)	(28)	(597)
	(609)	(737)	(1,346)
Year ended 30 June 2015			
Deferred tax assets/(liabilities):			
Property, plant and equipment	(254)	316	62
Provisions	1,949	(94)	1,855
Work in progress	(1,605)	(352)	(1,957)
Other	(993)	424	(569)
	(903)	294	(609)

	2016 $000	2015 $000
(d) Imputation credit account		
Imputation credits available for use in subsequent periods	-	148

No adjustment has been made for credits associated with tax payable as the tax liability is expected to be eliminated by losses transferred from other entities in the group by way of subvention payments.

During the year a dividend was paid and the outstanding balance of imputation credits were attached to the dividend.

4. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2016 $000	2015 $000
Salaries and short-term employee benefits	3,453	3,185
Post-employment benefits	65	94
Termination benefits	-	213
	3,518	3,492

5. REMUNERATION OF AUDITORS

	2016 $000	2015 $000
Audit of the financial statements	147	145
	147	145

6. TRADE AND OTHER RECEIVABLES

	2016 $000	2015 $000
Trade and other receivables (i)	28,785	28,343
Allowance for doubtful debts	(245)	(133)
	28,540	28,210
Contract retentions	4,559	4,416
	33,099	32,626

(i) No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts, determined by a review of past due amounts.

Past due assets

Included in the company's trade and other receivables balance are debtors with a carrying value of $2,721,000 (2015: $2,534,000) which are past due at the reporting date and for which the company has not provided as the amounts are still considered recoverable and as there has not been a significant change in credit quality. The average age of these receivables is 66 days (2015: 50 days).

	2016 $000	2015 $000
Aging of past due but not impaired		
0 – 30 days	1,915	1,971
30 – 60 days	270	396
60 – 365 days	536	152
365+ days	-	15
	2,721	2,534
Movement in the allowance for doubtful debts		
Balance at beginning of the period	133	62
Increase/(decrease) in allowance recognised in income statement	115	133
Amounts written off as uncollectible	(3)	(62)
	245	133

7. INVENTORIES

	2016 $000	2015 $000
Raw materials, consumables, stores - at cost	2,149	3,257
Allowance for obsolete inventory	(26)	(233)
	2,123	3,024
Movement in the allowance for obsolete inventory		
Balance at beginning of the period	233	-
Increase/(decrease) in allowance recognised in income statement	26	233
Amounts written off as unrecoverable	(233)	-
	26	233

No inventories are pledged as security for liabilities or are subject to retention of title clauses.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land at Fair Value $000	Buildings at Cost $000	Plant and Equipment at Cost $000	Motor Vehicles at Cost $000	Office and Computer Equipment at Cost $000	Total $000
Gross carrying amount						
Balance at 30 June 2014	8,840	1,527	18,237	65,667	7,033	101,304
Additions	-	4	387	4,409	716	5,516
Revaluation	620	-	-	-	-	620
Disposals	-	(133)	(899)	(759)	(800)	(2,591)
Balance at 30 June 2015	9,460	1,398	17,725	69,317	6,949	104,849
Transfers	-	382	(415)	165	(235)	(103)
Additions	-	242	1,900	3,787	864	6,793
Disposals	-	(4)	(2,008)	(6,008)	(2,027)	(10,047)
Balance at 30 June 2016	9,460	2,018	17,202	67,261	5,551	101,492
Accumulated depreciation and impairment						
Balance at 30 June 2014	-	(316)	(9,982)	(33,894)	(4,764)	(48,956)
Disposals	-	72	696	630	768	2,166
Depreciation expense	-	(112)	(1,129)	(6,966)	(975)	(9,182)
Balance at 30 June 2015	-	(356)	(10,415)	(40,230)	(4,971)	(55,972)
Transfers	-	(110)	119	(42)	112	79
Disposals	-	4	1,910	5,895	2,048	9,857
Depreciation expense	-	(164)	(2,005)	(5,696)	(770)	(8,635)
Balance at 30 June 2016	-	(626)	(10,391)	(40,073)	(3,581)	(54,671)
Net book value						
As at 30 June 2015	9,460	1,042	7,310	29,087	1,978	48,877
As at 30 June 2016	9,460	1,392	6,811	27,188	1,970	46,821

Included within property, plant and equipment is capital work in progress of $1,317,000 (2015: $284,000).

Freehold land carried at fair value (Level 3, as defined in NZ IFRS 13)

An independent valuation of the company's land was performed by independent registered valuer Gary Sellars of Colliers International, Christchurch, to determine the fair value of the land. The valuation, which conforms to NZ IAS 16: Property, Plant and Equipment, NZ IFRS 13: Fair Value Measurement, NZ IAS 36: Impairment of Assets and New Zealand Property Institute Practice Standard 3, Valuations for Financial Reporting Purposes, was determined by reference to the asset's highest and best use, without deducting disposal costs. The valuation was on the estimated market value of the land at $150 psm. If the psm moves by +/– $10, the valuation would increase/(decrease) by $631,000.

Under the New Zealand Property Institute Practice Standard 1, which came into force from 1 May 2004, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. A valuation was carried out by Mr Sellars on 20 May 2015. A restricted valuation carried out by Mr Sellars on 13 July 2016, concluded that the value had not moved significantly since May 2015. The Directors are satisfied that the current carrying amount reflects its fair value. There are no restrictions over the title.

The carrying amount of land, had it been recognised under the historical cost method, is as follows:

	2016 $000	2015 $000
Freehold land	1,894	1,894

9. GOODWILL

	2016 $000	2015 $000
Gross carrying amount		
Opening balance	1,107	554
Acquisition of a Subsidiary	1,280	553
Closing balance	2,387	1,107
Accumulated impairment losses		
Opening balance	194	194
Impairment losses for the year	553	-
Closing balance	747	194
Net book value		
Opening balance	913	360
Movement	727	553
Closing balance	1,640	913

Acquisition during the year

Goodwill has been acquired through business combinations, refer note 11.

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing to the Taranaki road boring operation, Command Building Services Limited and Apex Environmental Limited.

The carrying amount of goodwill allocated to cash-generating units that are significant individually or in aggregate is as follows:

	2016 $000	2015 $000
Taranaki Road Boring	360	360
Command Building Services Ltd	-	553
Apex Environmental Ltd	1,280	-
	1,640	913

The key assumptions used in the value in use calculations for the various significant cash-generating units are as follows:

Key assumptions

Budgeted revenue	Revenue is based on initial contract term and past performance. A growth rate of 3% per annum has been included.
Budgeted gross margin	Gross margin is expected to continue at margins achieved in the current period.
Budgeted overhead	Budgeted overhead is expected to reflect overhead incurred immediately before the budget period.
Discount rate	A discount rate of 11.26% is applied to calculate the value in use.
Forecast period	A three year forecast period has been assumed.

As a result of the operating performance of Command Building Services Limited, for the year, the Directors have restructured the company in order to return to profitable operations. In conjunction with undertaking the restructure the Directors have resolved that the goodwill is fully impaired and has been written off.

10. OTHER INTANGIBLE ASSETS

	Software Licences $000
Gross carrying amount	
Balance at 30 June 2014	5,996
Additions	145
Disposals	(4)
Balance at 30 June 2015	6,137
Transfers	104
Additions	294
Disposals	(932)
Balance at 30 June 2016	5,603
Accumulated amortisation and impairment	
Balance at 30 June 2014	(4,495)
Disposals	4
Amortisation expense (i)	(888)
Balance at 30 June 2015	(5,379)
Transfers	(80)
Disposals	926
Amortisation expense (i)	(574)
Balance at 30 June 2016	(5,107)
Net book value	
As at 30 June 2015	758
As at 30 June 2016	496

(i) Amortisation expense is included in the line item 'depreciation and amortisation expense' in the income statement.

11. BUSINESS COMBINATIONS AND NON-CONTROLLING INTERESTS

Year ended 30 June 2016

On 9 July 2015, City Care Holdings No.1 Limited, a wholly owned subsidiary was incorporated with 3 shares.

On 17 July 2015 City Care Holdings No. 1 Limited purchased the trade and assets of Apex Environmental Limited and simultaneously changed its name to Apex Environmental Limited. On this day a further 24,997 shares were issued, 14,287 of these to City Care resulting in a 57.16% shareholding. Apex Environmental Limited is involved in the designing, building, installing and commissioning water and wastewater treatment plants for the food and beverage, dairy, textiles, winery and municipal sectors. The acquisition complements the Group's existing maintenance of amenity assets activities.

The Directors have determined that the group controls Apex Environmental Limited because it has the majority shareholding.

During the year City Care has provided working capital, as at 30 June 2016 the outstanding balance was $447,000.

The following table summarises the consideration paid for the assets and business, the fair value of assets acquired and liabilities assumed at the acquisition date:

	$000
Investment in Apex Environmental Limited	
Consideration at 30 June 2016	
Cash	1,149
Total Consideration	1,149
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	58
Other assets	53
Other payables	(242)
Total identifiable net assets	(131)
Goodwill	1,280
Total	1,149

The goodwill is not deductible for tax purposes.

	$000
Results included in 2016 Consolidated Statement of Comprehensive Income	
Revenue	3,560
Loss for the year	(25)

For the non-controlling interests in Apex Environmental Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Year ended 30 June 2015

On 16 September 2014, Command Building Services Limited, a wholly owned subsidiary was incorporated.

On 31 October 2014, Command Building Services Limited purchased the assets and business of Command Management Limited, Command Care Limited and Command HVAC Limited, a heating, ventilation and air conditioning installation and servicing business. City Care Limited provided funding in the form of a long term loan of $665,000 to make this purchase. During the year it has also provided further working capital, as at 30 June 2016 the total amount advanced was $1,389,000 (2015: $1,068,000).

The acquisition complements the Group's existing facilities management activities.

The following table summarises the consideration paid for the assets and business, the fair value of assets acquired and liabilities assumed at the acquisition date:

	$000
Investment in Command Building Services Limited	
Consideration at 31 October 2014	
Cash	415
Contingent Consideration	250
Total Consideration	665
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	297
Other payables	(185)
Total identifiable net assets	112
Goodwill	553
Total	665

The goodwill is not deductible for tax purposes.

The contingent consideration arrangement required the Group to pay, in cash, to the former owners, $250,000, which was held in an escrow account, upon a target EBIT being achieved 12 months from the completion.

As this target EBIT was not achieved, the amount held in escrow was released to City Care Limited. Revenue for the year ended 30 June 2016 includes the $250,000 released.

The revenue included in the consolidated statement of comprehensive income contributed by Command Building Services Limited is $9,424,000 (2015: $6,275,000). Command Building Services Limited contributed a loss of $805,000 (2015: profit of $68,000) over the same period.

12. JOINT ARRANGEMENTS

(a) Joint Operation

The company has a 20% interest in the Stronger Christchurch Infrastructure Rebuild Team Joint Venture (SCIRT JV). The SCIRT JV is structured as an unincorporated Joint Venture and is not a separate vehicle. The arrangement is treated as a Joint Operation. The company reflects its share of revenue and profit through its financial statements.

(b) (i) Joint Venture

On 5 December 2014, City Care Limited entered into an unincorporated joint venture agreement, City Care Limited John Fillmore Contracting Limited Joint Venture. This joint venture is a strategic partnership to tender for relevant contracts.

Name of entity	Place of business	% of ownership interest	Measurement method
City Care Limited John Fillmore Contracting Limited Joint Venture	New Zealand	50	Equity

It is an unincorporated joint venture agreement and there is no quoted market price available for this investment.

(ii) Commitment and contingent liabilities

There are no commitment or contingent liabilities in respect of the joint venture.

(iii) Summarised financial information for joint venture

	2016 $000	2015 $000
Balance Sheet		
Current		
Cash	844	269
Other current assets	1,554	1,224
	2,398	1,493
Financial liabilities	-	35
Other current liabilities	1,705	1,458
	1,705	1,493
Net assets	693	-
Statement of Comprehensive Income		
Revenue	18,701	1,458
Expenses	(16,008)	(1,458)
Profit distribution	(2,000)	-
Pre-tax profit from continuing operations	693	-
Income tax expense	-	-
Post-tax profit from continuing operations	693	-

The information above reflects the amounts presented in the financial statements of the joint venture which are prepared in accordance with NZ IFRS.

(iv) Reconciliation of summarised financial information

Opening net assets at 30 June 2015	-	-
Share of profit	693	-
Closing net assets at 30 June 2016	693	-
Interest in Joint Venture at 50%	347	-

13. TRADE AND OTHER PAYABLES

	2016 $000	2015 $000
Trade payables	10,866	10,265
Goods and Services Tax payable	3,357	4,005
Accrued expenses	14,902	16,976
Deferred income	94	113
	29,219	31,359

14. NON-CURRENT BORROWINGS

	2016 $000	2015 $00
Secured		
At amortised cost: Bank loans	6,520	8,600
	6,520	8,600

Bank loans are secured by a debenture over the assets and undertakings of the company.
The committed cash advance facility totals $50,000,000 of which $6,520,000 had been drawn down as at 30 June 2016 (2015: $8,600,000).

The facility is structured as a two year rolling facility with a current maturity date of 26 February 2018. Interest rates on the floating rate debt are based on bank bill rates plus a margin and averaged 3.71% for the year (2015: 4.35%). Due to interest rates on floating debt resettling on the market rate, the carrying amounts on secured loans approximate their fair values.

The company was in compliance with its loan covenants at all times during the year.

15. PROVISIONS

	Employee Entitlements (i) $000	SCIRT (ii) $000	Other $000	Total $000
Provisions 2016				
Balance at 30 June 2015	7,187	900	298	8,385
Additional provisions recognised	8,702	-	31	8,733
Reductions arising from payments/other sacrifices of future economic benefits	(9,656)	(46)	(298)	(10,000)
Reductions resulting from re-measurement or settlement without cost	(107)	(454)	-	(561)
Unwinding of discount effect of changes in discount rate	162	-	-	162
Balance at 30 June 2016	6,288	400	31	6,719
Current	5,973	400	31	6,404
Non-current	315	-	-	315
	6,288	400	31	6,719
Provisions 2015				
Balance at 30 June 2014	6,605	1,909	175	8,689
Additional provisions recognised	10,303	-	298	10,601
Reductions arising from payments/other sacrifices of future economic benefits	(9,680)	(25)	(175)	(9,880)
Reductions resulting from re-measurement or settlement without cost	(31)	(984)	-	(1,015)
Unwinding of discount effect of changes in discount rate	(10)	-	-	(10)
Balance at 30 June 2015	7,187	900	298	8,385
Current	6,897	900	298	8,095
Non-current	290	-	-	290
	7,187	900	298	8,385

(i) The provision for employee entitlements relates to employee benefits such as accrued holiday pay and long service leave. The provision is affected by a number of estimates including the expected employment period of employees and the timing of employees utilising the benefits. The majority of the provision is expected to be realised within the next two years.

Average wage inflation has been assumed to be 3% for the year ending 30 June 2016 and 3% for the year ending 30 June 2015. A discount rate of 2.56% has been used for the year ending 30 June 2016 and 8.0% for the year ending 30 June 2015.

This year the discount rate was determined with reference to the market yields on government bonds. Management deemed this more appropriate than the previously used discount rate which was determined with reference to the corporate bond market.

(ii) The SCIRT Alliance agreement contains provision for sharing contract gains and/or losses against budget on conclusion of the agreement. Physical construction works are expected to conclude in late 2016, with administrative close off in 2017. Any gain or loss would crystallise at the conclusion of the agreement. In addition the life to date revenue earned from the SCIRT alliance is subject to audit by the SCIRT auditors. At balance date, the alliance contract position reflected a net gain (2015: net gain). The remaining provision relates to the life to date revenue still subject to ongoing audit by SCIRT auditors. After consideration of the results of the audits completed the Directors have agreed to release $454,000 which is approximately 50% of the provision.

16. WORK IN PROGRESS

	2016 $000	2015 $000
Construction work in progress (i)	198,776	325,828
Progress billings	(186,547)	(313,065)
Unbilled construction work in progress	12,229	12,763
Other contract work in progress	6,891	7,283
Total work in progress	19,120	20,046

(i) Construction work in progress is the life to date project revenue recognised on construction projects which remain incomplete as at balance date.

17. CAPITAL AND OTHER EQUITY INSTRUMENTS

	2016 $000	2015 $000
6,036,000 fully paid ordinary shares	6,036	6,036
2,500,000 fully paid preference shares	2,500	2,500
	8,536	8,536

Neither ordinary shares nor preference shares have par values.

	2016		2015	
	No. 000	$000	No. 000	$000
(a) Fully paid ordinary shares				
Balance at the beginning of the year	6,036	6,036	6,036	6,036
Movements	-	-	-	-
Balance at the end of the year	6,036	6,036	6,036	6,036

Fully paid ordinary shares carry one vote per share and participate equally in any dividend distribution or any surplus on winding up the company.

	2016		2015	
	No. 000	$000	No. 000	$000
(b) Fully paid preference shares				
Balance at the beginning of the year	2,500	2,500	2,500	2,500
Movements	-	-	-	-
Balance at the end of the year	2,500	2,500	2,500	2,500

Fully paid preference shares carry the right to dividends but no voting rights.

18. RESERVES

	2016 $000	2015 $000
Capital reserve (i)	2,314	2,314
Asset revaluation (ii)	7,566	7,566
	9,880	9,880

(i) Capital reserve
The capital reserve arose from a gain on the sale of the company's refuse business in the year ended 30 June 2006.

(ii) Asset revaluation reserve		
Balance at the beginning of the year	7,566	6,946
Revaluation increments	-	620
	7,566	7,566

The asset revaluation reserve arises on the revaluation of land. Where revalued land is sold, the portion of the asset revaluation reserve that relates to that asset and is effectively realised, is transferred directly to retained earnings.

19. RETAINED EARNINGS

	2016 $000	2015 $000
Balance at the beginning of the year	37,273	32,763
Net profit attributable to members of the parent entity	6,844	10,225
Dividends paid	(4,097)	(5,715)
Balance at the end of the year attributable to members of the parent entity	40,020	37,273

20. COMMITMENTS FOR EXPENDITURE

	2016 $000	2015 $000
Capital expenditure commitments		
Plant and equipment	790	633
	790	633

Lease commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in note 22 to the financial statements.

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2016 $000	2015 $000
Contingent liabilities		
The company has arranged with Bank of New Zealand for the issue of performance related bonds in favour of:		
Local authorities (i)	4,875	7,019
Transit New Zealand	159	316
Others	1,414	661
	6,448	7,996

(i) This includes Councils and Council Controlled Trading Organisations.

The Directors know of no reason why these contingent liabilities would be called upon by the external parties and therefore they have not been recognised.

The company is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors' Scheme (the Scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the company could be responsible for the entire deficit of the Scheme, should there be a deficit. Similarly, if a number of employers ceased to participate in the Scheme, the company could be responsible for an increased share of the deficit, should there be a deficit. As at 30 June 2016 City Care Limited had one employee enrolled in the Scheme.

The Stronger Christchurch Infrastructure Alliance agreement contains provisions for sharing gains and/or losses against budget on the conclusion of the contract. Any gain or loss does not crystallise until the conclusion of the contract and cannot be reliably measured in the interim.

Other than the above, the company knows of no material or significant contingent assets or liabilities as at balance date.

22. LEASES

Operating leases

(a) Leasing arrangements

Operating leases relate to all leased assets not classified as finance leases in accordance with NZ IAS 17. These leases are for motor vehicles and rental properties.

	2016 $000	2015 $000
(b) Non-cancellable operating lease payments		
No longer than 1 year	3,635	3,615
Longer than 1 year and not longer than 5 years	3,812	4,514
Longer than 5 years	-	1
	7,447	8,130

23. RELATED PARTY DISCLOSURES

Related parties

(a) Parent entities

The parent entity is Christchurch City Holdings Limited, which is 100% owned by the ultimate parent entity, Christchurch City Council (CCC).

b) Transactions with related parties

During the year the company entered into various transactions with the Christchurch City Council and its subsidiary companies. The value of these transactions are summarised below.

	2016 $000	2015 $000
Services provided to CCC	77,440	88,133
Services provided to other group companies	3,543	2,785
Goods and services received from CCC	528	721
Goods and services received from other group companies	692	935
Rent and rates paid to CCC	764	836
As at year end		
Amounts receivable from CCC	9,792	8,466
Amounts receivable from other group companies	301	342
Amounts payable to CCC	76	24
Amounts payable to other group companies	79	94

All transactions between the group and related parties were in the normal course of business and provided on commercial terms. The provision for doubtful debts relating to debts due from related parties at reporting date was nil (2015: Nil). Related party transactions exclude Directors' fees which are disclosed separately under the statutory information.

Separate disclosure of individual transactions

The company made dividend payments totalling $4,097,000 (2015: $5,715,000) to its immediate parent, Christchurch City Holdings Limited.

During the year, the company made subvention payments totalling $3,739,000 (2015: $7,219,000) to Christchurch City Council with an associated tax loss offset of $9,615,000 (2015: 18,562,000).

The company also made sales of $50,359,000 (2015: $69,752,000) to its jointly controlled operation, Stronger Christchurch Infrastructure Rebuild Team Joint Venture and had an outstanding receivable balance of $195,000 at 30 June 2016 (2015: $294,000).

During the year a Director, Mark Todd received remuneration totalling $19,000 for additional services in relation to the proposed sale process.

There were close family members of key management personnel employed by the company at periods during the year. The terms and conditions of the arrangements were no more or less favourable than if there was no relationship to key management personnel.

24. SUBSEQUENT EVENTS

No significant events have occurred subsequent to balance date.

25. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in the bank, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statements is reconciled to the related items in the balance sheet as follows:

	2016 $000	2015 $000
Cash	5	6
Bank Overdraft	(131)	-
Bank deposits	15	1,100
	(111)	1,106

(b) Reconciliation of profit for the period to net cash flows from operating activities

	2016 $000	2015 $000
Profit after tax for the period	6,833	10,225
(Gain)/loss on sale or disposal of non-current assets	(496)	251
Depreciation and amortisation of non-current assets	9,209	10,070
Impairment of goodwill	553	-
Share of Joint Venture (profit)/loss	(347)	-
Receipt of contingent consideration	(250)	-
Increase/(decrease) in current tax liability	(1,580)	(2,894)
Increase/(decrease) in deferred tax liability	737	(294)
Changes in net assets and liabilities		
(Increase)/decrease in assets:		
Current receivables	(508)	(579)
Prepayments	(219)	(119)
Capitalised contract set up costs	(94)	59
Work in progress	926	(1,802)
Current inventories	901	337
Increase/(decrease) in liabilities:		
Operating current payables	(2,140)	6,504
Current employee entitlement provisions	(924)	556
Non-current employee entitlement provisions	25	26
Current SCIRT provisions	(500)	191
Non-current SCIRT provisions	-	(1,200)
Other provisions	(267)	123
Net cash from operating activities	11,859	21,454

26. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The company is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, accounts receivable, accounts payable and term loans. The company has policies providing for risk management for interest rates and the concentration of credit.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Financing facilities

	2016 $000	2015 $000
Secured bank overdraft facility, reviewed annually and repayable on call:		
Amount used	22	-
Amount unused	478	500
	500	500
Secured bank loan facilities maturing 28 February 2018 and extendable by mutual agreement:		
Amount used	6,520	8,600
Amount unused	43,480	41,400
	50,000	50,000

(d) Categories of financial instruments

	2016 $000	2015 $000
Financial assets		
Cash and cash equivalents	5	1,106
Trade and other receivables	33,099	32,626
	33,104	33,732
Financial liabilities		
Bank overdraft	116	-
Current trade and other payables	29,219	31,359
Borrowings (current and non-current)	6,520	8,600
	35,855	39,959

(e) Collateral

Financial assets pledged as collateral for liabilities have been disclosed in note 14.

(f) Interest rate risk and management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to the changes in market interest rates. This could particularly impact on the cost of borrowings. The Directors do not consider there is any significant exposure to interest rate risk on the company's borrowings.

The sensitivity analysis below has been determined based on exposure to interest rates for non-current financial instruments as at the reporting date and the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period. The 100 basis point increase or decrease used represents management's assessment of the possible changes in interest rates.

	2016 $000	2015 $000
Increase or decrease in net profit from a 100 basis point movement in interest rates, assuming all other variables were held constant.	65	86

(g) Foreign currency risk management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company has a very small exposure to currency risk.

(h) Credit risk management

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk, without taking account of the value of any collateral obtained.

Financial instruments which potentially subject the company to credit risk consist primarily of cash and trade receivables. The concentration of credit risk with respect to accounts receivable is high due to the reliance on the Christchurch City Council for 25% (2015: 26%) of the company's revenue. Christchurch City Council's credit rating remains at A+.

The company manages this risk by depositing its cash and cash equivalents with high quality financial institutions and by carrying out credit checks on all new customers.

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date at which the company can be required to pay.

	Less than 6 Months $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	5+ Years $000	Total $000
Financial liabilities						
2016						
Trade and other payables	29,219	-	-	-	-	29,219
Borrowings	116	-	6,520	-	-	6,636
	29,335	-	6,520	-	-	35,855
2015						
Trade and other payables	31,359	-	-	-	-	31,359
Borrowings	-	-	8,600	-	-	8,600
	31,359	-	8,600	-	-	39,959

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in a different period. All financial liabilities are classified as being at amortised cost.

	Less than 6 Months $000	6-12 Months $000	1-2 Years $000	2-5 Years $000	5+ Years $000	Total $000
Financial assets						
2016						
Cash and trade receivables	33,104	-	-	-	-	33,104
	33,104	-	-	-	-	33,104
2015						
Cash and trade receivables	33,732	-	-	-	-	33,732
	33,732	-	-	-	-	33,732

All financial assets are classified as loans and receivables.

(j) Market risk

Management consider the market risks faced by the company to be limited to those risks disclosed above being interest rate risk, credit risk and liquidity risk

(k) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

27. FAIR VALUE

Set out below, is a comparison by class of the carrying amounts and fair value of City Care Limited financial instruments:

	Carrying Amount		Fair Value	
	2016 $000	2015 $000	2016 $000	2015 $000
Financial assets				
Cash	5	1,106	5	1,106
Trade and other receivables	28,540	28,210	28,540	28,210
Retentions	4,559	4,416	4,559	4,416
	33,104	33,732	33,104	33,732
Financial liabilities				
Non-current borrowings	6,520	8,600	6,520	8,600
Current borrowings	116	-	116	-
Trade payables	10,866	10,265	10,866	10,265
	17,502	18,865	17,502	18,865

The company considers that cash and short-term deposits, trade receivables, trade payables, bank borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

28. CAPITALISED CONTRACT SET UP COSTS

The company capitalises the costs of setting up new contracts, once it becomes certain the contract will be awarded to the company. The capitalised costs are then amortised on a straight-line basis over the shortest term of the contract.

The prior year balance relates to capitalised setup costs for Dunedin Maintenance that was amortised in full during the prior financial year. The additional costs capitalised relate to the contract set up for Dunedin Parks Maintenance, Waikato Parks and Open Spaces Maintenance and Waikato Water Maintenance which are being amortised over the minimum term of the contract

	2016 $000	2015 $000
Opening balance	-	59
Additional costs capitalised	94	
Amortisation	-	(59)
Closing balance	94	-
Current set up costs	94	-
Non-current set up costs	-	-
	94	-

29. STATEMENT OF PERFORMANCE

The Statement of Intent agreed between the Directors of the company and Christchurch City Holdings Limited provided the following performance targets:

	Actual $000		Target $000
(a) Financial performance			
Revenue	306,812	Refer note (i)	350,072
Equity	58,436	Achieved	56,092
Net Profit After Tax	6,844	Refer note (ii)	8,829
Dividends	4,097	Not Achieved Refer note (iii)	7,100
Debt to debt plus equity	10.0%	Achieved	27.3%
Equity to total assets	55.6%	Achieved	50.7%
Return on average equity	12.0%	Not Achieved Refer note (ii)	16%
Dividends Yield	3.6%	Refer note (iii)	5.3%
Earnings Yield	6.1%	Not Achieved Refer note (ii)	6.5%
(b) Non-financial performance			
ISO 14001 Environmental Management accreditation		Maintained	Maintained
ISO 9001 Quality Management accreditation		Maintained	Maintained
NZS 4801 Health and Safety Management accreditation		Maintained	Maintained
Measurement of Total Recordable Incident Frequency (TRIF) accident rates		Achieved Refer note (iv)	5% reduction
Maintain current level of staff satisfaction		Maintained	Maintained
Maintain current level of client satisfaction		Maintained	Maintained
Growth – win a new significant client		Achieved	New Client

(i) The revenue target was not achieved primarily because in a competitive market the company undertook less new business than initially planned, targeting contract opportunities only if satisfactory margins could be achieved.

(ii) A planned and budgeted new business acquisition did not go ahead and the previously acquired Command HVAC business performed well below expectation. Both of these outcomes adversely impacted the NPAT result.

(iii) A planned special dividend was deferred until the sale process undertaken by the Company's controlling shareholder, in the second half of the financial year, was completed.

(iv) TRIF reduced by 50% on prior year result.

30. CAPITAL MANAGEMENT

The company's capital is its equity, comprised of share capital, retained earnings and reserves and represented by net assets.

It is the company's intention to maintain sufficient capital to provide security for the existing level of operations and the flexibility for future growth opportunities.

The company pays dividends to the Shareholder after taking into account profitability and future investment requirements. The Board of Directors determines the dividends payable after considering the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of City Care Limited Group's financial statements and statement of performance for the year ended 30 June 2016

The Auditor General is the auditor of City Care Limited Group (the Group). The Auditor General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of performance of the Group, consisting of City Care Limited and its subsidiaries and other controlled entities, on her behalf.

Opinion on the financial statements and the statement of performance

We have audited:

- the financial statements of the Group on pages 27 to 60, that comprise the balance sheet as at 30 June 2016, the income statement, 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 financial statements that include accounting policies and other explanatory information; and
- the statement of performance of the Group on page 60.

In our opinion:

- the financial statements of the Group:
  - ° present fairly, in all material respects:
    - its financial position as at 30 June 2016; 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 New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards; and
- the statement of performance of the Group presents fairly, in all material respects, the Group's actual performance, compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2016.

Our audit was completed on 11 August 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the statement of performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the statement of performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the statement of performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements and statement of performance 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the Group's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the statement of performance; and
- the overall presentation of the financial statements and the statement of performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the statement of performance. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of performance.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the statement of performance for the Group.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and the statement of performance that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the statement of performance, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the statement of performance and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Group.

Julian Tan
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand

Statutory Information For the year ended 30 June 2016

Ownership

City Care Limited is a limited liability company incorporated under the Companies Act 1993.
The company is wholly owned by Christchurch City Holdings Limited, a company 100% owned by the Christchurch City Council.

Principal activities

The group's principal activities during the year were:

- construction of vertical and horizontal assets,
- maintenance of amenity assets including water and wastewater, parks, trees and cleaning,
- facilities management, and
- provision of asset management services

Dividend

A final dividend of $2,976,500 in respect of the 2015 financial year was paid on 6 November 2015.

An interim dividend of $1,120,500 in respect of the 2016 financial year was paid on 8 April 2016.

Directors for City Care Limited

The following Directors held office during the year ended 30 June 2016:

- Hugh Martyn (Chairman)
- Margaret Devlin
- Craig Price
- Mark Todd
- Gary Leech
- Jennifer Rolfe

Directors for Command Building Services Limited (a wholly owned subsidiary of City Care Limited)

The following Directors held office during the year ended 30 June 2016:

- Onno Mulder (Chairman)
- Peter Lord

Directors for Apex Environmental Limited (a subsidiary of City Care Limited)

The following Directors held office during the year ended 30 June 2016:

- Tim Gibson (Chairman)
- Onno Mulder
- Matthew Savage
- Steven Kroening

Directors' interests

The group maintains an interests' register in which particulars of certain transactions and matters involving the Directors are recorded. These are requirements under the Companies Act 1993.
The following entries were recorded in the interests register during the year ended 30 June 2016.

Director	***Entity***	***Position***
Hugh Martyn	Hadstock Park Ltd	Director
	W D Boyes & Sons Ltd	Advisor
	Christchurch Ready Mix Concrete Ltd (Resigned Oct 2015)	Chief Executive
	The Britten Institute	Chairman

Director	***Entity***	***Position***
Margaret Devlin	WEL Networks Ltd	Chair
	Indepen (NZ) Ltd	Director
	Institute of Directors in New Zealand Inc	National Council Representative, Chartered Fellow, Chair of Professional Committee
	Institute of Directors – Waikato	Chair
	Waikato Networks Ltd	Director
	Waikato District Council	External appointment and Chair of Audit and Risk Committee
	University of Waikato	Member, Risk Management Committee
	Harrison Grierson Consultants Ltd	Chairman, Chair of Audit & Risk Committee and Remuneration Committee
	Harrison Grierson Holdings Ltd	Director
	Waikato Regional Airport Ltd (T/A Hamilton International Airport)	Director
	National Infrastructure Advisory Board	Board Member
	Titanium Park Ltd (a subsidiary of Waikato Airport)	Chairman
	WEL Energy Group Ltd	Director
	WEL Generation Ltd	Director
	WEL Power Ltd	Director
	WEL Electricity Ltd	Director
	Waikato Electricity Ltd	Director
	Institute of Directors Professional Committee	Member
	Waikato Spatial Plan Joint Committee	Chair
	Meteorological Services of New Zealand Ltd	Director
	IT Partners Group Ltd	Director
	Te Whakaruruhau Trust (Resigned May 2016)	Trustee
Craig Price	Beca Group Ltd	Shareholder/Share Trustee
	Beca Ltd	Director
	Beca	Regional Manager SI
	University of Canterbury Civil & Natural Resources Engineering Advisory Board	Board member
	University of Canterbury Mechanical Engineering Advisory Board	Board member
	Tertiary Education Commission: Engineering Education to Employment Steering Group	Member
	East Christchurch Water Sports Community Trust	Trustee
	Power Engineering Excellence Trust (PEET), UC	Trustee
	IPENZ Governing Board	Deputy President
Mark Todd	Kathmandu (Resigned Sept 2015)	Finance Director Chief Operating Officer
	Kathmandu Holdings Ltd (Resigned Sept 2015)	Director
	Milford Group Holdings Ltd	Director
	Kathmandu Ltd (Resigned Sept 2015)	Director
	Kathmandu Pty Ltd (Resigned Sept 2015)	Director
	Kathmandu (U.K.) Ltd (Resigned Sept 2015)	Director
	The Arts Centre of Christchurch	Trust Board Member
	Mark T Consulting Ltd	Shareholder
	The Todd Family Trust	Trustee
Gary Leech	Waitakere Mega Centre Ltd	Director and Shareholder
	South Beach Properties Ltd	Director and Shareholder
	Electricity Ashburton Ltd	Chairman
	Electricity Ashburton Ltd (Resigned Sept 2015)	Chairman of Audit Committee
	South Pacific Seeds (NZ) Ltd	Director and Shareholder
	South Pacific Seed Sales (NZ) Ltd	Chairman
	South Pacific Seeds Pty Ltd (Australia)	Director and Shareholder
	TCB Results Ltd	Director and Shareholder
	Leech & Partners Ltd (Resigned April 2015)	Chairman, Founder & Shareholder
	Doug Hood Ltd (Resigned Sept 2015)	Board Secretary
	Doug Hood Mining Ltd (Resigned Sept 2015)	Board Secretary

Statutory Information continued For the year ended 30 June 2016

Director	Entity	Position
Gary Leech (Continued)	Mountain River Processors Ltd (Resigned Sept 2015)	Board Secretary
	Northbank Station Ltd (Resigned Sept 2015)	Board Secretary
	McGoldrick Trustees Ltd (Resigned Sept 2015)	Director
	Clock Trustees Ltd (Resigned Sept 2015)	Director
	Murney Investments Ltd	Director and Non-beneficial Shareholder
	Londale Development Ltd	Director
	Back Track Diaries Ltd	Director
	Webling & Stewart Ltd	Director
	Murney Custodian Ltd	Director
	Radfield Trustees Ltd (Resigned Sept 2015)	Director
	W H Collins & Co Ltd (Mitre 10) (Resigned Sept 2015)	Director
	Sempiternal Trust Company Ltd (Resigned Sept 2015)	Director and Shareholder
	Sempiternal Custodians Ltd (Resigned Sept 2015)	Director and Shareholder
	Hooked Trustee Company Ltd (Resigned Sept 2015)	Director
	Murney Trustee Ltd	Director
	Te Mahanga Trustee Company Ltd (Resigned Sept 2015)	Director
	The New Zealand Sock Company Ltd	Director
	Lye Properties Ltd	Director and Shareholder
	Windermere Trustees Ltd (Resigned Sept 2015)	Director
	Cariboo New Zealand (2011) Ltd	Director and Shareholder
	iSelect Group Limited	Director and Shareholder
	iSelect Trustee Services Limited	Director and Shareholder
	Hank Murney Family Trust	Trustee
	Hank Murney Family Trust #2	Trustee
	W H Collins & Co Limited	Director
	G R & A M Leech Family Trust	Trustee and Beneficiary
Jennifer Rolfe	Daffodil Enterprises Ltd (Resigned Jan 2016)	Director
	New Zealand Rugby League	Director, Chair of Remuneration Committee
	Rainger & Rolfe Ltd	Managing Partner and Director

Subsidiary Directors	Entity	Position
Onno Mulder	SCIRT Board	Chairman
	City Care Ltd	Chief Executive Officer
	Command Building Services Limited	Director
	Apex Environmental Limited	Director
	Habitat for Humanity	Director
	VFM Family Trust	Trustee
Peter Lord	City Care Ltd	Executive General Manager, Facilities Management
	Command Building Services Limited	Director
	Facilities Management Association of New Zealand (Resigned Sept 2015)	Board Member
	FMANZ Foundation (Resigned Sept 2015)	Chairman
	Lord Family Trust	Trustee
Tim Gibson	City Care Ltd	Executive General Manager, National Maintenance
	Apex Environmental Limited	Director
Matthew Savage	Apex Environmental Limited	Director
	CPSM Limited	Director
Steven Kroening	Apex Environmental Limited	Director
	CPSM Limited	Director

Directors' remuneration

Remuneration and other benefits paid or due and payable to Directors for services during the year as a Director of the group were as follows:

Hugh Martyn	$75,611
Margaret Devlin	$45,808
Craig Price	$40,311
Mark Todd	$40,311
Gary Leech	$36,646
Jen Rolfe	$36,646
Total	$275,333

During the year, Mark Todd received remuneration totalling $19,000 for additional services in relation to the proposed sale process.

No other remuneration or benefits other than normal reimbursement of expenses has been paid or given to Directors. No loans have been made by the group, nor has the group guaranteed any debts incurred by a Director.

Use of company information by Directors

No notices have been received from Directors of the group requesting to use company information received in their capacity as Directors which would not otherwise have been available to them.

Directors' insurance

The group has arranged insurance policies for Directors' liability insurance within the limits and requirements as set out in the Companies Act 1993.

Employees' remuneration

The number of employees and former employees whose remuneration and other benefits (including termination payments) were more than $100,000 during the period are as follows:

Remuneration range	Number of employees
$100,000 – $110,000	49
$110,000 – $120,000	37
$120,000 – $130,000	25
$130,000 – $140,000	22
$140,000 – $150,000	14
$150,000 – $160,000	11
$160,000 – $170,000	6
$170,000 – $180,000	3
$180,000 - $190,000	2
$190,000 – $200,000	7
$200,000 – $210,000	1
$210,000 – $220,000	1
$220,000 – $230,000	2
$230,000 – $240,000	2
$240,000 - $250,000	1
$250,000 – $260,000	1
$260,000 – $270,000	1
$270,000 – $280,000	1
$300,000 – $310,000	2
$320,000 – $330,000	1
$370,000 – $380,000	1
$580,000 – $590,000	1

Donations

The company made donations of $1,000 during the year.

Auditor

The Auditor-General is appointed under Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed to provide these services on behalf of the Auditor-General. Audit fees in respect of the 2016 financial year totalling $147,000 have been paid or accrued.

Corporate Governance Statement

The City Care Limited Board of Directors is responsible for the corporate governance of the company. The Board and management are committed to ensuring the company maintains best practice governance structures and adheres to high ethical standards.

This statement presents an overview of the main corporate governance policies of the company.

Board role and responsibility

The Board of Directors of City Care is appointed by the Shareholder, Christchurch City Holdings Limited, and is responsible for the proper direction and control of the company's activities. The primary objective of the Board is to build long-term Shareholder value taking into due consideration other stakeholder interests. It does this by setting strategic direction and context and focusing on issues critical for its successful execution.

The role and responsibilities of the Board are formalised in the Board Charter which is reviewed periodically. The purpose of the Board Charter is to provide high standards of corporate governance and clarify the Board's role and responsibilities. The Board has established committees to assist with the discharging of its responsibilities. The role of the committees is described below.

The Board has delegated to the Chief Executive Officer the day-to-day leadership and management of the company. The Chief Executive Officer has, in some cases, formally delegated certain authorities to direct reports and has established a formal delegated authority framework for those direct reports to sub-delegate as appropriate.

All members of the Board are independent non-executive Directors.

The Board endorses and adheres to the principles of the Institute of Directors in New Zealand Incorporated 'Four Pillars of Governance Best Practice'.

Responsibility to Shareholder

In accordance with section 64 of the Local Government Act 2002, each February the company submits to the Shareholder a draft Statement of Intent (SOI) for the coming financial year. The SOI sets out the objectives, activities, intentions and financial and performance targets. After due consideration and after discussion with the Shareholder, the final SOI is approved by the Board of Directors and delivered to the Shareholder in June.

Board composition

The company's constitution provides that the Board will consist of a maximum of seven Directors. Currently the Board comprises six non-executive Directors. With the prior approval of the Shareholder, the Board may appoint one full-time executive as a Director of the company.

Up to one-third of the ordinary Directors retire by rotation at each Annual Meeting. The basis for determining which Directors retire by rotation is the length of service in office since the last election or appointment. Retiring Directors are eligible for re-election.

The Shareholder has the right to appoint a Chairman and (if it considers fit) a Deputy Chairman for such periods as it sees fit. If the Shareholder does not exercise that right, then the Board may elect their own Chairman or Deputy Chairman.

The Board supports the separation of the role of Chairman and Chief Executive Officer. The Chairman's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the Chief Executive Officer. The Board currently does not have a Deputy Chairman.

Conflicts of interest

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between the company and their own interests. The Board Charter outlines the Board's policy on conflicts of interest. Where conflicts of interest do exist at law, then the Director must disclose their interest, and if considered necessary, excuse themselves from any Board discussions and not receive any Board papers in respect of those interests.

Nominations and appointment of new Directors

The procedures for appointing and removing Directors are governed by the company's constitution. When considering candidates to act as a Director, the Shareholder considers such factors as it deems appropriate, including the experience, qualifications, availability and judgment of a candidate, and the candidate's ability to work alongside other Directors.

Board meetings

Each year there are twelve scheduled meetings of the Board. The Board also meets as required between the scheduled meetings.

The Chairman and Chief Executive Officer establish meeting agendas to ensure adequate coverage of all key issues. The Directors receive Board papers one week in advance of Board meetings, except in the case of special meetings for which the time period may be shorter.

The Board encourages management to schedule presentations at Board meetings by managers who can furnish additional insight into items being discussed, or have future potential that management believes should be demonstrated to the Board. Directors are entitled to have access, at all reasonable times, to all relevant company information and to management. Any Director is entitled to obtain independent professional advice relating to the affairs of the company or to his or her other responsibilities as a Director. If a Director considers such advice necessary, the Director shall first gain the approval of the Chairman, and having done so, shall be free to proceed.

The Board meets regularly in confidential session, without the Chief Executive Officer or other management present.

Directors' induction and education

Upon appointment to the Board, all new Directors undergo a tailored induction programme appropriate to their experience to familiarise them with City Care's business and strategy. The programme includes one-on-one meetings with management and visits to key company sites.

Directors are expected to keep themselves abreast of changes and trends in the business of the company and in the environment and markets in which the company operates. There is an ongoing programme of presentations to the Board by all business units.

The Board expects all Directors to undertake continuous education so that they may appropriately and effectively perform their duties.

Board performance review

The Board periodically reviews its own performance and the performance of the Chief Executive Officer. The process includes one-on-one meetings between the Chairman and each Director, as well as regular Board discussions on governance and performance issues.

Chief Executive Officer performance review

The Board reviews the performance of the Chief Executive Officer against his key performance objectives at least once a year.

Insurance

The company has arranged liability insurance for Directors and Officers that ensures that generally Directors will incur no monetary loss as a result of actions undertaken by them as Directors of the company arising out of acts or omissions of Directors and employees in their capacity as such. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions.

Corporate Governance Statement continued

Board committees

The Board has three formally constituted committees; the risk, audit and finance committee, the remuneration committee, and the health and safety committee. All committees have Board approved Charters outlining the respective committee's authority, duties, responsibilities and relationship with the Board. Other committees may be established as needed.

Risk, audit and finance committee

The risk, audit and finance committee is chaired by a Director who is not the Board Chairman. It comprises non-executive members of the Board as appointed by the Board from time to time. The Chief Executive Officer and Chief Financial Officer also attend meetings.

Meetings are scheduled during the year to coincide with the timing of the various responsibilities of the committee. The committee has direct communication with and unrestricted access to the external and internal auditors.

The committee's main responsibilities are to:

- Oversee compliance with statutory financial reporting requirements;
- Ensure that adequate internal controls are in place;
- Review the scope and extent of half-yearly financial statements prior to approval by the Board; and
- Undertake oversight of legislative and statutory compliance.

In fulfilling its responsibilities, the risk, audit and finance committee receives regular reports from management as well as the internal and external auditors. At least annually the risk, audit and finance committee meets with the external auditor without the presence of management.

The committee may obtain external risk, audit, financial or other professional advice, as considered necessary. The committee has no authority to make binding decisions. The committee makes recommendations to the Board for its consideration.

Remuneration committee

The remuneration committee has a quorum of two non-executive members of the Board. Currently the committee Chair is the Board Chairman.

The frequency of meetings is determined by the Committee Chair to align with the company remuneration cycles.

The committee is responsible for reviewing and making recommendations to the Board on:

- The remuneration strategy;
- The remuneration arrangements, including any incentive plans for the Chief Executive, other senior executives and any executive Directors;
- The remuneration, recruitment, retention and termination policies and practices with regard to the Chief Executive;
- Reviewing long term and emergency succession plans for the senior executives;
- Reviewing the training and development plans for the senior executives; and
- The company's disclosure obligations for matters within the responsibilities of the committee.

In fulfilling its responsibilities, the remuneration committee receives timely evaluation reports and current market remuneration information from management.

The committee may obtain external remuneration or other professional advice, as considered necessary. The committee has no authority to make binding decisions. The committee makes recommendations to the Board for its consideration.

Health and safety committee

The health and safety committee comprises two non-executive Directors appointed by the Board from time to time. Currently the Board Chairman is the Committee Chair. The Chief Executive Officer, Executive General Manager – People, Process & Capability and General Manager – Safety also attend meetings.

Meetings are scheduled during the year, as determined by the Committee Chair, to meet the health and safety needs of the company.

The committee's main responsibilities are to:

- Establish, recommend to the Board and maintain a Health and Safety Governance Charter that serves as City Care's highest level health and safety document. The Charter defines how health and safety expectations and strategy are set, and outlines how health and safety is managed at every level in City Care;
- Establish, recommend to the Board and implement the use of best practice principles such as the Institute of Director's Good Governance Practices Guidelines for Managing Health and Safety Risks; and
- Understand and monitor compliance with the Health and Safety in Employment Act and any subsequent legislation that may replace it.

In fulfilling its responsibilities the committee receives regular reports, significant incident notifications and other information as they arise, and may visit worksites.

The committee may obtain external legal, health, safety or other professional advice, as considered necessary. The committee has no authority to make binding decisions. The committee makes recommendations to the Board for its consideration.

Directory

Directors

Hugh Martyn
Chairman

Margaret Devlin

Gary Leech

Craig Price

Jennifer Rolfe

Mark Todd

Gabrielle Wall (Intern)

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Executive Management Team

Onno Mulder
Chief Executive Officer

Paul Blackler
Executive General Manager
Building Construction &
Executive General Manager
Civil Construction

Tim Gibson
Executive General Manager
National Maintenance

Paul Kiesanowski
Chief Financial Officer

Peter Lord
Executive General Manager
Facilities Management

Adrian Watson
Executive General Manager
People, Process & Capability

Auditor

Audit New Zealand
on behalf of the Auditor-General

Solicitors

Tavendale and Partners

Bankers

Bank of New Zealand

Our Locations

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Waikato Office

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Greytown Office

Phone: (06) 946 7180

Masterton Office

Phone: (06) 370 2476

Wellington Office

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Downloadable copies of the 2016 Annual Report are available at
www.citycare.co.nz/pages/annual-reports

www.citycare.co.nz

city care

Our people. Making it work.