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# **SIX MONTHLY REPORT TO SHAREHOLDERS**

1 July 2014 to 31 December 2014

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# Local Authority Shared Services Limited –6 Monthly Report

The Waikato Local Authority Shared Services Limited (LASS) was incorporated in December 2005. This report covers the 6-month period from 1 July to 31 December 2014, as required by Section 66 of the Local Government Act 2002.

## Objectives of LASS

LASS was established principally to provide the Councils in the Waikato Region with a vehicle to procure shared services. It provides a mechanism for the development of new services which are available to be joined by any shareholder that chooses to do so.

Since the early-mid 2000s, the relationship between local authorities within the Waikato Region has continued to strengthen. This has been demonstrated most recently by the development of a number of new initiatives under the stewardship of the Mayoral Forum. LASS provides administrative and financial support services to the Mayoral Forum, to enable the successful implementation of these projects.

The shareholders have identified that improvements could be made in a number of areas: by implementing shared services related to back-office activities; shared procurement providing cost savings; streamlining of work processes; and service improvements. A range of initiatives which could benefit from being managed by LASS continue to be considered by working groups of staff from the shareholding councils.

Over the period that the company has been operating, benefits have been delivered in the form of:

- Improved level and quality of service
- Co-ordinated approach to the provision of services
- Reductions in the cost of services
- The development of new initiatives
- Standardisation of service levels
- Opportunities for all Councils, irrespective of location or size, to benefit from joint initiatives
- Leverage provided by economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

These gains have been realised by shareholders in the Shared Valuation Data Service (SVDS), the Waikato Regional Transport Model (WRTM), and a variety of joint procurement services (e.g. insurance and postal services).

The ability of LASS to contribute to a greater extent in terms of shared services and also at a strategic collaboration level has also been the subject of discussion at the Waikato Mayoral Forum.

The Directors have been tasked with identifying ways to progress these initiatives. This will involve resourcing and funding a range of initiatives that will potentially extend the services currently offered by LASS.

The LASS Directors continue to seek new opportunities, either from internal investigations or from Council or CEO initiatives that are presented to the Board with a sound business case.

New services that are intended to be initiated under the LASS umbrella will only be adopted where a business case shows that they provide some form of benefit to the shareholders. The benefits that may be gained include the development of intellectual property through new business services, protection of Council data, improved levels of service and/or reduced cost. All proposals will be presented to the Shareholders for approval prior to their implementation.

## Nature and Scope of Current Activities

Currently, three major services operate under the LASS umbrella, a number of shared service procurement contracts are in place, new initiatives are under investigation, and LASS is providing a support role for the collaborative initiatives of the Waikato Mayoral Forum. These activities are described in more detail below.

The **Shared Valuation Data Service (SVDS)** continues to provide timely and accurate valuation data to member Councils and shareholders. The SVDS has become the accepted valuation database in the region. The management contracts for this service have been under review over the past 6 months, and significant savings have been realised, which will come into effect in the second half of this financial year, following finalisation of the contract negotiations. New contracts to sell the data are currently under negotiation, which will bring in new revenue and further reduce the cost of operating this activity.

The **Waikato Regional Transportation Model (WRTM)** became fully operational in February 2010. This model provides accurate information to Councils for their transport modelling requirements. Third parties also contract to LASS to use the model (for a charge). The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency. The contract with the model's operations supplier is currently under review and the contract will be re-tendered during the second half of this calendar year.

The **Waikato Regional Aerial Photography Service (WRAPS)** was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been three WRAPS contracts – in 2002, 2007 and 2012. In 2012, the WRAPS members were the councils of the Waikato Region, plus the Department of Conservation and Waikato University. The next contract is due in 2016/17. A working party has been set up to consider the most appropriate technology to be used and the most efficient method for contracting the capture of both rural and the urban imagery. Discussions are currently being held with other parties to assess their willingness to join the syndicate. Both Land Information New Zealand (LINZ) and the NZ Transport Agency (NZTA) have indicated potential interest, which would reduce the cost to the participating councils. WRAPS became a LASS-managed project in December 2014.

LASS is also a party to a number of **procurement contracts** which provide value to the participating councils. These include a joint contract between LASS, all of the shareholding Councils and AON Ltd for **insurance brokerage services** as well as a variety of collective insurance policies. Considerable cost savings in insurance premiums were achieved at the annual review earlier this year.

Through negotiation with the insurers, a premium saving of 15% was achieved for the Group's **Material Damage / Business Interruption Insurance** cover. The total premium pool has been reduced from \$1,785,000 to \$1,520,000 (both figures excluding EQC, Fire Service Levy and GST), representing a saving of \$265,000 to the participating councils. All other terms and conditions, such as policy excess levels, remain unchanged from last year.

The insurer for the Group's **Motor Vehicle Fleets** was seeking an increase in premium from \$295,000 to \$360,000 for the Group policy. However, Aon obtained an alternative proposal from another provider, which reduced the cost to \$269,100, a saving of \$26K. While this represented a significant saving over last year, it must be noted that the current market conditions are unlikely to continue long term and Aon are not able to make any commitment about this level of premium saving being sustainable.

Under the LASS umbrella, a new syndicate is currently being formed by those councils in the Waikato region who wish to partner with Land Information NZ (LINZ) to scan the **Waikato Historic Aerial Photos** archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. These images are now starting to degrade; if they are not digitised soon, they will be lost forever. The images show land use changes across NZ. Councils have many interests in this information, including the identification of:

- Illegal resource consent developments
- Potentially contaminated sites, such as orchards, sheep dips, timber treatment plants. (Regional Councils are legally required by the National Environmental Standard to deliver contaminated land information to District Councils for inclusion in HAIL registers)
- Areas where vegetation has changed, assisting with natural hazard information such as changes to geothermal sites, water quality from farm runoff, and changes to coastal areas due to accretion, erosion or the impact of mining
- Changes in land use, e.g. dairy and forestry land conversions or coal mining.

Each shareholding council has yet to decide whether or not to participate in this new LASS project, which will include a subsidy of over \$40K from LINZ.

A new shared services contract for **computer-generated print, mail-house and e-Services** was initiated on 1 June 2014, with five councils initially participating (Waikato Region, Hamilton City, Waipa, Waikato and Hauraki Districts) and enjoying immediate cost-savings. Waitomo District are about to pilot using the contract for water billing. A Joining Agreement is available, at no cost, should other shareholding councils wish to participate.

A tender process for a **Professional Services Procurement (PSP) Panel** for a wide variety of professional services was undertaken last calendar year and contracts were established during the first half of this financial year. The Panel eliminates the need for the four participating councils (Hamilton City, Waikato Region, Waikato and Waipa Districts) to tender for professional services and provides preferential consultancy rates. A Joining Agreement is available, at no cost, should other shareholding councils wish to participate.

All shareholding councils are currently participating in a 5-year **postal and courier services** contract with NZ Post, which expires on 28 February 2016, with the option of two one-year extensions.

Following a review by KPMG of the IT strategies of the shareholding councils last year, a **Waikato IT Managers group** has been established, chaired by the LASS CEO. A number of initiatives are currently under investigation, which will be developed into business cases if they are considered to have merit. The focus is on back-office functions, including the development of more on-line services.

A number of other shared services procurement initiatives are currently under investigation and will be reported on later.

The **Waikato Mayoral Forum** initially established five working parties to investigate collaborative opportunities in the areas of planning (Waikato Spatial Plan), three waters, roading, economic development and policy and bylaws. Each working party is led by a Council CEO in conjunction with a group of Mayors/Chair from the Waikato Mayoral Forum. The three waters workstream is now being developed further by a syndicate of three councils – Hamilton City, Waikato and Waipa Districts.

LASS provides administrative support to the Mayoral Forum, and the CEO assists some of these working parties (e.g. she is a member of the RATA Governance Group). LASS also administers the collective funding for each of these workstreams, invoicing each of the participating councils and paying all of the approved invoices.

Based on feedback from shareholding Councils and the CEO Forum, the LASS Directors continue to discuss their role in the development of business cases for shared services at their Board meetings. Directors are mindful of the current political environment, and see the continuing investigation of possible shared services as a key focus of their role.

After a 9-month gap with a temporary contractor, a new part-time LASS CEO was appointed in September 2014, to replace Michael Freeman, who resigned in December 2013. The new CEO (an independent contractor, Sally Davis) continues to promote, facilitate and encourage the availability of the resources required to advance collaboration across the shareholding Councils. However, the staff time and effort which has been required to prepare the Council's Long-Term Plans (LTPs) has slowed progress over the past few months. Once the LTPs are completed, it is anticipated that further progress will be achieved in the latter part of this year.

## Service Performance

The **Shared Valuation Data Service (SVDS)** has continued to operate effectively in supplying timely and accurate information and is considered to be operating in a "steady state". No interest has been shown by councils outside the region to join. Therefore, the Advisory Group has undertaken a review of the development roadmap and scaled down future planned development. Any further development will require a business case prior to proceeding, which has reduced future costs.

Significant benefits continue to accrue to Councils using the SVDS service, including:

- Competition in the Waikato valuation market, with a resultant improved level of service
- Significantly improved data quality, and a minimum of errors
- Standardisation of information and the removal of processing inefficiencies
- Quicker and more efficient access to data
- Far greater collaboration between the user Local Authorities.

The Contract Manager and the Advisory Group are to be congratulated on their excellent management of this important operation.

The **Waikato Regional Transport Model (WRTM)** remains fully operational, and is currently being updated to include the latest census data. The WRTM service contract was initially let on a 3+1+1 basis and is due for renewal in February 2015. However, as the census data update will not be completed until March 2015, the current service contract with the Traffic Design Group will be rolled over until the end of the 2015 financial year, when the WRTM service contract will be publicly tendered.

A review of the Terms of Reference for the WRTM Advisory Group, the scope of the Contract Manager's role, and the terms of the new contract with the modelling supplier will be undertaken in the first half of 2015, prior to re-tendering the contract.

Third party requests for modelling services are being received and actioned on a cost recovery basis. The development and maintenance of the WRTM model as the foremost supplier of transport data continues to be the objective of the LASS Directors. This service will continue to collect data to verify the model, and the model will be run to provide information that can be utilised for both regional and local planning. The model is an important input to the development of the Waikato Spatial Plan.

## Performance Measures

The following performance measures were included in the Statement of Intent for the 2014/15 financial year. An update on their status as at 31 December 2014 is shown in the table below.

Performance Measure	Actual Outcome
The Statement of Intent is informed by the annual survey and independent benefits review.	A survey of shareholders will be undertaken in the second half of the financial year. The Benefit Review is scheduled for the second half of this financial year.
<b>Cost Control:</b> Administration expenditure shall not exceed that budgeted by more than 5% unless prior <b>approval</b> is obtained from the Directors.	Achieved. Actual expenditure to 31 December 2014 was \$1,311 favourable to budget.
<b>Cashflow:</b> The company maintains an overall positive cashflow position.	Achieved. Cash, cash equivalents and bank accounts at 31 December 2014 were \$869,816. A major contributor to this is the timing of funding received for Mayoral Forum projects.
<b>Reporting:</b> The Board will provide a written report on the business operations and financial position of the LASS on a six monthly basis.	Achieved. Six monthly report is being provided.
<b>Statutory Adherence:</b> There will be an annual report to directors that all statutory requirements of the LASS are being adhered to.	Achieved. To the Directors knowledge, all LASS's statutory requirements are being adhered to.
<b>SVDS Availability:</b> That SVDS is available to users at least 99% of normal working hours.	Achieved. Availability to users as at 31 December 2014 was 99.5%.
<b>SVDS Sales Data Delivery:</b> That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.	Achieved. At 31 December 2014, 100% of agreed timelines had been met.
<b>SVDS Major Enhancement Development Hours:</b> All Capital enhancement development work is supported by a business case approved by the Advisory Group.	Achieved.
<b>WRTM:</b> That all required modelling reports are actioned within the required timeframe.	Achieved. All timeframes are being met.

<p><b>WRTM:</b> That the base model adheres to “Screenline Validation Standards” as set out in the NZTA Economic Evaluation Manual as indicated by an external independent peer review.</p>	<p>Achieved. The last peer review was completed in 2012 based on the 2006 version of the model. The review confirmed that these standards were being met.</p> <p>An extensive peer review is scheduled to be undertaken following the 2013 update of the model (using the new census data), with the report due to be completed by the end of 2015.</p>
<p><b>WRTM:</b> That a full report on progress of the model be provided to the LASS Board twice each year.</p>	<p>Achieved. A report was provided to the October and December 2014 LASS Board meetings.</p>
<p><b>Insurance:</b> The key performance indicators from Appendix 4 of the brokerage contract are met.</p>	<p>Achieved. Performance is currently on track and will be reported fully at the end of the financial year.</p>
<p><b>Advice to the Waikato Mayoral Forum:</b> In response to requests from shareholders, the Company will provide regular reports and updates to the Waikato Mayoral Forum regarding progress with shared service initiatives.</p>	<p>Achieved. An update on each of the Mayoral Forum workstreams was provided to the October and November 2014 Mayoral Forum meetings.</p>
<p><b>Independent Benefit Review Plan update:</b> The independent benefit review plan will be reviewed, updated and signed off by the LASS Board by 31 May of the year immediately preceding the year the plan relates to.</p>	<p>The first Benefit Review is scheduled for the second half of this financial year.</p>
<p><b>Independent Benefit Reviews:</b> Those reviews timetabled in the plan for the current year be completed by the end of the year.</p>	<p>In progress. The first Benefit Review is scheduled to be reported to the Board in the second half of this financial year.</p>



## **LASS Financial Position**

Expenditure for the LASS Company has been assessed on the basis of the direct cost of management and the Directors' governance role. The Directors have directed that these costs be kept to a minimum.

The LASS Company expenditure for this period was \$942,176 against a budget of \$719,285. The variance was due to three main factors:

- 1) Operating costs for SVDS were \$39,856 above budget due to software support expenditure being higher and enhancement costs lower due to the focus on TA revaluations
- 2) WRTM operating costs were higher by \$80,704 due to the timing of the completion of the model update from the census
- 3) Additional operating costs of \$92,814 were incurred for Shared Service initiatives via the Waikato Mayoral Forum; this was unbudgeted due to the unknown status of the projects at the time of approving the budget.

Revenue was also above budget at \$924,380 compared to a budget of \$781,877. The additional revenue was a result of unbudgeted revenue received for SVDS data and software sales, and the recovery of costs for the WRTM model update for the census.

Overall, revenue was lower than expenditure by \$17,796 against a budget of revenue exceeding expenditure by \$62,592. The timing of the Mayoral Forum project costs was the main contributor.

The combined service costs are shown in the attached financial statements in Appendix 1. The financial statements meet the LASS policies as stated in Appendix 2, as well as complying with the generally accepted international accounting principles.

### **Outcome of 2014 Audit**

Audit New Zealand issued an unmodified audit opinion on 1 September 2014. The auditors noted that the NZ Accounting Standards Board has recently released new accounting standards that will apply to LASS. LASS must transition to these new standards for the year ended 30 June 2015. The actions necessary to achieve this transition are currently underway.

## **SVDS Financial Position**

The full year forecast currently predicts an out-turn of \$49,250 favourable against the budget. After taking into account Capital expenditure, Cash expenditure is expected to be \$114,086 favourable to budget, giving an overall forecast cash surplus of \$114,086 for the year. The main contributing factors to the forecast cash surplus are:

- Unbudgeted new revenue of \$61,500
- Reduced expenditure, due to new contracts being negotiated with Intergen (savings of \$41,464 for four months), and with RVSL (savings of \$29,231 for three months) – note these savings will be reflected in the 2015/16 SOI.
- Reduced depreciation of \$48,807, due to the change in the life of the net book value of the SVDS asset by an additional five years.

Third quarter member charges will be reduced by \$50,000 to use up prior year surpluses. It is currently considered likely that the fourth quarter member charges will be able to be offset by the forecast cash surplus, but this decision will be made closer to the end of the financial year.

The operating costs for SVDS were \$345,425 against a year-to-date budget of \$305,569. Revenue gained from the external sale of data during this period was \$73,929, so the balance of expenditure for this period is being met through user charges.

The cost of enhancements (additional to the operating costs noted above) over this period was \$7,776.

The percentage of Intergen time spent on Capital enhancements this financial year has been lower than budgeted due to the focus on TA revaluations over the last four months.

## WRTM Financial Position

The net operating deficit as at 31 December was \$40,667. The depreciation charge for this six month period was \$164,061. Income was primarily from shareholder cost recovery of \$80,461.

It is expected that all budgeted expenditure will be recovered from shareholders. Forecasted expenditure is \$161,877 above budget due to the WRTM census update being budgeted to have been completed in 2014/15, however due to delays in the project it is now expected to be completed in March 2015.

## Directors

The Directors appointed for the period that this six monthly report covers were:

Director	Position	Director Appointed By
Gavin Ion (Chair)	Chief Executive, Waikato District Council	Waikato District Council
Geoff Williams	Chief Executive, Rotorua District Council	Rotorua District Council
Chris Ryan	Chief Executive Officer, Waitomo District Council	Waitomo District Council
Vaughan Payne	Chief Executive, Waikato Regional Council	Waikato Regional Council
Langley Cavers	Chief Executive, Hauraki District Council	Hauraki District Council
Barry Harris# / Richard Briggs*	Chief Executive(s), Hamilton City Council	Hamilton City Council
David Hammond	Chief Executive, Thames-Coromandel District Council	Thames-Coromandel District Council
Garry Dyet	Chief Executive, Waipa District Council	Waipa District Council
Don McLeod	Chief Executive Officer, Matamata-Piako District Council	Matamata-Piako District Council
Craig Hobbs	Chief Executive, South Waikato District Council	South Waikato District Council
Rob Williams	Chief Executive Officer, Taupo District Council	Taupo District Council
Dave Clibbery	Chief Executive Officer, Otorohanga District Council	Otorohanga District Council

# Barry Harris resigned at the September 2014 Board meeting.

\*Richard Briggs attended his first Board meeting in October 2014.

# Appendix 1

## Management Accounts for period ended 31 December 2014

### Company Summary

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Company Summary**

	Notes	Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
<b>Income</b>							
Company Administration Member Charges		87,146	87,146	0	87,146	87,146	169,549
Recovery of Admin Costs		22,203	22,203	0	44,405	44,405	44,232
SVDS Member Charges		280,758	280,759	(2)	561,517	511,517	457,200
SVDS Data & Software Sales		73,929	62,982	10,947	125,964	187,464	123,166
WRM Member Charges		80,461	56,702	23,759	56,702	216,913	214,969
External Users - WRTM		666	0	666	0	666	38,428
Mayoral Forum Funding		216,999	124,185	92,814	248,370	1,222,396	535,866
N3 Membership Fee Recovery		0	0	0	18,000	18,000	18,000
ValueFinancials Fee Recovery		0	0	0	46,750	46,750	44,006
Insurance Brokerage Fee Recovery		147,500	147,500	0	147,500	147,500	147,501
Infometrics Fee Recovery		0	0	0	0	51,200	70,400
Debt Management Solutions Recovery		7,880	0	7,880	0	7,880	0
SISP Funding		0	0	0	0	0	99,999
Professional Services Panel Funding		0	0	0	0	0	79,300
Interest Received		6,839	400	6,439	800	10,696	14,160
<b>Total Income</b>		<b>924,380</b>	<b>781,877</b>	<b>142,503</b>	<b>1,337,154</b>	<b>2,552,533</b>	<b>2,056,776</b>
<b>Operating Expenditure</b>							
Company Admin Operating Expenditure		98,869	100,180	1,311	213,955	219,650	224,086
SVDS Operating Expenditure		345,425	305,569	(39,856)	609,638	620,695	615,998
WRM Operating Expenditure		122,555	41,851	(80,704)	106,702	268,579	298,896
MF Operating Expenditure		216,999	124,185	(92,814)	248,370	1,222,396	535,866
Procurement Operating Expenditure		155,380	147,500	(7,880)	212,250	271,330	279,907
SISP Operating Expenditure		181	0	(181)	0	181	87,533
PSP Operating Expenditure		2,767	0	(2,767)	0	2,767	78,373
<b>Total Operating Expenditure</b>		<b>942,176</b>	<b>719,285</b>	<b>(222,891)</b>	<b>1,390,915</b>	<b>2,605,597</b>	<b>2,120,658</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>		<b>(17,796)</b>	<b>62,592</b>	<b>(80,388)</b>	<b>(53,761)</b>	<b>(53,064)</b>	<b>(63,882)</b>
<b>Non-Cash Operating Expenditure</b>							
Company Admin Non-Cash Expenditure		85	86	1	171	171	171
SVDS Non-Cash Expenditure		46,614	71,863	25,249	143,725	94,918	102,880
WRM Non-Cash Expenditure		164,061	164,061	0	328,122	328,122	328,122
<b>Total Non-Cash Operating Expenditure</b>		<b>210,760</b>	<b>236,009</b>	<b>25,249</b>	<b>472,018</b>	<b>423,211</b>	<b>431,173</b>
Earnings before interest and tax		(228,556)	(173,417)	(55,139)	(525,779)	(476,275)	(495,055)
<b>Net Surplus (Deficit) before tax</b>		<b>(228,556)</b>	<b>(173,417)</b>	<b>(55,139)</b>	<b>(525,779)</b>	<b>(476,275)</b>	<b>(495,055)</b>
CA Net Surplus (Deficit) before tax		16,041	9,083	6,958	(82,575)	(79,374)	(5,979)
SVDS Net Surplus (Deficit) before tax		(36,922)	(33,290)	(3,631)	(65,082)	(15,832)	(134,589)
WRM Net Surplus (Deficit) before tax		(204,728)	(149,210)	(55,518)	(378,122)	(378,122)	(371,175)
MF Net Surplus (Deficit) before tax		0	0	0	0	0	3,294
Procurement Net Surplus (Deficit) before tax		0	0	0	0	0	0
SISP Net Surplus (Deficit) before tax		(181)	0	(181)	0	(181)	12,466
PSP Net Surplus (Deficit) before tax		(2,767)	0	(2,767)	0	(2,767)	927
<b>Net Surplus (Deficit) before tax</b>		<b>(228,556)</b>	<b>(173,417)</b>	<b>(55,139)</b>	<b>(525,779)</b>	<b>(476,275)</b>	<b>(495,055)</b>
<b>Capital Expenditure</b>							
SVDS Enhancements		7,776	39,322	(31,546)	78,643	15,000	68,960
<b>Total Cash Expenditure (Opex, Interest &amp; Capital)</b>		<b>7,776</b>	<b>39,322</b>	<b>(31,546)</b>	<b>78,643</b>	<b>15,000</b>	<b>68,960</b>

# Company Administration

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Company Admin**

	Notes	Year to Date Actual YTD	Budget	Variance	Budget	Full Year Forecast	Last Year
<b>Income</b>							
Company Administration Member Charges		87,146	87,146	0	87,146	87,146	169,549
Recovery of Admin Costs		22,203	22,203	0	44,405	44,405	44,232
Interest Received CA	1	5,646	0	5,646	0	8,896	4,497
<b>Total Income</b>		<b>114,995</b>	<b>109,349</b>	<b>5,646</b>	<b>131,551</b>	<b>140,447</b>	<b>218,278</b>
<b>Expenses</b>							
Accounting/ Financial Services	2	15,463	9,760	(5,703)	17,510	27,360	24,823
External Accounting/ Financial Services		1,520	1,780	260	3,998	3,998	3,396
Audit Fees		0	0	0	15,500	15,500	14,806
IT Services		92	45	(47)	45	92	75
Recruitment Fees	3	277	0	(277)	0	277	17,433
Meeting Expenses		195	0	(195)	0	400	264
Bank Charges		175	219	44	438	438	269
Printing, Stationery & Postage		0	150	150	250	0	0
Interest Paid		0	0	0	0	0	30
Advertising		0	0	0	0	0	1,628
Legal Fees		0	1,500	1,500	2,560	2,560	1,238
VauleFinancials Licence Fee		0	0	0	2,250	2,500	2,632
Accommodation		0	0	0	0	0	750
Sundry Expenses		272	250	(22)	500	500	422
Insurance		2,525	2,048	(477)	2,048	2,525	2,350
Shared Services Contractors	4	72,471	78,000	5,529	156,000	146,906	141,485
Secretarial Services	5	1,785	0	(1,785)	0	7,500	3,481
Wages	5	0	5,928	5,928	11,856	0	7,652
ACC Levies		0	0	0	0	0	63
Mileage Costs	4	4,094	500	(3,594)	1,000	9,094	883
Other Expenses		0	0	0	0	0	165
Fixed Asset Write Off		0	0	0	0	0	241
<b>Total Expenses</b>		<b>98,869</b>	<b>100,180</b>	<b>1,311</b>	<b>213,955</b>	<b>219,650</b>	<b>224,086</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>	6	<b>16,126</b>	<b>9,169</b>	<b>6,957</b>	<b>(82,404)</b>	<b>(79,203)</b>	<b>(5,808)</b>
<b>Non-Cash Expenses</b>							
Depreciation		85	86	(1)	171	171	171
Earnings before interest and tax		16,041	9,083	6,958	(82,575)	(79,374)	(5,979)
<b>Net Surplus (Deficit) before tax</b>		<b>16,041</b>	<b>9,083</b>	<b>6,958</b>	<b>(82,575)</b>	<b>(79,374)</b>	<b>(5,979)</b>
<b>Cash Surplus</b>							
Less prior year surpluses deducted	6	0	0	0	(82,404)	(82,404)	0
<b>Cash Surplus/ (Deficit)</b>		<b>16,126</b>	<b>9,169</b>	<b>4,335</b>	<b>0</b>	<b>3,202</b>	<b>(5,808)</b>

## Notes

- 1) Interest received from revenue received in advance for the Mayoral Forum projects is used to offset administrative costs incurred.
- 2) Accounting Services are higher than budget due to unbudgeted additional time spent on Mayoral Forum administrative duties.
- 3) Recruitment fees are for the recruitment of a new company secretary.
- 4) These costs include the CEO contract and contractors associated with procurement projects. A portion of the budget for Shared Service Contractors has been reallocated to Mileage Costs.
- 5) Secretarial services are now provided by contract with WDC. Wages budget no longer required therefore a portion of the budget has been reallocated to secretarial services.
- 6) Prior year surpluses used to offset member charges.

# Shared Valuation Database Service (SVDS)

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Shared Valuation Data Service**

		Year to Date			Full Year		
	Notes	Actual YTD	Budget	Variance	Budget	Forecast	Last Year
<b>Income</b>							
SVDS Member Charges	1	280,758	280,759	(2)	561,517	511,517	457,200
SVDS Data & Software Sales	2	73,929	62,982	10,947	125,964	187,464	123,166
Interest Received - SVDS		431	400	31	800	800	3,923
<b>Total Income</b>		<b>355,118</b>	<b>344,141</b>	<b>10,977</b>	<b>688,281</b>	<b>699,781</b>	<b>584,289</b>
<b>Expenses</b>							
Hosting Contract		33,940	34,755	815	69,509	61,653	67,880
Software Contract	3	88,800	58,983	(29,817)	117,965	148,000	123,040
Management Services		189,412	190,856	1,444	381,711	352,480	374,279
Contract Management Services	4	6,125	0	(6,125)	0	9,000	4,200
Secretarial Services		1,462	0	(1,462)	0	3,000	814
SVDS Review		9,987	0	(9,987)	0	15,000	22,312
Consultancy Fees		0	8,000	8,000	16,000	0	0
Insurance		1,357	1,500	143	1,500	1,357	1,357
Legal Fees	5	3,178	0	(3,178)	0	8,000	0
Other Expenses		63	0	(63)	0	0	0
Oncharge of LASS Admin Costs		11,101	11,476	375	22,952	22,204	22,116
<b>Total Expenses</b>		<b>345,425</b>	<b>305,569</b>	<b>(39,856)</b>	<b>609,638</b>	<b>620,695</b>	<b>615,998</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>		<b>9,693</b>	<b>38,572</b>	<b>(28,880)</b>	<b>78,643</b>	<b>79,086</b>	<b>(31,709)</b>
<b>Non-Cash Expenses</b>							
Depreciation	6	46,614	71,863	25,249	143,725	94,918	102,880
Earnings before interest and tax		(36,922)	(33,290)	(3,631)	(65,082)	(15,832)	(134,589)
<b>Net Surplus (Deficit) before tax</b>		<b>(36,922)</b>	<b>(33,290)</b>	<b>(3,631)</b>	<b>(65,082)</b>	<b>(15,832)</b>	<b>(134,589)</b>
<b>Capital Expenditure</b>							
SVDS Enhancements	3	7,776	39,322	31,546	78,643	15,000	68,960
Total Cash Expenditure (Opex, Interest & Capital)		353,201	344,890	(8,311)	688,281	635,695	684,958
<b>Cash Surplus</b>							
Less prior year surpluses deducted		0	0	0	0	(50,000)	(152,400)
Cash Surplus / (Deficit)	7	1,917	(749)	2,666	0	114,086	51,731

## Notes

- 1) Prior year surpluses used to offset member charges.
- 2) Data and Software Sales are higher than budgeted due to an MoU between LASS and Headway Systems for the interim supply of valuation and sales data over a 12 month period for \$61,500.
- 3) The split between Software Support and Enhancements was budgeted to be 60:40. YTD actual is 92:8.
- 4) Contract Management Services will be funded from the Consultancy Fees budget.
- 5) Legal fees relate to advice received from Tompkins Wake.
- 6) Depreciation is forecasted to be lower than budget due to change to the life of the NBV of the SVDS asset in 2013/14 by an additional 5 years.
- 7) Forecasted cash surplus of \$125,908 comprises of additional revenue of \$61,500 from Headway, reduced depreciation of \$48,807, and reduced expenditure due to new contracts for Intergeren of \$41,464 for 4 months, and RVSL of \$29,231 for 3 months. This is offset by reduced member charges of \$50,000 from prior year surpluses. A decision will be made in the fourth quarter whether to remit this surplus.

# Waikato Regional Transport Model (WRTM)

**Local Authority Shared Services Ltd  
Management Accounts for the Period Ended 31 December 2014  
Waikato Regional Transport Model**

	Notes	Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
<b>Income</b>							
WRTM Member Charges	1	80,461	56,702	23,759	56,702	216,913	214,969
External Users - WRTM	2	666	0	666	0	666	38,428
Interest Received - WRTM		762	0	762	0	1,000	2,446
<b>Total Income</b>		<b>81,889</b>	<b>56,702</b>	<b>25,187</b>	<b>56,702</b>	<b>218,579</b>	<b>255,843</b>
<b>Expenses</b>							
WRTM Project Manager		9,000	9,000	0	18,000	18,000	18,000
Minor Model Upgrades		4,958	15,000	10,042	30,000	30,000	11,484
Peer Review		0	2,500	2,500	5,000	5,000	0
Annual Scheduling of Works Review		0	2,250	2,250	4,500	4,500	0
External User Costs	2	555	0	(555)	0	555	32,032
Census Update	3	70,159	0	(70,159)	0	111,825	207,624
Future Land Use Client Input	3	25,425	0	(25,425)	0	50,140	5,160
Regional Modelling Needs Assessment		0	0	0	0	0	1,123
Insurance		1,357	2,000	643	2,000	1,357	1,357
Tendering for WRTM Contract		0	0	0	25,000	25,000	0
Oncharge of LASS Admin Costs		11,101	11,101	0	22,202	22,202	22,116
<b>Total Expenses</b>		<b>122,555</b>	<b>41,851</b>	<b>(80,704)</b>	<b>106,702</b>	<b>268,579</b>	<b>298,896</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>		<b>(40,667)</b>	<b>14,851</b>	<b>(55,518)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(43,053)</b>
<b>Non-Cash Expenses</b>							
Depreciation		164,061	164,061	0	328,122	328,122	328,122
Earnings before interest and tax		(204,728)	(149,210)	(55,518)	(378,122)	(378,122)	(371,175)
<b>Net Surplus (Deficit) before tax</b>		<b>(204,728)</b>	<b>(149,210)</b>	<b>(55,518)</b>	<b>(378,122)</b>	<b>(378,122)</b>	<b>(371,175)</b>
<b>Cash Surplus</b>							
Less prior year surpluses deducted		0	0	0	(50,000)	(50,000)	0
Cash Surplus / (Deficit)		(40,667)	14,851	105,891	0	0	(43,053)

**Notes**

- 1) Higher member charges due to the delay of costs incurred for census update.
- 2) Unbudgeted expenditure and revenue for and from external parties has been received.
- 3) Census Update and Future Land Use Client Input expenditure budgeted for in the 2013/14 year, however costs not incurred until 2014/15 due to project delays.

# Shared Services

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Waikato Mayoral Forum**

	Notes	Year to Date			Full Year			Project to date
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year	
<b>Income</b>								
Governance	1	(570)	0	(570)	0	0	0	7,430
Spatial Plan		241,943	0	241,943	241,370	241,943	466,986	877,229
Economic Development		0	0	0	0	7,638	109,163	193,233
Waters		(12,917)	0	(12,917)	0	(12,917)	154,139	232,442
Roading (RATA)		456,000	456,000	0	0	456,000	49,180	555,180
Policy & Bylaws	2	20,000	0	20,000	0	46,000	20,000	40,000
Meeting Expenses		0	0	0	7,000	7,000	5,000	5,000
<b>Revenue</b>		<b>704,456</b>	<b>456,000</b>	<b>248,456</b>	<b>248,370</b>	<b>745,664</b>	<b>799,468</b>	<b>1,910,514</b>
<i>Less Revenue in Advance</i>	3	<i>(487,457)</i>	<i>(331,815)</i>	<i>(155,642)</i>	<i>0</i>	<i>476,732</i>	<i>(268,602)</i>	<i>(965,668)</i>
Interest Received - SSI		0	0	0	0	0	3,294	
<b>Total Income</b>		<b>216,999</b>	<b>124,185</b>	<b>92,814</b>	<b>248,370</b>	<b>1,222,396</b>	<b>539,160</b>	<b>944,846</b>
<b>Expenses</b>								
Governance		0	0	0	0	0	0	7,430
Spatial Plan		112,903	120,685	7,782	241,370	658,050	180,679	332,082
Economic Development		27,170	0	(27,170)	0	29,020	109,998	199,019
Waters		0	0	0	0	0	166,240	232,440
Roading (RATA)		75,395	0	(75,395)	0	482,192	54,988	148,383
Policy & Bylaws		1,530	0	(1,530)	0	46,134	19,866	21,396
Meeting Expenses		0	3,500	3,500	7,000	7,000	4,095	4,095
<b>Total Expenses</b>		<b>216,999</b>	<b>124,185</b>	<b>(92,814)</b>	<b>248,370</b>	<b>1,222,396</b>	<b>535,866</b>	<b>944,846</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,294</b>	<b>0</b>
Earnings before interest and tax		0	0	0	0	0	3,294	
<b>Net Surplus (Deficit) before tax</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,294</b>	

**Notes**

- 1) Governance budget surplus of \$570 transferred to Spatial Plan.
- 2) Policy & Bylaws forecast of \$46,000 - \$20,000 for Phase 2 Regional Infrastructure Technical Specification, and \$26,000 for Phase 3 Policy Consolidation proposal.
- 3) The split of the balance of \$965,668 of revenue in advance for individual projects is:

Meeting expenses	\$905
Planning	\$545,147
Roading	\$406,796
Bylaws	\$18,604
Economic Development	(\$5,786)

# Procurement

**Local Authority Shared Services Ltd  
Management Accounts for the Period Ended 31 December 2014  
Procurement of Shared Services**

	Notes	Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
<b>Income</b>							
N3 Membership Fee Recovery		0	0	0	18,000	18,000	18,000
ValueFinancials Fee Recovery		0	0	0	46,750	46,750	44,006
Insurance Brokerage Fee Recovery		147,500	147,500	0	147,500	147,500	147,501
Infometrics Fee Recovery	1	0	0	0	0	51,200	70,400
Debt Management Solutions Recovery	2	7,880	0	7,880	0	7,880	0
<b>Total Income</b>		<b>155,380</b>	<b>147,500</b>	<b>7,880</b>	<b>212,250</b>	<b>271,330</b>	<b>279,907</b>
<b>Expenses</b>							
N3 Membership Fee		0	0	0	18,000	18,000	18,000
ValueFinancial Fees		0	0	0	46,750	46,750	44,006
Insurance Brokerage Fee Payable		147,500	147,500	0	147,500	147,500	147,500
Infometrics	1	0	0	0	0	51,200	70,400
Debt Management Solutions	2	7,880	0	(7,880)	0	7,880	0
<b>Total Expenses</b>		<b>155,380</b>	<b>147,500</b>	<b>(7,880)</b>	<b>212,250</b>	<b>271,330</b>	<b>279,907</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>							
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Earnings before interest and tax</b>							
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Surplus (Deficit) before tax</b>							
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Notes**

- 1) Infometrics provide a web based economic profile and the participating councils are HCC, TCDC , WDC and Waipa DC.
- 2) Debt Management Solutions relates to a joint investigation project between WRC, WDC, HCC, MPDC and Waipa DC which has now been completed.



# Information Technology

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Information Technology**

	Notes	Year to Date Actual YTD	Budget	Variance	Budget	Full Year Forecast	Last Year
<b>Income</b>							
SISP Funding		0	0	0	0	0	99,999
<b>Total Income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99,999</b>
<b>Expenses</b>							
SISP Consultancy Services		0	0	0	0	0	86,586
Meeting Expenses		181	0	(181)	0	181	882
Printing and Stationery		0	0	0	0	0	65
<b>Total Expenses</b>		<b>181</b>	<b>0</b>	<b>(181)</b>	<b>0</b>	<b>181</b>	<b>87,533</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>							
		<b>(181)</b>	<b>0</b>	<b>(181)</b>	<b>0</b>	<b>(181)</b>	<b>12,466</b>
Earnings before interest and tax		(181)	0	(181)	0	(181)	12,466
<b>Net Surplus (Deficit) before tax</b>		<b>(181)</b>	<b>0</b>	<b>(181)</b>	<b>0</b>	<b>(181)</b>	<b>12,466</b>
<b>Cash Surplus</b>							
Cash Surplus / (Deficit)		(181)	0	(181)	0	(181)	12,466
Balance of Cash Surplus / (Deficit)		12,285	0	12,285	0	(181)	0

# Professional Services Panel

**Local Authority Shared Services Ltd**  
**Management Accounts for the Period Ended 31 December 2014**  
**Professional Services Panel**

	Notes	Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
<b>Income</b>							
Professional Services Panel Funding		0	0	0	0	0	79,300
<b>Total Income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,300</b>
<b>Expenses</b>							
Consultancy Services		2,767	0	(2,767)	0	2,767	78,373
<b>Total Expenses</b>		<b>2,767</b>	<b>0</b>	<b>(2,767)</b>	<b>0</b>	<b>2,767</b>	<b>78,373</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITA)</b>		<b>(2,767)</b>	<b>0</b>	<b>(2,767)</b>	<b>0</b>	<b>(2,767)</b>	<b>927</b>
Earnings before interest and tax		(2,767)	0	(2,767)	0	(2,767)	927
<b>Net Surplus (Deficit) before tax</b>	1	<b>(2,767)</b>	<b>0</b>	<b>(2,767)</b>	<b>0</b>	<b>(2,767)</b>	<b>927</b>

**Notes**

1) Deficit to be offset by forecasted Company Administration surplus.

# Balance Sheet

**Local Authority Shared Services Ltd**  
**Balance Sheet**  
**As at 31 December 2014**

	Notes	Actual YTD	Year to Date Budget	Variance	Full Year Budget	Last YTD
<b>CAPITAL</b>						
Shares - SVDS		1,607,001	1,607,001	0	1,607,001	1,607,001
Shares - WRTM		1,350,000	1,350,000	0	1,350,000	1,350,000
Profit and Loss		(1,415,694)	(1,566,237)	150,543	(1,566,237)	(920,638)
Plus Current Year Operating Surplus/(Deficit)		(228,556)	(173,417)	(55,139)	(525,778)	(495,055)
<b>TOTAL CAPITAL FUNDS</b>		<b>1,312,751</b>	<b>1,217,347</b>	<b>95,404</b>	<b>864,986</b>	<b>1,541,308</b>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Prepayments		2,848	0	2,848	1,868	150,348
Accounts Receivable	1	86,415	15,292	71,124	3,557	479,482
Accounts Receivable Accruals	2	287,310	0	287,310	0	0
Accrued Interest		336	0	336	0	271
RWT On Interest		6,040	96	5,944	224	5,184
Local Authority Shared Services 00	3	252,178	6,676	245,502	6,731	92,829
Local Authority Shared Services On-Call	3	573,789	160,467	413,321	47,103	306,421
BNZ - Term Deposit 020		43,850	0	43,850	0	43,348
GST Paid		(14,055)	4,537	(18,592)	(9,522)	42,622
<b>TOTAL CURRENT ASSETS</b>		<b>1,238,711</b>	<b>187,068</b>	<b>1,051,643</b>	<b>49,960</b>	<b>1,120,506</b>
<b>NON-CURRENT ASSETS</b>						
SVDS - Intangible Asset		3,063,652	3,103,038	(39,386)	3,142,359	3,055,875
WRTM - Intangible Asset		2,296,855	2,296,855	0	2,296,855	2,296,855
MoneyWorks Software		1,195	1,195	0	1,195	1,195
Accumulated Depreciation	4	(4,243,597)	(4,312,264)	68,666	(4,548,273)	(4,032,836)
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,118,104</b>	<b>1,088,824</b>	<b>29,280</b>	<b>892,136</b>	<b>1,321,089</b>
<b>NET ASSETS</b>		<b>2,356,815</b>	<b>1,275,891</b>	<b>1,080,922</b>	<b>942,096</b>	<b>2,441,595</b>
<b>LESS CURRENT LIABILITIES</b>						
Accounts Payable	5	63,975	58,544	5,430	67,035	381,063
Accounts Payable Accrual		14,370	0	14,370	10,075	40,930
ACC Prepayments		52	0	52	0	83
Revenue in Advance	6	965,666	0	965,666	0	478,211
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,044,063</b>	<b>58,544</b>	<b>985,518</b>	<b>77,110</b>	<b>900,287</b>
<b>NET WORKING CAPITAL</b>		<b>1,312,751</b>	<b>1,217,347</b>	<b>95,404</b>	<b>864,986</b>	<b>1,541,308</b>

## Notes

- 1) Outstanding Receivables are expected to be received in January. No issues to note.
- 2) Accounts Receivable accruals include contributions for Spatial Plan of \$277,579 (GST incl) not invoiced until January.
- 3) Funds are higher than budgeted primarily due to Mayoral Forum funds not yet spent and prior years surpluses to be offset during the year.
- 4) Accumulated depreciation is lower than budgeted due to an adjustment to the useful life of the SVDS asset in the prior financial year.
- 5) Payables are higher due to unbudgeted invoices for the Mayoral Forum.
- 6) Unbudgeted revenue in advance relates to contributions for the Mayoral Forum projects.

# Statement of Cashflows

Local Authority Shared Services Ltd  
Statement of Cashflows  
As at 31 December 2014

	Actual YTD	Full Year	Last YTD
<b>Cashflows from Operating Activities</b>			
Interest Received	6,774	800	14,156
Receipts from Other Revenue	1,632,873	1,184,191	1,905,150
Payments to Suppliers	(1,260,473)	(1,329,850)	(1,964,577)
Taxes Paid	(856)	(224)	(3,958)
Goods & Services tax (net)	56,677	(3,173)	(9,406)
Net cash from operating activities	434,995	(148,256)	(58,635)
Purchase of Intangible Assets	(7,776)	(78,643)	(69,914)
Net cash from investing activities	(7,776)	(78,643)	(69,914)
<b>Net increase in cash, cash equivalents and bank accounts</b>	427,218	(226,899)	(128,549)
Opening cash and cash equivalents and bank overdrafts	442,598	280,733	571,148
<b>Closing cash, cash equivalents and bank accounts</b>	<b>869,816</b>	<b>53,834</b>	<b>442,598</b>
<b>Summary of Bank Accounts</b>			
BNZ - Cheque a/c	252,178	6,731	92,829
BNZ - Call a/c	573,789	47,103	306,421
Term Deposit	43,850	0	43,348
<b>Closing Balance of Bank</b>	<b>869,816</b>	<b>53,834</b>	<b>442,598</b>

## **Appendix 2**

The following policies have been adhered to in the completion of this financial report:

### **Accounting Principles**

Financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (GAAP), the Financial Reporting Act 1993 and NZ IFRS Standards.

### **Specific Accounting Principles**

The following particular principles which have a significant effect on the measurement of financial position apply:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.

### **Intangible Assets**

Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but no greater than seven years.

Depreciation is provided on a straight line basis on all assets other than land, and align with normal accepted depreciation for the types of services being developed.

### **Impairment Testing**

Assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

### **Inventories**

It is not envisaged that the company will hold inventories, other than those that might relate to providing electronic services to a number of parties. They are valued at net realisable value.

### **Taxation**

Taxation is provided as required against the company in line with the required legislation.

### **Audit**

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the Office of the Auditor General is responsible for auditing the company's financial statements.

## **Dividend Payments**

It is not envisaged that the Board will make any recommendation about dividend, as any savings will be used to reduce service costs or for reinvestment in new services or upgrades.

## **Consolidated Shareholders' Funds**

In accordance with the Local Government Act 2002, the ratio of Consolidated Shareholders' Funds to Total Assets has been included within the Statement of Financial Position (Balance Sheet).

Consolidated Shareholders' Funds are defined as the sum of retained earnings, reserves and paid-up share capital.

## **Assets**

Total Assets include Current and Non-Current Assets, as disclosed in the Statement of Financial Position (Balance Sheet). This includes, but is not limited to, Bank, Debtors and Operational Assets.