MWLASS

breaking boundaries, building opportunities

Annual Report

Manawatū-Whanganui LASS Ltd.

For the year ended 30 June 2020

Contents

Entity Information

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

Legal Name of Entity

Manawatū-Whanganui LASS Ltd. (MW LASS Ltd.)

Entity Type and Legal Basis

MW LASS Ltd is a Public Limited Liability Company Incorporated and registered under the Companies Act 1993 and is a Council-Controlled Organisation as defined in section 6 of the Local Government Act 2002. MW LASS Ltd. is an exempt Council Controlled Organisation.

Entity's Purpose or Mission

The primary objective is to provide benefit to Councils and their staff through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. The vision is to:

- Promote collaboration between Councils in the Manawatū-Whanganui Region in delivery of all services but particularly support services.
- Recognise that collaborative services can only be provided with the support and involvement of staff.
- That staff involved in the delivery of services have expert knowledge which can benefit the process.
- Capitalise on the the opportunities provided by technology to improve service delivery.
- To aspire to excellence and best practice in all services provided.

Entity Structure

The Company comprises of a Board of eight directors. The Board oversee the governance of MW LASS Ltd.

Main Sources of Entity's Cash and Resources

Funds are received by way of levies from each Council. These levies are set annually in the Operational Plan. MW LASS Ltd. also has user-pays services.

Outputs

MW LASS Ltd.'s outputs are to enable the provision of shared services to any or all local authorities within the Manawatū-Whanganui Region.

MW LASS Ltd. may also sell 'shared' processes and systems as set up under individual agreements to local authorities outside the Region.

Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for Councils.

For the 2019-20 year MW LASS continued to offer the following shared services of:

Debt collection and archiving for the region and we are currently exploring a new collaborative approach to health and safety across the region.

The debt collection unit has continued to grow and this year has collected $4.54 millon of debt. Five new non-member councils enlisted their debt with the unit this year, taking the total council membership to 24.

Shared procurement has continued, the key areas being insurance, ERoads, shared valuation database, a collaboration portal and the internal auditor service. In addition two member councils have commenced a shared procurement of an automated accounts payable system.

MW LASS will continue to look for ways to create efficiencies in either shared procurement and services.

Directors Report

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

State of Affairs

The year ended 30 June 2020 was the eleventh full year of operations. The net result for the company was a surplus of $34,186 after tax for the year.

Financial Statements

The financial statements required by Section 67 of the Local Government Act 2002 (LGA (2002)), together with the audit report required by Section 69 of the LGA (2002), are attached hereto.

Directors

The following directors were in office at the end of the year. Numbers in brackets refer to board meetings attended, compared to the numbers of meetings available.

B.P.King	(3/5)	(Tararua District Council)
M.J.McCartney	(4/5)	(Horizons Regional Council)
P.G.Beggs	(3/3)	(Rangitikei District Council)
D.Clapperton	(4/5)	(Horowhenua District Council)
K.A.Fell	(2/5)	(Whanganui District Council)
C.A.Manley	(5/5)	(Ruapehu District Council)
C.N.O'Connell	(5/5)	(Independent)
R.G.Templer	(4/5)	(Manawatu District Council)

Mr C.N. O'Connell, an independent Director, received remuneration of $10,000 during the year (last year $7,900). No other Director received any remuneration or other benefits in their capacity as Directors of the company during the financial year.

Registered Office

C/- Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North, 4410.

Auditors

Audit New Zealand on behalf of the Controller and Auditor General

Directors Insurance

The company has arranged Directors' and Officers' liability insurance cover for $5 million with AON NZ Insurance to indemnify the Directors against a loss as a result of actions undertaken by them as Directors provided they operate within the law.

Interest Register

The directors have the following interests;

M J McCartney Dundas Farms Limited

D Clapperton KAI TIPU ORA Limited

C N O'Connell MacVine International Limited

C N O'Connell is the audit chair for Rangitikei District Council audit and risk committee. Rangitikei District Council is a member council.

C A Manley Forever Gifts and Decor Limited

P G Beggs MS Consulting NZ Limited

Statement of Compliance and Responsibility

In terms of the Local Government Act 2002 and the Companies Act 1993, the Board of Directors is responsible for the preparation of Manawatū-Whanganui LASS Limited's financial statements and to assist the company to meet its objectives.

The Board of Directors of Manawatū-Whanganui LASS Limited has the responsibility for establishing and has established a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Directors' opinion, these financial statements fairly reflect the financial position and operations of Manawatū-Whanganui LASS Limited for the year ended 30 June 2020.

Signed on behalf of the Board of Directors:

______________________________ M.J. McCartney ______________________________ C.N. O'Connell

Date : 21 December 2022

Statement of Financial Performance

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

	NOTES	2020	2019
Revenue			
Administrative Revenue			
Interest Income		46	14
Total Administrative Revenue		**46**	**14**
Project Revenue			
Archives Central	1	404,470	396,190
Debt Management Central	2	423,394	429,629
Health & Safety	3	-	64,056
Internal Audit	4	-	2,538
Shared Services	5	332,640	311,615
Total Project Revenue		**1,160,504**	**1,204,028**
Revenue from providing goods or services			
Revenue		32,913	-
Total Revenue from providing goods or services		**32,913**	**-**
Total Revenue		1,193,463	1,204,042
Expenses			
Administrative Expenditure			
Accounting & Audit		27,393	25,829
Administration, Accomodation & Travel National		-	479
Advertising		210	350
Bank Fees		303	636
Board Expenses		11,710	9,372
Executive Officer & Secretary		20,000	15,000
Insurance		30,804	6,493
Legal expenses		3,109	7,955
Motor Vehicle Expenses		149	513
Other Staff Costs		28,146	55,275
Printing & Stationery		582	-
Recruitment Expenses		836	613
Repairs and Maintenance		-	261
Sundry Expenses		85	465
Total Administrative Expenditure		**123,328**	**123,241**
Project Expenditure			
Archives Central	1	418,758	433,607
Debt Management Central	2	315,107	273,035
Health and Safety	3	-	60,367
Internal Audit	4	-	2,538

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

	NOTES	2020	2019
Shared Services	5	288,788	259,726
Total Project Expenditure		1,022,654	1,029,273
Total Expenses		1,145,982	1,152,514
Surplus/(Deficit) before Taxation		47,481	51,528
Taxation			
Taxation	6	13,295	14,428
Surplus/(Deficit) after Taxation		34,186	37,100

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Statement of Financial Position

Manawatū-Whanganui LASS Ltd.
As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Bank Accounts and Cash	8	54,664	261,472
Debtors	7	135,803	91,816
Prepayments		74,692	70,534
Goods and Services Tax		33,285	15,307
Resident Withholding Tax Paid		34	21
Total Current Assets		**298,478**	**439,149**
Non-Current Assets			
Property, Plant and Equipment	9	181,381	119,922
Total Non-Current Assets		**181,381**	**119,922**
Total Assets		**479,859**	**559,071**
Liabilities			
Current Liabilities			
Creditors and Accrued Expenses	10	153,825	234,803
Employee Entitlements		21,483	16,001
Income in Advance		48,083	49,266
Debt Holding Account	11	8,779	45,734
Income Tax	6	9,569	9,334
Total Current Liabilities		**241,739**	**355,138**
Total Liabilities		**241,739**	**355,138**
Total Assets less Total Liabilities (Net Assets)		**238,120**	**203,933**
Accumulated Funds			
Capital Contributed by Owners or Members	12	112,000	112,000
Accumulated Surpluses or (Deficits)	12	126,120	91,933
Total Accumulated Funds		**238,120**	**203,933**

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Statement of Cash Flows

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

	2020	2019
Cash Flows from Operating Activities		
Receipts from providing goods or services	1,118,930	1,201,383
Interest, dividends and other investment receipts	46	14
GST	(37,625)	7,610
Payments to suppliers and employees	(1,154,748)	(1,117,170)
Sundry Revenue	3,193	5,336
Income Tax	(13,060)	(10,219)
Interest Witholding Tax Paid	(13)	(4)
Total Cash Flows from Operating Activities	**(83,277)**	**86,949**
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(86,575)	-
Cash Flows from Other Investing and Financing Activities	(36,956)	-
Total Cash Flows from Investing and Financing Activities	**(123,531)**	-
Net Increase/ (Decrease) in Cash	**(206,807)**	**86,949**
Cash Balances		
Cash and cash equivalents at beginning of period	261,472	174,522
Cash and cash equivalents at end of period	54,664	261,472
Net change in cash for period	(206,807)	86,949

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Statement of Accounting Policies

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

Reporting Entity

Manawatū-Whanganui LASS Ltd. (MW LASS Ltd.) is an exempt Council Controlled Organisation (CCO), owned equally by six District Councils and one Regional Council in the Manawatu-Wanganui Region. MW LASS Ltd. was incorporated on 21 October 2008, and commenced trading after 30 June 2009. MW LASS Ltd. was primarily incorporated for the purposes of a local authority shared services facility, and has designated itself a Public Benefit Entity (PBE), in keeping with the designations of member shareholders.

The Financial Statements are those of MW LASS Ltd., for the year ended 30 June 2020 and were authorised for issue by the Board of Directors on 21 December 2022.

Public Benefit Entity Simple Format reporting

MW LASS Ltd. qualifies for Public Benefit simple Format Reporting - Accrual (PBE-SFR-A) on the basis that the Company is not publicly accountable (as defined) and has total annual expenses of less than $2 million.

Basis of Preparation

The Financial Statements have been prepared on the going concern basis, and the accounting policies have been applied consistantly throughout the period. The Financial Statements have been prepared on a historical cost basis. All transactions in the Financial Statements are reported using the accrual basis of accounting.

Statement of Compliance

The financial Statements of MW LASS Ltd. have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with the New Zealand Generally Accepted Accounting Practice (NZGAAP).

The Financial Statements comply with Tier 3 PBE Standards.

Presentation Currency and Rounding

The Financial Statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of MW LASS Ltd. is New Zealand Dollars (NZD).

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

There have been no significant changes in accounting policies.

Capital Management

MW LASS Ltd.'s capital is its equity (or member Councils' Funds), which comprise retained earnings. This is represented by MW LASS Ltd's. net assets.

The activities of MW LASS Ltd. are governed by its Board of Directors which requires MW LASS Ltd. to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings, prudently, and in a manner that promotes the current and future interests of the members councils. This approach is confirmed through the Operational Plan.

MW LASS Ltd's Operational Plan also identifies the accounting principles, activities and annual budgets, and sets out the sources and level of funding necessary to achieve these.

There are no imposed capital requirements that MW LASS Ltd. is subject to.

Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are reconised on an accrual basis, in proportion to the stage of completion at balance date.

Interest Revenue is recorded as it is earned.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Bank Accounts and Cash

Bank accounts and cash include; cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Goods and Services Tax (GST)

MW LASS Ltd. is registered for GST; these financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expenses calculated using the taxes payable method. As a result no allowance is made for deferred tax. Tax expenses includes the current tax liability and adjustments to prior year tax liabilities.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probably that future econcomic benefits or service potential associated with the item will flow to MW LASS Ltd., and the cost of the item can be measured reliably. In most instances, such items are recognised at cost. Where an asset is acquired at no, or nominal cost, it is recognised at fair value as at the date of acquisition.

If the value of the asset is under $2,000; this is not recognised as an asset and instead is treated as an operating expense.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying value of the asset. Gains and losses on disposals are included in the statement of financial performance.

Depreciation

Operation assets as listed below are depreciated on the straight-line basis at rates that will write off the cost (or valuation) less their estimated residual values, over their useful lives, as follows;

Communication, computer and heating equipment	5 years
Furniture, fittings and leasehold improvements	6-15 years
Other Assets - Plant & Machinery	10 years
Other Assets - Equipment and Electronics (other)	8-12.5 years
Software	5-10 years

Leases

Operating leases

An operating lease is a lease that does not transfer automatically all the risks and rewards incidental to ownership of an asset. Where MW LASS Ltd. is the leasee, lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Impairment of Non-Financial Assets

Assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where there is an indicator of impairment, the asset's recoverable amount is estimated. An impariment 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 its value in use.

If there is any indication that an impairment charge recorded in prior periods may no longer exist or has reduced, an impairment reversal is recognised. The reversal of impairment shall be all or part of the previous impairment charge. However, it must not result in the carrying amount of the asset (net of depreciation) being recorded at more than it would have been had the impairment not been recorded.

Tier 2 PBE Accounting Standads applied

The company has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Notes to the Performance Report

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

1. Archives Central Project Revenue and Expenditure

	2020	2019
Revenue		
Copying Revenue	135	178
Levies Revenue	376,093	363,923
Rent Revenue	24,365	26,753
Sundry Revenue	3,877	5,336
Total Revenue	**404,470**	**396,190**
Expenditure		
Conferences & Workshops	4,707	2,235
Consultants Expenses	-	1,585
Depreciation	12,043	10,662
IT	53,191	24,898
Meetings	27	-
Other Staff Costs	2,927	28,783
Packaging & Storage Items	1,854	-
Printing And Stationery	15,868	16,308
Property Expenses	161,279	168,476
Archives Salary	164,175	148,640
Subscriptions	35	940
Supplies	1,508	2,423
Temporary Contract Staff	-	22,617
Tools & Equipment (Non Capital)	1,077	4,885
Vehicle Running Costs	68	1,155
Total Expenditure	**418,758**	**433,607**

2. Debt Management Central Revenue and Expenditure

	2020	2019
Revenue		
Commission	384,514	395,482
Sundry Income	38,880	34,147
Total Revenue	**423,394**	**429,629**
Expenditure		
Bank Fees	1,730	1,774
Building Overhead	8,022	9,439
Cleaning, Consumables	-	128
Consulting & Agency Fees	655	3,775
Depreciation Expense	5,633	4,269
Furniture & Equipment	5,034	1,131
Information/Subscriptions Expense	440	591
IT/Computing Costs	5,665	512

IT Software	5,769	7,218
Management Overhead	6,287	5,000
Legal Proceedings Expense	36,720	30,412
Photocopying & Stationery	8,425	3,194
Staff Expenses	227,733	200,158
Sundry Expenses	493	1,131
Telecommunications	703	1,347
Travel Costs	1,561	2,241
Vehicle Running	238	717
Total Expenditure	**315,107**	**273,035**

3. Health and Safety Revenue and Expenditure

	2020	2019
Revenue		
Levies Income	-	64,056
Total Revenue	**-**	**64,056**
Expenditure		
Consultancy Expense	-	45,870
Leave Expense	-	(1,732)
Salary	-	16,119
Sundry Expenses	-	110
Total Expenditure	**-**	**60,367**

4. Internal Audit

	2020	2019
Revenue		
Service Fees	-	2,538
Total Revenue	**-**	**2,538**
Expenditure		
Consultants Fees	-	2,538
Total Expenditure	**-**	**2,538**

5. Shared Services Project Revenue and Expenditure

	2020	2019
Revenue		
Acuity Database Services Income	25,788	25,788
Collaboration Portal Revenue	8,400	28,000
Eroads - Revenue	114,342	109,029
Shared Services Income - Members	47,550	12,000
Shared Valuation Database - Members Income	58,883	59,121

	2020	2019
Shared Valuation Database - Non Members Income	77,677	77,677
Total Revenue	**332,640**	**311,615**
Expenditure		
Acuity Database Services Expenses	51,555	51,576
Collaboration Portal Expenses	8,400	28,000
Eroads - Expense	122,400	109,029
Shared Services Expenses	47,550	12,000
Shared Valuation Database Expenses	58,883	59,121
Total Expenditure	**288,788**	**259,726**

6. Income Tax Liability

	2020	2019
Income Tax		
Current Tax	13,295	14,428
Adjustments to Current Tax in Prior Years	-	-
Total Income Tax	**13,295**	**14,428**
Relationship between Current Income Tax Expense and Accounting Surplus		
Net Surplus/(deficit) before Tax		
Current Year Earnings	47,481	51,528
Total Net Surplus/(deficit) before Tax	**47,481**	**51,528**
Total Relationship between Current Income Tax Expense and Accounting Surplus	**(47,481)**	**(51,528)**
Tax at 28%	13,295	14,428
Plus/(Less) Tax effects of Temporary adjustments	-	-
Plus/(Less) Tax effects of unrecognised tax losses	-	-
Current Income Tax Expense		
Current Income Tax Expense	13,295	14,428
Less Tax Paid	(3,726)	(5,094)
Total Current Income Tax Payable	**9,569**	**9,334**

7. Trade and Other Receivables

	2020	2019
Accounts Receivable	135,803	83,752
Accrued Revenues	-	8,064
Total Trade and Other Receivables	**135,803**	**91,816**

	2020	2019
8. Bank Accounts and Cash		
Call Account	30,501	5,468
Cheque Account	15,234	211,300
Debt Recovery Account	8,779	44,554
Petty Cash Account	150	150
Total Bank Accounts and Cash	54,664	261,472

The Accounts Receivable figure includes $59,903 of Related Parties (last year $64,214)

9. Property, Plant and Equipment

	Furniture and Fittings	Computer and Software	Other Assets	Total
Carrying amount as of 1 July 2019	103,414	15,159	1,349	119,922
Additions	9,438	69,697	-	79,135
Work In Progress	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation Expense	(9,446)	(7,593)	(636)	(17,675)
Carrying amount as of 30 June 2020	**103,406**	**77,263**	**713**	**181,382**

	Furniture and Fittings	Computer and Software	Other Assets	Total
Carrying amount as of 1 July 2018	112,308	13,118	1,985	127,411
Additions	-	7,440	-	7,440
Work In Progress	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation Expense	(8,894)	(5,399)	(636)	(14,929)
Carrying amount as of 30 June 2019	**103,414**	**15,159**	**1,349**	**119,922**

	2020	2019
10. Creditors and accrued expenses		
Accounts Payable	141,466	219,967
Accrued Expenses	12,359	14,836
Total Creditors and accrued expenses	153,825	234,803

11. Debt Holding Account

The Debt Holding Account of $8,779 (last year $45,734) reflects the balance of the Debt Recovery bank account which relates to money collected by Debt Management Central and is to be paid onto the appropriate Council customer to which the debt was collected on behalf of $3,005.59 (last year $37,275) is held on hand for related parties.

12. Equity

	2020	2019
Capital contributed by owners or members		
Opening Balance	112,000	112,000
Total Capital contributed by owners or members	**112,000**	**112,000**
Accumulated Funds		
Opening Balance	91,933	54,833
Accumulated surpluses or (deficits)	34,186	37,100
Total Accumulated Funds	**126,120**	**91,933**
Total Equity	**238,120**	**203,933**

There are 112 shares of no par value on issue. All rights to vote, alter the constitution, appoint and remove directors, approve amalgamation and major transactions participate in distributions, and share in any surplus assets, attach equally to all of the shares on issue.

13. Related Parties

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the entity would have adopted in dealing with the party at arm's length in the same circumstances.

14. Commitments

	2020	2019
Commitments to lease or rent assets		
Less than, and up to one year	133,248	133,248
Two to five years	532,992	532,992
Greater than five years	299,808	433,056
Total Commitments to lease or rent assets	**966,048**	**1,099,296**

As at balance date MW LASS Ltd. has an operating lease commitment as Lessee totalling $966,048 covering the balance of a 15 year lease of Feilding premises from the Manawatu District Council for the MW LASS Ltd. building, (Last year $1,099,296). This commitment is summarised in the table above.

15. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2020 (Last year - nil).

16. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

17. Specific Disclosures

There was one staff member receiving remuneration in excess of $100,000. (last year nil)

MW LASS Ltd. recognised audit fees of $10,537 (last year $8,823) for the 2019-2020 annual report and accounts.

18. Subsequent Events

As of 22 September 2021, MW LASS Ltd signed a new lease with MWRC Holdings Ltd, after MWRC Holdings Ltd purchased the Feilding premise from which MW LASS operates. The lease was signed for $150k per annum for a term of 15 years, with two (2) rights of renewal of five (5) years each (Last year – nil). The first market rent review is schedule for 22 September 2024, and every three years thereafter.

19. Impact of Covid 19 on the Trust

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March 2020 to 27 April 2020 and remained in lockdown at Alert Level 3 until 13 May 2020. The country moved to Alert Level 1 on 9 June 2020. Additionally, parts of the country moved into Alert Level 2 for some time during August and September 2020 and during February and March 2021.

The COVID-19 pandemic and resulting lockdowns had minimal impact on MW LASS's financial performance as most operational services remained unaffected.

Some MW LASS staff were deployed by Horizons Regional Council as part of a co-ordinated emergency response. The time worked by MW LASS staff was reimbursed by Horizons Regional Council. This is recognised as revenue by MW LASS.

Statement of Intent

Manawatū-Whanganui LASS Ltd.
For the year ended 30 June 2020

As MW LASS Ltd. (the Company) is an exempt Council Controlled Organisation, no reporting under this subject is required.

(At the Directors' meeting on 11 February 2019, it was resolve that all member Council's confirm the exemption of Manawatū-Whanganui LASS Limited from being a Council Controlled Organisation (CCO) for a further three years to 30 June 2022.)

Independent Auditor's Report

To the readers of Manawatu-Wanganui LASS Limited's financial statements for the year ended 30 June 2020

The Auditor-General is the auditor of Manawatu-Whanganui LASS Limited (the company). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company on his behalf.

Opinion

We have audited the financial statements of the company on pages 6 to 18, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, 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.

In our opinion, the financial statements of the company:

- present fairly, in all material respects:
  - its financial position as at 30 June 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standards.

Our audit was completed on 21 December 2022. This is the date at which our opinion is expressed.

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

Emphasis of matter – impact of the Covid-19 pandemic

Without modifying our opinion, we draw attention to the disclosures about the impact of the Covid-19 pandemic on the Company as set out in Note 19 on page 18 to the financial statements.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

The Board of Directors' responsibilities arise from the Companies Act 1993.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 5 and 19, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand