



COLAB

ANNUAL REPORT

FY 2024-2025

Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

CONTENTS



Summary	1
Top Achievements	2
3-Year Strategy	3
Benefits Of Collaboration	4
What We Did - Opportunity Development Projects	5
- Co-Lab Building Services	5
- Management Training Programme	5
- Waikato Water Done Well	6
- Collaborative Aerial Photography Syndicate (CAPS)	6
What We Did - Shared Services	7
- Satisfaction Survey Results	7
- RATA	8
- Co-Lab Water Services	9
- Geospatial Services	9
- WRTM	10
- Co-Lab Learning	11
- Waikato Building Consent Group (WBCG)	11
- Procurement Services	12
- RITS	12
- Energy & Carbon Management	13
Company Support	14
The Numbers	15
Performance Reporting	15
Performance Measures	16
Independent Auditor's Report	17
Financial Statements	21
Directory	43

SUMMARY

It is with great pride that we present Co-Lab's Annual Report for FY 2024-2025 - a year defined by innovation, collaboration, and meaningful impact across our Shareholding Councils. At the heart of everything we did was a clear focus: deliver value, strengthen shared services, and grow capability and culture.

Delivering Value

Councils collectively saved \$2m in efficiency gains by Co-Lab completing activity in lieu of councils, and \$8.52 million through joint procurement. These figures reflect more than just savings; they represent smarter ways of working together.

Our Water Services team continued to deliver at scale, completing 2,319 trade waste audits and over 105,000 lab tests, ensuring safe, compliant water, protecting the environment and the waste water network. Our Smart Water in Schools programme exceeded expectations, reaching 992 students across three districts. Co-Lab also played a pivotal role in Waikato Water Done Well, leading financial modelling and acting as the contracting party for seven councils - demonstrating our ability to support complex, multi-council initiatives.

Improving & Growing Shared Services

This year saw the launch of Co-Lab Building Services (CBS), a milestone that showcased the power of councils leaning in to solve shared challenges. CBS helps manage building consent processing overflow to ensure councils meet statutory timeframes - an example of shared services delivering real-world impact.

We also enhanced regional transparency and planning tools. The Waikato Open Data Hub now provides consistent regional data to planners, consultants, and communities. Meanwhile, the Hamilton Transport Model and WRTM GIS Viewer v2 offer robust support for infrastructure planning and growth.

Growing Capability & Culture

Stakeholder satisfaction rose to 88%, exceeding our KPI, with five service areas scoring over 90%. This is a testament to our commitment to quality and responsiveness.

We provided access to specialist expertise in areas such as asset management (RATA), regulatory services, and procurement - capabilities that might otherwise be out of reach for some of our smaller shareholding councils.

Through the Waikato Building Consent Group, we delivered high-quality training, developed collaborative submissions to central government consultations, and finalised a new IANZ-approved Quality Manual, strengthening regulatory consistency across the region.

We also demonstrated discipline and focus. When initiatives no longer delivered value - such as Co-Lab Learning - we made the decision to stop, reflect, and redirect resources to where they could have greater impact.

Financial Performance

Co-Lab closed the year with a deficit of \$75k, significantly lower than the budgeted deficit of \$1,004k. The larger budgeted deficit was part of a deliberate strategy to use some of Co-Lab's existing cash reserves to support key initiatives and maintain service delivery without increasing council contributions. The resulting favourable result was driven by reduced expenditure across Co-Lab Water Services, increased recovery of staff time through major projects, and prudent financial decisions.

Looking Ahead

As we enter Year Two of our three-year strategy, we are energised by the Board's commitment to innovation and commercial thinking. A clearer picture of the future of local government in our region will guide us as we continue to deliver shared solutions that enhance council performance for the benefit of ratepayers.

Thank you to our shareholders, business partners, other councils that we work with, and our dedicated team for making this year a success. Co-Lab exists to help councils do things better together - and this year, that purpose has never been clearer.



Peter Stubbs
WLASS Chair



Kelvin French
Chief Executive

We Are Better Together.

Maa te mahi tahi e eke ai.

TOP ACHIEVEMENTS FY2024-2025

Launched



- New Shared Service: Co-Lab Building Services launched with 7 councils; first building consent processed June 2025.

Geospatial



- Launched Waikato Open Data Hub, centralising regional datasets.

Waters



- Led Waikato Water Done Well modelling and contracting.
- Completed 2,319 trade waste audits, and 474 consents.
- Took 11,354 samples, and completed 105,222 tests.
- Smart Water Education: Exceeded targets; 55 classes, 992 students reached across 3 councils.

Transport Modelling



- Delivered Hamilton Transport Model
- Launched WRTM GIS Viewer v2

Joint Procurement



- Led/support for 5 joint procurements including Occupational Health (16 councils) and new Professional Services Panel (8 councils).

Regulatory Services



WBCG:

- Delivered 11 training sessions (216 participants), and a new IANZ-approved Quality Manual, and
- Developed consistent regional policies across member councils.

Satisfaction



- 88% overall stakeholder satisfaction (above 80% KPI)
- 5 services scored 90%+ satisfaction (RATA, Water Services, Geospatial, RITS, Procurement).

Stakeholder Engagement



- Co-Lab Shouts held at 8 councils
- Hosted End-of-Year Awards celebrating staff excellence.

3-YEAR STRATEGY

We've been committed to supporting our shareholding councils in their efforts to maximise the wellbeing of their communities. We know this can be achieved through collaboration - by working together to reduce duplication, streamline effort, and take cost out of the system.

We've completed year one of our 3-year strategy (outlined below). We've marked progress toward the strategic goals in our performance framework on page 17.

OUR VISION



Council collaboration through Co-Lab maximises community wellbeing

OUR PURPOSE



Support our councils to achieve this vision by helping them identify and realise shared opportunities

PERFORMANCE FRAMEWORK OUTCOMES



Reduce Costs

- Achieve efficiency gains & economies of scale
- Reduce duplication of effort & eliminate waste through repetition
- Help councils achieve an appropriate balance in risk & return

Create Value for Councils

- Improved levels of quality & service
- Increased skills & expertise
- Improved compliance
- Improved decision making

Enable Innovation & Change

- Research & development
- Promote & contribute to the development of best practice
- Coordinated & consistent approach to provision of services
- Communities engage with councils in our region on a consistent basis



3-YEAR S.M.A.R.T. GOALS

Strategic Goals (3-Year)

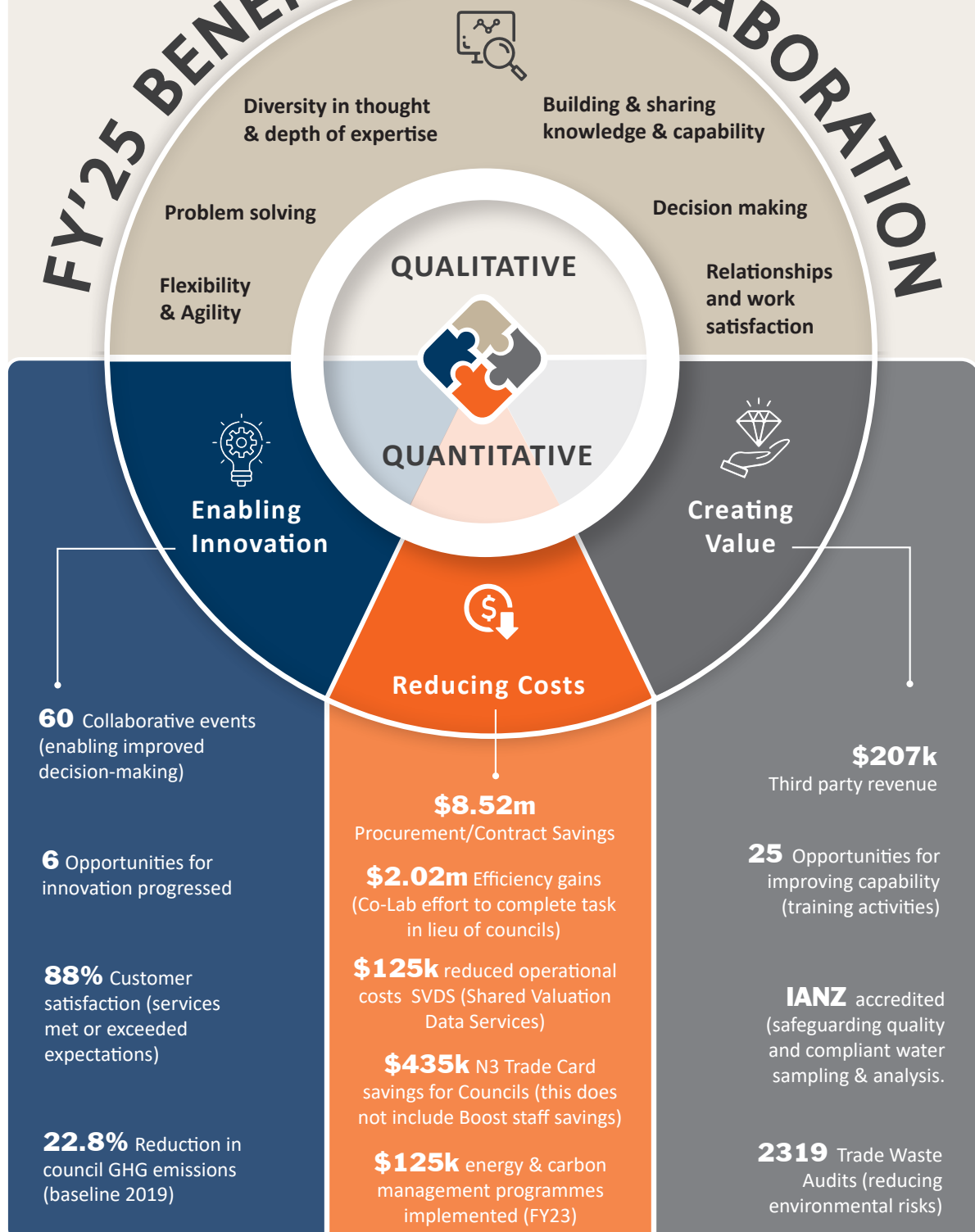
1. Shareholding Councils understand we provide them value
2. Deliver value by growing the scale of our shared service function
3. Diverse, talented and motivated people work for us

Objectives

- We know the value we provide shareholders has improved by 15%, by 30 June 2027
- By 30 June 2027, 80% of shareholders agree they get value from Co-Lab
- 24 New instances of Co-Lab's shared services being utilised by 30 June 2027
- Staff engagement is maintained at 85% or above, by 30 June 2027
- Staff turnover is less than 15% per annum
- Our vacancies are filled by suitable candidates within 3 months

Baseline y/e 30 June 2023

FY'25 BENEFITS OF COLLABORATION



We expect savings from procurement and the Professional Services Panel (PSP) to grow in future years. The new savings model works by giving rebates once spending reaches certain levels. As the updated PSP model only started halfway through the year, fewer thresholds were met—meaning limited savings were recorded this year. As spending increases, we anticipate stronger returns.

WHAT WE DID

OPPORTUNITY DEVELOPMENT PROJECTS

CO-LAB BUILDING SERVICES

In August 2024, a group of General Managers came to Co-Lab with a forward-thinking proposal: to establish a centralised hub for processing overflow building consents and helping councils maintain statutory timeframes during peak demand.

What started as a bold idea gathered momentum and now that idea is a reality. Co-Lab Building Services officially launched with the first council being onboarded in late June. The consent processing hub was co-designed by council General Managers, Co-Lab's Opportunity Development Team, and backed by seven early-adopter councils.

A newly formed Business Owner Committee, reporting to the Co-Lab Board, steer the service with strong strategic oversight.

It's a standout example of how regional collaboration can deliver practical, scalable solutions that benefit many parties.



MANAGEMENT TRAINING PROGRAMME



Following-on from the Right People, Right Place (RPRP) project focused on future workforce needs, Co-Lab and interested councils developed a framework for a region-wide Management Training Programme (MTP).

The programme aimed to build a coordinated approach to developing management capability through:

- Shared, cost-effective core training.
- Leadership pathway foundations, complementing existing council and Taituarā offerings.
- Practical skills training in planning, service delivery, and culture.

Unlike existing leadership initiatives, this was focused specifically on strengthening day-to-day management

capability. This programme was promoted following consultation with council People and Capability managers and analysis of the greatest workforce needs during the RPRP project. It was to be underpinned by the Management Capability Framework developed by Co-Lab Learning in consultation with councils.

Despite early interest, limited council commitment meant the programme didn't proceed. The closure of Co-Lab Learning also makes revisiting it more difficult.

*Ki te kotahi te kākaho, ka whati,
ki te kāpuia, e kore e whati*
*When a reed stands alone it is vulnerable,
but a group of reeds together is unbreakable*
KINGI TĀWHIAO

Let's
kōrero
wai

Talk water

WAIKATO WATER DONE WELL COLLABORATION

In response to the Government's Local Water Done Well policy directive, Waikato councils agreed to jointly explore the merits of a regional water services delivery entity.

Co-Lab has supported the work since its inception. Initially, this was on behalf of all Waikato councils. However, as distinct

partnership groups emerged, Co-Lab shifted its focus - at the request of the councils - to support the Waikato Water Done Well collaboration involving seven councils.

Co-Lab has served as an efficient mechanism for managing the financials of the collaboration and securing the necessary resources to deliver the programme. Additionally, Co-Lab also led the development of financial modelling to support council decision-making.

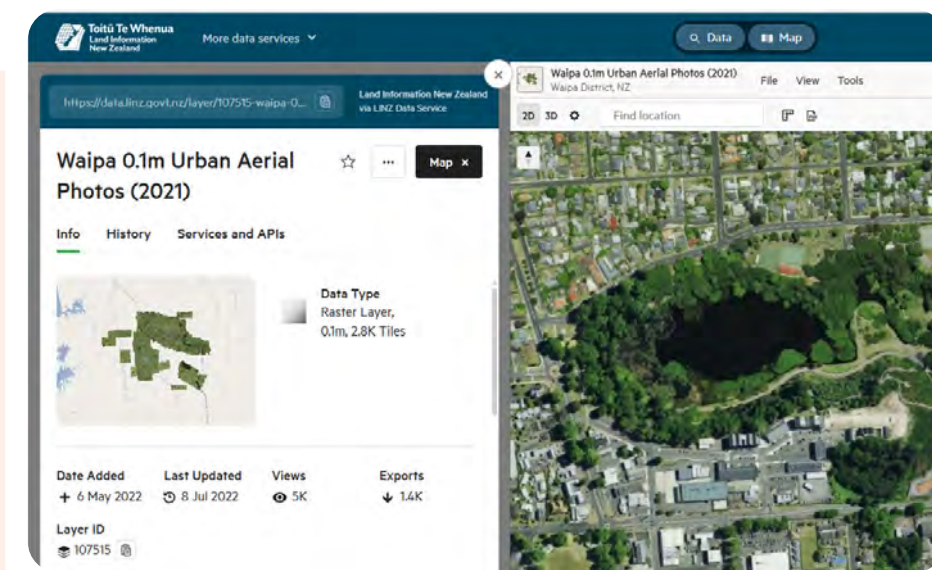
COLLABORATIVE AERIAL PHOTOGRAPHY SYNDICATE (CAPS 2025)

In June 2025, Co-Lab led a new joint procurement initiative - CAPS 2025 (Collaborative Aerial Photography Syndicate) - bringing together four regions: Manawātū-Whanganui, Nelson, Taranaki, and Waikato, along with their 22 territorial authorities.

Whereas historically, individual regions have managed their own procurement of aerial imagery, this new collaborative approach is designed to:

- **Deliver better value and transparency** through collective procurement
- **Encourage existing suppliers to invest** in new equipment and skilled personnel
- **Attract new providers** to the CAPS councils
- **Take a step toward a national specification** and, potentially, national contracts

New contracts are expected to be in place by 1 October 2025.



WHAT WE DID

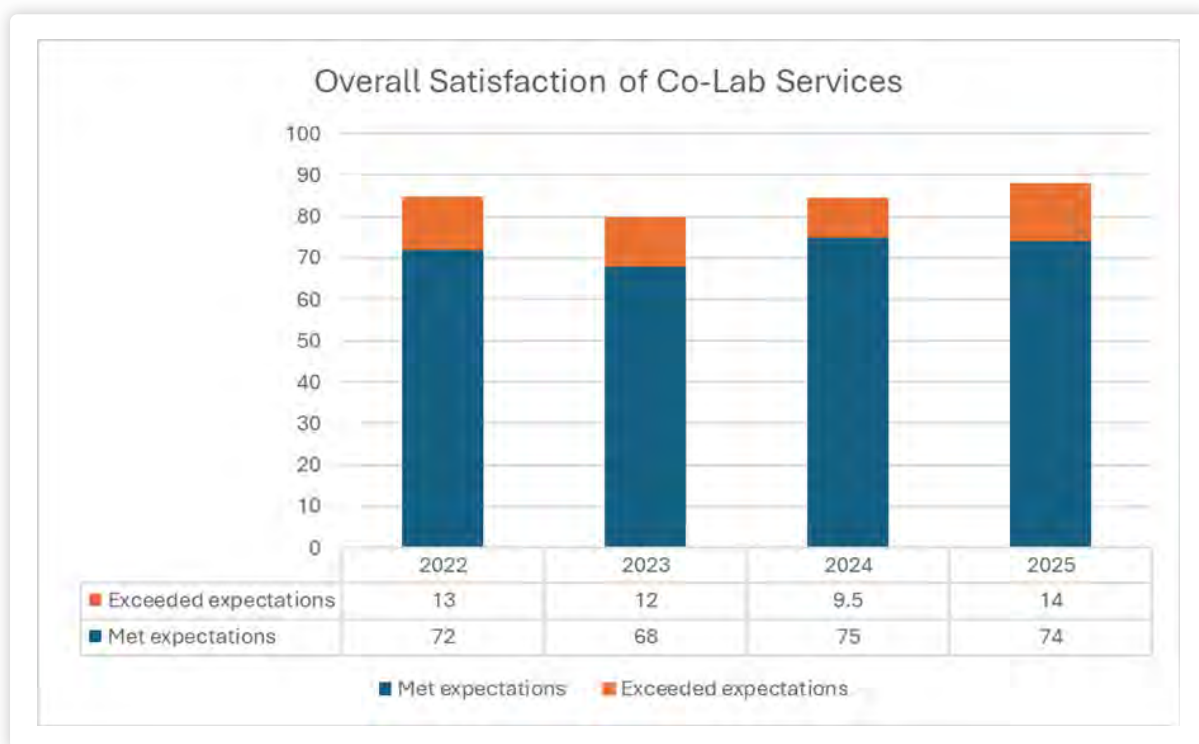
SHARED SERVICES

2024-2025 SHAREHOLDER SATISFACTION SURVEY RESULTS

In May 2025, shareholding councils (and NZTA Waka Kotahi for RATA) were asked to provide feedback on various elements of working with Co-Lab.

The questions asked in the survey covered Co-Lab services, the working parties and advisory groups, and Co-Lab company communications.

The survey was sent to 350 council stakeholders with 142 responses (40.6% response rate). Across the eight services to which the performance measure relates, the **overall satisfaction has increased to 88%** (84% in 2024) and Co-Lab **met the KPI of 80% in the performance framework**.



Five services had at least 90% of respondents saying the service had met or exceeded their expectations; RATA, Co-Lab Water Services, Co-Lab Geospatial Services, RITS, Co-Lab Procurement Services.

Of particular note was the result for the WBCG who met the KPI for the first time since we started the survey. **80% of these respondents said we met or exceeded their expectations, up from 50% in 2024.**

Several comments recognised the engaging and friendly nature of the Co-Lab team and their desire to solve problems.

“

“We had a great session with our ELT this year which really does demonstrate the keenness to add value.”

“I think much of the benefit comes from staying connected as a group, sharing ideas and perspective. Leveraging skills and experience across councils to support one another.”

”



RATA

RATA maintained a high standard of service in 2024-2025, with **97% of survey participants reporting that the programme delivered by the RATA team either met or exceeded their expectations.**

The team successfully delivered the agreed work programme for all 10 participating councils. This included on-site support for five councils who otherwise wouldn't have the resources to undertake the minimum data requirements for their transport assets as required by NZTA's co-funding arrangements. A key focus of this support was assisting with the transition to the new nationally mandated



Road Asset Management Data Standards - a significant change requiring dedicated effort and collaboration.

In addition, the RATA Team procured and commenced delivery of new Road Pavement Strength assessments (1559 lane kilometres) and Footpath Condition Assessment contracts (33 kilometres). These projects generated measurable cost savings through a joint procurement approach. The team also completed over 1159 traffic counts across the Waikato region, contributing to a more comprehensive understanding of transport network performance.

The addition of two new team members further strengthened technical capability within the team, bringing valuable industry experience that is now accessible to all participating councils.

To support the workforce development of councils, the RATA team also developed and delivered an updated Civil Engineering Cadetship Scheme, along with associated pro-forma documentation that is available for Councils to use as part of developing their in-house technical capability.



On-site support
for 5 councils



Developed & delivered an updated
Civil Engineering Cadetship Scheme



1159 Traffic Counts

33km of Footpath Condition
Assessment contracts



1559 lane kms of Road Pavement
Strength assessments



2 new team
members joined



Asset Valuation Project (RATA)

During 2024-2025, the RATA team delivered tools to support a regionally consistent approach to asset valuation. The project focused initially on transport and roading assets, specifically surfacing and pavement, to address inconsistencies in asset valuations.

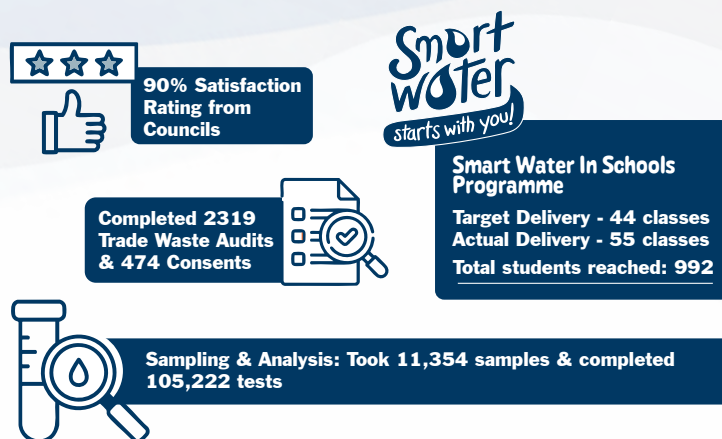
The aim was to create repeatable, efficient, and robust valuation processes that enable better-informed decision-making. Concerns had been raised that inconsistent base lives and replacement costs, due to limited regional benchmarking, could lead to either inflated depreciation charges for ratepayers or insufficient funding for asset renewals.

Key outputs included a Valuation Report Template, providing a standardised format for all transport asset classes, and a Regional Valuation Process Guide, both designed for easy adoption by councils and their suppliers. These tools reference the Regional Roding Asset Valuation Database (RRAVD), an annually updated resource containing unit rates and useful lives, with more asset classes to be added over time.

These resources are now available, and Co-Lab is actively encouraging councils' Roding and Finance teams to integrate them into their valuation processes.

WATER SERVICES

Throughout 2024-2025, a series of targeted workshops were held to explore opportunities for greater collaboration and efficiency across councils. These included discussions on joint procurement of backflow meters and the potential development of a shared stormwater audit service.



A dedicated workshop was also held to examine options for restructuring the Smart Water programme into smaller, more affordable packages to improve accessibility for Councils.

In addition, the compliance network forums continued to be a key platform for knowledge sharing and professional development, consistently receiving positive feedback from participants.

GEOSPATIAL SERVICES

This year, Co-Lab Geospatial Services remained focused on delivering against the Strategic Plan 2023–2026, working towards the vision: **Our people trust regional geospatial knowledge to make better decisions.**

Activities were aligned with three key objectives:

1. Making Geospatial Information Complete and Trustworthy

We improved data quality and accessibility by replacing outdated datasets, updating FME flows, and automating data transfers to reduce manual work. Broken links between data.govt.nz and the Waikato Data Portal were fixed, and the service supported councils with updated guidance. Discovery work identified room for improvement in consistency and accessibility of available data, and we began developing a new Data Publishers' Guide to support councils.

2. Ensuring a Great User Experience

We launched a helpdesk system with regular triage meetings and implemented an error reporting process to monitor FME issues. A web presence review helped prioritise user-impacting fixes. The redesigned Waikato Open Data Hub now brings datasets and maps together in one platform, and OneView web maps were rebuilt for improved reliability.

3. Identifying and Initiating Collaborative Projects

Collaboration remained a central focus. The service continued to host Geospatial Forums to support knowledge sharing and provided communication and administration support to WaiGIS to strengthen regional connections.

These efforts reflect the commitment to delivering high-quality, collaborative, and user-focused geospatial services.



WAIKATO REGIONAL TRANSPORT MODEL (WRTM)

The financial year marked significant progress for the WRTM Programme, with strategic model development, forward-looking investigations, enhanced transparency, and key agreements that will underpin operations and governance for years to come.

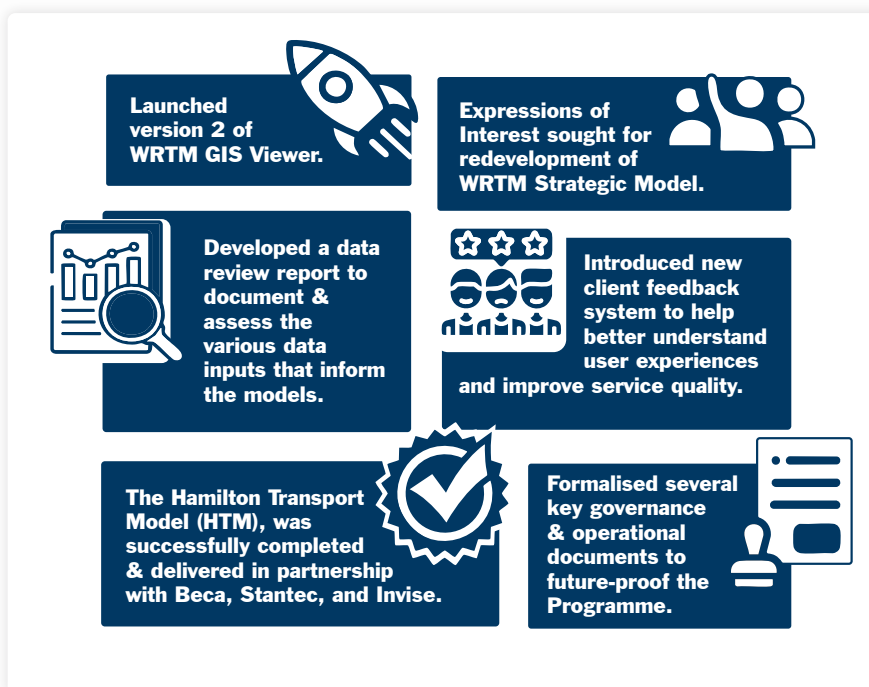
The Hamilton Transport Model (HTM), was successfully completed and delivered in partnership with Beca, Stantec, and Invisio. HTM provides a robust operational tool for understanding Hamilton's network performance under current and future scenarios. It is integrated with the WRTM strategic model to ensure alignment and scalability between local and regional assessments.

In support of ongoing model integrity and transparency, WRTM developed a data review report to document and assess the various data inputs that inform the models. This initiative sets a strong foundation for the procurement of the next-generation WRTM-S model and supports greater confidence in modelling outputs.

The second version of the WRTM GIS Viewer was launched, enhancing accessibility and usability for stakeholders. It offers a streamlined user interface, improved map interactivity, and better integration with model outputs, significantly increasing transparency and engagement across the programme.



WRTM formalised several key governance and operational documents to future-proof the Programme, such as the Multi-Party Funding Agreement (MPFA), Operation Model Agreement and an updated Terms of Reference, amongst others.



Expressions of interest were sought for the redevelopment of the WRTM Strategic Model (WRTM-S). The new model will incorporate lessons from HTM, enhanced data inputs, and potential integration pathways for emerging technologies.

WRTM also introduced a new client feedback system to help better understand user experiences and improve service quality. Initial feedback has been highly encouraging, 100% of respondents agreed it was meeting or exceeding their expectations. Communication and responsiveness were consistently praised, with several clients highlighting the team's professionalism, technical knowledge, and clarity in engagement.

CO-LAB LEARNING

Partway through Co-Lab Learning, it became evident that establishing a unified regional approach to learning and development was going to be more challenging than anticipated. Although initial council engagement was encouraging, sustaining alignment on shared priorities and outcomes proved difficult.

As a result, Co-Lab Learning was unable to fully deliver on its intended benefits, such as reducing duplication, saving time, and streamlining content development across the region.

Following the receipt of formal notices from several participating councils indicating their intent to withdraw from the service, a comprehensive review was undertaken. As a result of this review, a collective decision was made to disestablish Co-Lab Learning, effective from June 2025.

WAIKATO BUILDING CONSENT GROUP (WBCG)

The Co-Lab WBCG team delivered value by strengthening regional capability through joint training, quality assurance, and collaborative initiatives.

A total of 11 training sessions were delivered across seven priority topics to 216 participants from across the Waikato region. These cost-effective sessions supported technical development and helped ensure greater consistency in regulatory practice.

The Quality Assurance Hub remained a key platform for collaboration and continuous improvement. Over the financial year, the team facilitated 10 quality assurance sessions and completed internal audits across participating councils. Support was also provided for IANZ accreditation assessments, contributing to stronger quality systems and shared insights into local practices.

A key milestone for the group was the finalisation and IANZ approval of a new



Quality Manual, which Ōtorohanga District Council was the first to adopt. In addition, new IQP and PSA policy documents were developed and adopted across the group, reinforcing alignment in operational standards.

At a national level, WBCG continued to represent a regional voice in regulatory reform. Submissions were made on the proposed granny flat reforms and to the Select Committee on the Building and Construction (Small Stand-alone Dwellings) Amendment Bill, ensuring member councils' perspectives were considered.

Planning also started for the 2025 WBCG Development Day (scheduled for 27 August 2025).

PROCUREMENT SERVICES

During 2024 -2025, five joint procurements were completed, delivering efficiency and value across participating councils.

1. Occupational Health Services

A re-tender of the 2017 contract expanded to include nine Co-Lab and seven BOPLASS councils and saw several areas of improvement in expected levels of service.

2. Professional Services Panel (PSP)

Co-Lab's largest joint procurement by value, was re-established in December 2024. Initially involving four lead councils, four more have since joined. The third iteration of the PSP features a two-tier structure across five key areas, offering streamlined procurement and discounted consultancy rates.

3. Strategic Internal Audit

The retendered contract builds on the 2016 framework and introduces new value-added services for seven councils.

4. Collaborative Aerial Photography Syndicate (CAPS 2025)

Led with Waikato Regional Council, this new procurement extends coverage to include



Manawatū–Whanganui, Nelson, and Taranaki. It aims to increase supplier capacity and encourage market growth. Procurement was released in June 2025, with results due next year.

5. Waikato Regional Transport Model (WRTM)

A joint project to replace the 2007 model, involving eight councils and NZTA Waka Kotahi. A feasibility study was completed, and a consultancy tender released in June 2025. Outcomes will be reported next year.

Co-Lab also supported Waikato Regional Council with procuring media and creative services for public transport campaigns and continued to provide direct procurement support to three councils.



REGIONAL INFRASTRUCTURE TECHNICAL SPECIFICATIONS (RITS)

The upgrade of RITS to Version 2 progressed significantly and is now entering the final stage of a five-phase development process.

Most recently that has involved public consultation that has now been completed . The final step - adoption - is imminent.

Key improvements in RITS Version 2 include:

- Enhanced drawing quality and clarity.
- A more user-friendly structure; separating the drawings and forms onto the website.
- A fully restructured and reworded main document to ensure consistency, improved readability, and accessibility. This involved a complete rewrite, proofreading, and formatting overhaul.

Interest in RITS grew beyond the Waikato region, with several councils from outside the area approaching Co-Lab to explore participation.

RITS remains the most accessed resource on the Co-Lab website, widely used by councils, consultants, contractors, and suppliers throughout the sector.



ENERGY & CARBON MANAGEMENT (ECM)

Now in its ninth year, ECM continues to deliver practical, cost-effective services to support councils in managing energy use and reducing emissions.

During 2024 - 2025, nine councils participated, benefitting from a suite of activity including energy monitoring, advisory support, developing carbon inventories and reporting, emissions planning and supporting electricity and gas procurement.

The programme also explored Scope 3 emissions, conducted feasibility studies on fuel switching and solar PV, and supported EV charger rollout, energy budgeting, and forums on market trends and decarbonisation.

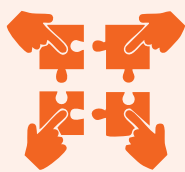
Notable outcomes included \$135k and 220 tCO₂-e saved through a heat pump upgrade at Huntly Pool, energy reductions at the Waikato Regional Council main office, and assessments at Raglan Holiday Park. EV charger demand control was implemented across councils, network capacity charges were optimised, and low-carbon hot water systems were designed for Waterworld and Te Awamutu Events Centre. The programme also supported Hamilton City's net zero energy library initiative.

ECM didn't meet its energy intensity reduction target this year. An 8% increase in ratepayers drove up energy demand, especially in water and wastewater. While electricity has replaced fossil fuels in many applications - delivering lower carbon intensity and improved efficiency - overall savings were not enough to offset rising electricity use to deliver improved levels of service. In response, Council's are advised to prioritise energy-efficient design and initiatives like the Cambridge solar array and EECA-backed audits at Whitianga.

ECM Programme Update FY24/25		
Objective	To improve corporate energy performance and reduce carbon emissions for participating Councils	
Medium-term target	Across all Councils	Achieve a 15% energy intensity reduction in kWh/rateable units by 2025. Measured against a base year of FY2019
		Achieve a 50% greenhouse gas intensity reduction in kg CO ₂ e/ratepayer by 2030. Measured against a base year of FY2019 (scope 1 and 2 only, excluding biogenic emissions)
Long-term target		Work towards net zero carbon emissions (scope 1 and 2 by 2050)
Improvement to date (since inception)	Energy Intensity (kWh/RU)	11.4%
	GHG Intensity (kg tCO ₂ e/RU)	32.5%
	Gross GHG Emissions tCO ₂ e	32.8%
RU = Rating Unit/Ratepayer		
*Based on year to date data and participating Councils		

COMPANY SUPPORT

COLLABORATION SUPPORT



We continued to provide secretariat support to several key regional forums, including:

- Working Party Groups
- Waikato Mayoral Forum

- Joint Mayors and Iwi Chairs Forum

Additionally, most of our corporate support team were actively involved in the Waikato Water Done Well project in project administration, communications and project management.

STRENGTHENING COUNCIL RELATIONSHIPS



We continued to raise awareness of Co-Lab's work through our Co-Lab 'Shouts to Councils' initiative, visiting 8 of our 12 shareholding councils. These sessions are a key part of maintaining transparency and alignment with our shareholders.

CELEBRATING OUR PEOPLE



In December 2024, we held our annual end of year Colleague Awards, recognising staff who exemplified our core values of

Integrity, Innovation, and Collaboration & Partnership, and awarding our Team Member of the Year. These awards celebrate the people who help make collaboration real, every day.

INDUSTRY RECOGNITION



We submitted two entries for industry awards showcasing our LiDAR project. While we didn't secure a win this time,

the nominations provided valuable exposure for our regional collaboration efforts with our Shareholding Councils.

SUPPORTING OUR PEOPLE



During 2024 - 2025 we introduced several initiatives aimed at supporting staff wellbeing and reinforcing the values that are important to Co-Lab.

These included a dedicated Mental Health Hour, our observance of Stand Up to Bullying Day, and a Matariki celebration - each contributing to a more inclusive, respectful, and supportive workplace culture.

We also began deepening our commitment to Te Ao Māori. As part of this journey, we introduced Te Reo Māori translations of staff position titles in our email signatures and made karakia cards available in meeting rooms and shared spaces for those who wish to use them. These steps reflect our growing efforts to integrate Māori language and culture into our everyday work environment.

INTERNAL CONTINUOUS IMPROVEMENT



Within our own organisation we:

- Reviewed internal file management systems
- Developed our use of Monday.com, which is helping us improve project management, stakeholder engagement, and managing the workflows of our shared services delivery
- Selected a new IT managed service provider to support our growing and more complex IT needs, helping us stay ahead of future risks and changes
- Launched a new staff intranet, improving internal communication and access to key resources.

THE NUMBERS

Summary financial results for the year:

	2025 (000's)	2024 (000's)	Change
Total Income	\$9,718	\$9,845	(1.29%)
Net Surplus Before Tax	(\$75)	(\$720)	89.59%
Cash on Hand	\$1,161	\$3,202	(63.73%)

The net surplus before tax is higher than both last year and the budget projection. This is primarily due to the cash surplus used in FY24 and greater than expected recoveries of staff time within Company Management and Support. Co-Lab remains in a good financial position.

PERFORMANCE REPORTING

The performance measures noted in the table were included in the 2024 Statement of Intent.

The company has assessed whether each target has been achieved, and how these contribute to our outcomes as an organisation.

PERFORMANCE MEASURES

Strategic Goal	3-Year Objective	Annual KPI		
 GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 24). *Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i>	Year-on-year increase in the value we provide to councils.	FY24-25: \$11.4m in value we provide to councils as measured by our benefit analysis.	FY23-24: \$12.5m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	FY24-25: 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).	FY23-24: 84% of council survey respondents believed those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY24. The survey response rate was 41% (310 were invited to participate with 128 responses received).
 GOAL 2: Deliver value by growing the scale of our shared service function	24 new instances of Co-Lab shared services being utilised, by June 2027. <i>(baseline y/e 30 June 24)</i>	Year-on-year increase in the utilisation of services we provide to councils.	FY24-25: New onboardings: • 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel - WBOP	FY23-24: There were no new councils onboarded to shared services in FY23-24.
		Year-on-year increase in the number of services available to councils.	FY24-25: • Introduced RATA Spaces & Places. • Launched Co-Lab Building Services	FY23-24: There were no new shared services introduced in FY23-24.
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	FY24-25: Measured as above.	FY23-24: There were no new councils onboarded to shared services in FY23-24.
 GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	FY24-25: The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).	FY23-24: The engagement score was 87%. The survey response rate was 65% (48 were invited to participate with 31 responses received).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	FY24-25: 10.5% staff turnover.	FY23-24: 18.2%
	Our vacancies are filled by suitable candidates within 3 months. <i>(baseline y/e 30 June 24)</i>	Vacancies are filled by suitable candidates within 3 months.	FY24-25: The 1 position advertised was vacant for 2 months.	FY23-24: The positions advertised vacant for the following periods: • Communications Manager – 1.5 months • Contracts Administrator – 1 month • Procurement Advisor – 1 month • Business Support Specialist – 1 month • WRTM Programme Manager – 3 months • Quality Systems Lead (WBCG) – 4 months





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED T/A AS CO-LAB'S FINANCIAL STATEMENTS AND PERFORMANCE MEASURES FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Waikato Local Authority Shared Services Limited t/a as Co-Lab (the Company). The Auditor-General has appointed me, Johann van Loggerenberg, using the staff and resources of PKF Hamilton Audit Limited, to carry out the audit of the financial statements and the performance measures of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 22 to 42, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cashflows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance measures of the Company for the year ended 30 June 2025 on pages 15 to 16.

Opinion

In our opinion:

- the financial statements of the Company:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance measures:
 - o accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
 - o has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 26 September 2025. This is the date at which our opinion is expressed.

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 for the audit of the financial statements and the performance measures* 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 and the performance measures

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 also responsible for preparing the performance measures in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and the performance measures that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance measures, 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 either intend 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 Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance measures

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance measures, 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 and the performance measures.

For the budget information reported in the financial statements and in the performance measures, our procedures were limited to checking that the information agreed to the Company's Statement of Intent.

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

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 risks of material misstatement of the financial statements and the performance measures, 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 and the performance measures 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 evaluate the overall presentation, structure and content of the performance measures, including the disclosures, and assess whether the performance measures achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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 all of the information included in the annual report other than the financial statements and the performance measures, and our auditor's report thereon.

Our opinion on the financial statements and the performance measures 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 and the performance measures, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance measures 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 Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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



Johann van Loggerenberg
PKF Hamilton Audit Limited
On behalf of the Auditor-General
Hamilton, New Zealand



FINANCIAL STATEMENTS
For The Year Ended
30 June 2025

Statement of comprehensive revenue and expenditure

For the year ended 30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Revenue				
Data sales		342,738	392,892	337,221
Interest		60,261	70,482	41,461
Other revenue	4	<u>9,315,186</u>	<u>9,018,814</u>	<u>9,466,414</u>
Total revenue		<u>9,718,185</u>	<u>9,482,188</u>	<u>9,845,096</u>
Expenditure				
Personnel costs	6	2,085,522	2,114,692	1,870,820
Depreciation and amortisation expense	10,11	25,971	50,735	32,328
Other expenses	5	<u>7,681,649</u>	<u>8,321,303</u>	<u>8,661,763</u>
Total expenditure		<u>9,793,142</u>	<u>10,486,730</u>	<u>10,564,911</u>
Surplus/(deficit) before tax		(74,957)	(1,004,542)	(719,815)
Income tax expense	9	<u>-</u>	<u>-</u>	<u>-</u>
Surplus/(deficit) after tax		<u>(74,957)</u>	<u>(1,004,542)</u>	<u>(719,815)</u>
Total comprehensive income		<u>(74,957)</u>	<u>(1,004,542)</u>	<u>(719,815)</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited*
The accompanying notes form part of and are to be read in conjunction with these financial statements



Statement of changes in equity

For the year ended 30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Balance at 1 July		1,776,582	2,197,682	2,496,397
Total comprehensive revenue and expense	14	<u>(74,957)</u>	<u>(1,004,542)</u>	<u>(719,815)</u>
Balance at 30 June		<u>1,701,626</u>	<u>1,193,140</u>	<u>1,776,582</u>
Total equity attributable to:				
Equity holders of Co-Lab		<u>1,701,626</u>	<u>1,193,140</u>	<u>1,776,582</u>
Balance at 30 June		<u>1,701,626</u>	<u>1,193,140</u>	<u>1,776,582</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited*
The accompanying notes form part of and are to be read in conjunction with these financial statements

Statement of financial position

As at 30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
ASSETS				
Current assets				
Cash and cash equivalents	8	1,161,341	1,845,494	3,202,301
Exchange trade and other receivables	7	3,246,222	505,883	1,258,562
Non-exchange trade and other receivables	7	1,674,805	-	617,483
Prepayments		-	3,300	132,185
Total current assets		6,082,368	2,354,677	5,210,531
Non-current assets				
Property, plant and equipment	10	71,677	105,219	86,317
Intangible assets	11	-	-	-
Deferred tax assets		2,358	-	2,358
Total non-current assets		74,035	105,219	88,675
Total assets		6,156,403	2,459,896	5,299,206
LIABILITIES				
Current liabilities				
Payables and deferred revenue	12	2,947,339	1,229,512	3,399,822
Employee benefits	13	163,556	37,244	118,600
Funds held on behalf of Councils	19	1,337,245	-	-
Total current liabilities		4,448,140	1,266,756	3,518,422
Non-current liabilities				
Employee benefits	13	6,637	-	4,202
Total non-current liabilities		6,637	-	4,202
Total liabilities		4,454,777	1,266,756	3,522,624
Net assets		1,701,626	1,193,140	1,776,582
EQUITY				
Contributed capital	14	2,957,001	2,957,001	2,957,001
Retained earnings	14	(1,255,375)	(1,763,861)	(1,180,419)
Total equity		1,701,626	1,193,140	1,776,582

These financial statements have been authorised for issue by the Board of Directors on 26 September 2025.



Director
26 September 2025



Director
26 September 2025

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited
The accompanying notes form part of and are to be read in conjunction with these financial statements*



Statement of cashflows

For the year ended 30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Cash flows from operating activities				
Interest Received		60,261	70,282	41,461
Receipts from other revenue		6,237,221	10,137,268	10,107,991
Payments to suppliers and employees		(9,963,749)	(10,759,104)	(9,093,189)
Taxes received / (paid)		-	-	-
Goods and services tax received / (paid)		299,392	2,409	(148,800)
Net cash flow from operating activities		<u>(3,366,875)</u>	<u>(549,145)</u>	<u>907,463</u>
 Purchase of property, plant and equipment		 <u>(11,331)</u>	 <u>(2,519)</u>	 <u>(18,277)</u>
Net cash flow from investing activities		<u>(11,331)</u>	<u>(2,519)</u>	<u>(18,277)</u>
 Receipts of funding on behalf of Councils		 <u>1,337,245</u>	 <u>-</u>	 <u>-</u>
Net cash flow from financing activities		<u>1,337,245</u>	<u>-</u>	<u>-</u>
 Net (decrease)/increase in cash and cash equivalents		 <u>(2,040,961)</u>	 <u>(551,664)</u>	 <u>889,186</u>
Cash and cash equivalents at the beginning of the year		<u>3,202,302</u>	<u>2,397,158</u>	<u>2,313,115</u>
Cash, cash equivalents, and bank overdrafts at the end of the year	8	<u>1,161,341</u>	<u>1,845,494</u>	<u>3,202,301</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited*
The accompanying notes form part of and are to be read in conjunction with these financial statements

1 Statement of accounting policies

1.1 Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company trades under the name "Co-Lab". It is controlled by the councils listed on the directory page of these accounts and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of each of the shareholding Council's right to appoint the Board of Directors.

The company seeks the following outcomes for its shareholding councils:

- i) Council costs are reduced / performance is improved, without increased cost; and
- ii) The experience of councils' communities is improved;

It has the roles of developing opportunities which achieve one or more of these outcomes, and of providing any resulting services to councils, or organising someone else to do so.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2025. The financial statements were authorised for issue by the Board of Directors on 26 September 2025.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

Statement of compliance

The financial statements of the Company have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance and comply with Tier 2 PBE Standards reduced disclosure regime (RDR).

Co-Lab is eligible to report in accordance with the Tier 2 PBE accounting standards RDR as it:

- is not publicly accountable;
- has expenses more than \$5 million, but less than \$33 million.

The accounting policies set out below are consistent with the prior year.

Measurement base

The financial statements have been prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Budget figures

The budget figures are those approved by the Board of Directors in the 2024 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Company in preparing the financial statements.

2.2 Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

2 Summary of significant accounting policies (continued)

The net GST paid, or received, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

2.3 Accounting standards and interpretations

PBE IPSAS 41 came into effect for accounting periods starting on or after 1 January 2022. This standard replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Company has applied PBE IPSAS 41 for the year ended 30 June 2025 and reviewed how the standard might affect the Company's financial statements. The Company concluded that the new standard does not have any effect on the previous reporting period, nor the current period. The effect in future periods is also likely to be trivial.

The only change the Company has made as a result of the adoption is the accounting policy on "Receivables". This policy has been updated to comply with PBE IPSAS 41.

Other than the effect of adopting the PBE IPSAS 41 stated above, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3 Critical accounting estimates and assumptions

In preparing the financial statements the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

3.1 Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the amortisation expense recognised in the statement of comprehensive revenue and expenditure, and carrying amount of the asset in the statement of financial position. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measured at cost that have a finite useful 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 which the assets 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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the statement of comprehensive revenue and expenditure. The reversal of an impairment loss is recognised in the statement of comprehensive revenue and expenditure.

4 Revenue

Accounting policy

(i) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

(ii) Other Revenue

Member charges for all activities are recognised when invoiced to the user, i.e. Councils. The recorded revenue is the net amounts of the member charges payable for the transaction. Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. To the extent the service has not been delivered, contributions for that service are recorded as revenue in advance.

	Actual 2025 \$	Actual 2024 \$
Non-exchange revenue		
Member Charges	3,001,909	2,723,078
Total non-exchange revenue	3,001,909	2,723,078
Exchange revenue		
Working Parties and Projects*	693,936	533,039
Information Technology**	-	750,706
Energy Management	140,492	173,489
RATA***	821,524	970,491
Waikato Building Consent Group	131,864	92,499
Waikato Mayoral Forum	11,844	5,005
Water Services ****	4,091,059	3,824,961
Company Admin	50,502	44,018
RITS*****	-	27,000
Co-Lab Learning	92,501	66,172
Geospatial Services	39,409	18,000
Procurement Services	139,900	133,467
Communications Shared Service	100,246	104,489
Total exchange revenue	6,313,277	6,743,336
Total other revenue	9,315,186	9,466,414

Explanation of variance to last year:

* Significant projects such as WWDW and LEGO have contributed to higher revenue.

** The LiDAR project concluded in FY24, with final revenue recognised in that year, resulting in a reduction in IT revenue in FY25.

*** RATA manages multiple data collection contracts on behalf of councils, typically structured as three-year programmes. These contracts were retendered in FY25, and new collection schedules were established. Due to the timing of contract awards, revenue recognised in FY25 is lower than in FY24.

**** The introduction of new Drinking Water standards has resulted in increased sampling and testing revenue in FY25.

***** In FY25 RITS utilised cash surpluses carried forward from FY24 to fund workstream related expenses.

5 Other expenses

	Actual 2025 \$	Actual 2024 \$
Audit fees	37,426	35,470
Company Management & Support*	(112,867)	28,432
Working Parties and projects**	713,120	680,576
Information Technology***	-	750,706
Energy Management	156,836	169,931
Shared Valuation Data Services	280,153	276,739
RATA****	2,104,112	2,310,263
Waikato Regional Transport Model	233,150	365,725
Waikato Building Consent Group	79,973	87,109
Waikato Mayoral Forum	-	9,756
Rental expense relating to operating leases	105,230	105,230
RITS	36,956	27,683
Water Services*****	3,566,576	3,425,602
Co-Lab Learning	373,436	349,712
Geospatial Services	20,179	61,463
Procurement Services*****	79,333	(43,431)
Communications Shared Services	8,036	20,797
Total expenses	<u>7,681,649</u>	<u>8,661,763</u>

Explanation of variance to last year:

* In FY25, Company Management & Support has improved the accuracy of staff time allocations to projects and workstreams, enabling more effective cost recovery.

** The scale of projects undertaken in FY25 exceeded those in FY24, resulting in increased expenditure within this workstream.

*** The LiDAR project concluded in FY24, with final costs recognised in that year, resulting in a reduction in IT expenditure in FY25.

**** RATA oversees multiple data collection contracts on behalf of councils, typically structured as three-year programmes. These contracts were retendered in FY25, and new collection schedules were established. Due to the timing of contract awards, expenditure recognised in FY25 is lower than in FY24.

***** The introduction of new Drinking Water standards resulted in increased sampling and testing in FY25.

***** In FY24, internal recharges were applied to reflect staff time allocated across functions. In FY25, the staff member previously subject to these recharges transitioned to the Company Management & Support team, resulting in the discontinuation of those internal recharges.

6 Personnel costs

Accounting policy

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

	Actual 2025 \$	Actual 2024 \$
Salaries and wages*	2,017,433	1,814,601
Defined contribution plan employer contributions	55,685	45,324
Recruitment Costs	12,404	10,895
Total personnel costs	<u>2,085,522</u>	<u>1,870,820</u>

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$281k.

* The increase in salary and wages reflects additional resourcing to support councils and to deliver new services.

7 Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

	Actual 2025 \$	Actual 2024 \$
Gross trade and other receivables	1,239,806	128,855
Related Party Receivables (note 17)	<u>3,681,221</u>	<u>1,747,190</u>
Total debtors and other receivables	<u>4,921,027</u>	<u>1,876,045</u>
Exchange		
Receivables from exchange transactions	<u>3,246,222</u>	<u>1,258,562</u>
Net exchange transactions	<u>3,246,222</u>	<u>1,258,562</u>
Non-exchange		
Receivables from non-exchange transactions	<u>1,674,805</u>	<u>617,483</u>
Total debtors and other receivables	<u>4,921,027</u>	<u>1,876,045</u>

8 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

	Actual 2025 \$	Actual 2024 \$
Cash at bank	<u>1,161,341</u>	<u>3,202,301</u>

The carrying value of cash and cash equivalents approximates their fair value.

9 Income tax

Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

	Actual 2025 \$	Actual 2024 \$
Components of income tax expense:		
Current tax expense	-	-
Adjustments to current tax in prior years	-	-
Deferred tax expense	-	-
Tax expense	<u>-</u>	<u>-</u>
Relationship between tax expense and accounting profit:		
Net surplus (deficit) before tax	<u>(74,957)</u>	<u>(719,815)</u>
Tax at 28%	<u>(20,988)</u>	<u>(201,548)</u>
Non-taxable in calculating taxable income		
Non-deductible expenditure	646	868
Other timing adjustments	-	-
Non-taxable income	-	-
Prior year adjustment	547	888
Deferred tax adjustment	4,125	1,704
Tax losses not recognised	<u>15,670</u>	<u>198,088</u>
Tax expense	<u>-</u>	<u>-</u>

Deferred tax asset (liability)

	Property, plant & equipment	Employee entitlements	Provisions	Total
Balance at 1 July 2023	(3,132)	3,132	-	-
Charged to surplus or deficit	<u>1,181</u>	<u>(1,181)</u>	-	-
Balance at 30 June 2024	<u>(1,951)</u>	<u>1,951</u>	-	-
Charged to surplus or deficit	<u>(1,549)</u>	<u>1,549</u>	-	-
Balance at 30 June 2025	<u>(3,500)</u>	<u>3,500</u>	-	-

A deferred tax asset of \$366,279.52 (2024: \$347,768) has not been recognised in relation to tax losses carried forward of \$1,308,141.15 (2024: \$1,242,028) and deductible temporary differences of \$67,643 (2024: \$67,081).

10 Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of operational assets, including land, buildings, plant and equipment, motor vehicles, computer equipment and furniture.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of PP&E	Estimated useful life	Depreciation rates
IT equipment	3 years	33%
Office Furniture	8 1/2 years	12%

The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year end.

	Carrying amount 1 Jul 2024 \$	Current year additions \$	Current year disposals \$	Current year depreciation \$	Accumulated depreciation and impairment charges 30 Jun 2025 \$	Carrying amount 30 Jun 2025 \$
2025						
Operating assets						
IT equipment	36,373	9,231	-	(18,825)	(92,553)	26,779
Office furniture and fittings	49,944	4,334	(2,234)	(7,146)	(22,440)	44,898
Total	86,317	13,565	(2,234)	(25,971)	(114,993)	71,677

	Carrying amount 1 Jul 2023 \$	Current year additions \$	Current year disposals \$	Current year depreciation \$	Accumulated depreciation and impairment charges 30 Jun 2024 \$	Carrying amount 30 Jun 2024 \$
2024						
Operating assets						
IT equipment	44,313	17,565	-	(25,505)	(73,728)	36,373
Office furniture and fittings	56,185	712	(130)	(6,823)	(16,807)	49,944
Total	100,498	18,277	(130)	(32,328)	(90,535)	86,317

11 Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software are recognised as an intangible asset.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expenditure.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates	
Computer software	5 to 7 years	14 to 25%	
		Actual 2025 \$	Actual 2024 \$
Computer Software			
Balance at 1 July		2,298,050	2,298,050
Disposals/ asset write-offs		-	-
Balance at 30 June		<u>2,298,050</u>	<u>2,298,050</u>
Accumulated amortisation and impairment losses			
Balance at 1 July		2,298,050	2,298,050
Amortisation as per statement of comprehensive revenue and expenditure		-	-
Balance at 30 June		<u>2,298,050</u>	<u>2,298,050</u>
Carrying Amounts			
Balance at 1 July		-	-
Balance at 30 June		-	-

Intangible assets include the Waikato Regional Transport Model (WRTM).

The carrying amount of the WRTM asset as at 30 June 2025 is \$nil (2024: \$nil).

12 Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are recorded at their face value.

	Actual 2025 \$	Actual 2024 \$
Current		
Trade payables	687,304	478,924
Related party payables (note 17)	969,555	1,107,672
Accrued expenses*	74,477	729,784
Accrued expenses - related party payables (note 17)	581,494	330,106
Deferred revenue	218,147	602,013
GST payable	<u>416,362</u>	<u>151,323</u>
Total creditors and other payables	<u>2,947,339</u>	<u>3,399,822</u>
Exchange		
Trade payables	1,295,323	1,586,596
Accrued expenses	655,971	1,059,890
Deferred revenue	<u>218,147</u>	<u>602,013</u>
Total creditors and other payables from exchange transactions	<u>2,169,441</u>	<u>3,248,499</u>
Total creditors and other payables from non-exchange transactions	<u>777,898</u>	<u>151,323</u>
Total payables and deferred revenue	<u>2,947,339</u>	<u>3,399,822</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

* The reduction in accrued expenses represents a normalisation of activity, as FY24 included a significant one-off accrual related to LiDAR.

13 Current liabilities - Employee Entitlements

Accounting policy

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive revenue and expenditure when incurred.

	Actual 2025 \$	Actual 2024 \$
Current portion		
Annual leave	91,825	79,619
Salaries	<u>71,731</u>	<u>38,981</u>
Total current portion	<u>163,556</u>	<u>118,600</u>
Non-current Portion		
Long Service Leave	<u>6,637</u>	<u>4,202</u>
Total non-current portion	<u>6,637</u>	<u>4,202</u>

14 Reconciliation of equity

Accounting policy

Equity is the shareholders' interest in Co-Lab and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

	Actual 2025 \$	Actual 2024 \$
Total equity		
Contributed equity	2,957,001	2,957,001
Retained earnings	<u>(1,255,375)</u>	<u>(1,180,419)</u>
Balance at 30 June	<u>1,701,626</u>	<u>1,776,582</u>
(a) Contributed equity		
Shares on Issue	3,413,569	3,413,569
Uncalled capital	<u>(456,568)</u>	<u>(456,568)</u>
Balance 30 June	<u>2,957,001</u>	<u>2,957,001</u>
(b) Retained earnings		
Opening Balance	(1,180,418)	(460,604)
Surplus/(deficit) for the year	<u>(74,957)</u>	<u>(719,815)</u>
Balance 30 June	<u>(1,255,375)</u>	<u>(1,180,419)</u>

The Company has issued 2,186,581 (2024 - 2,186,581) shares.

Shares are called when notice is given to shareholders by the Board of Directors.

Income	Ordinary Shares	SVDS Shares	WRAPS Shares	WRTM Shares
Hamilton City Council	1	220,514	79,152	50,625
Hauraki District Council	1	40,215	2,864	-
Matamata Piako District Council	1	56,380	4,708	4,500
Otorohanga District Council	1	-	5,716	-
Rotorua Lakes Council	1	126,703	7,516	-
South Waikato District Council	1	42,571	4,916	-
Taupo District Council	-	-	21,652	4,500
Thames Coromandel District Council	1	108,015	6,476	2,250
Waikato District Council	1	106,674	9,376	11,250
Waikato Regional Council	1	803,500	287,872	50,625
Waipa District Council	1	78,748	3,780	11,250
Waitomo District Council	1	23,681	10,540	-
Western Bay of Plenty District Council	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total issued shares	12	1,607,001	444,568	135,000
Value per share	<u>1,000</u>	<u>1</u>	<u>1</u>	<u>10</u>
Authorised share capital	12,000	1,607,001	444,568	1,350,000
Uncalled share capital	<u>(12,000)</u>	<u>-</u>	<u>(444,568)</u>	<u>-</u>
Capital called on shares	<u>-</u>	<u>1,607,001</u>	<u>-</u>	<u>1,350,000</u>

14 Reconciliation of equity (continued)

SVDS, and WRAPS Shares (Service Shares)

In relation to the service shares:

- (a) the holders are entitled to participate in certain services to be provided by the Company, on terms that reflect their investment.
- (b) the holders do not have any right to share in the distribution of the surplus assets of the Company except to the extent provided for in Schedule 1 of the Company's constitution or in accordance with the terms of issue of those shares pursuant to Clause 6 of the Company's constitution.
- (c) Except as provided in section 177 of the Act and Clause 6.1 of the Company's constitution, the holders do not have any voting rights.

WRTM shares

Holders of WRTM shares have:

- (a) A right to one vote prior to further WRTM shares being issued;
- (b) A right to one vote on the application of any surpluses arising from the WRTM service;
- (c) The right to any surplus from the sale of outputs of the WRTM service;
- (d) No right to share in the distribution of the surplus assets of the Company except to the extent provided for in (c) above;
- (e) No right to share in dividends authorised by the Company except to the extent provided for in (c) above.

15 Commitments

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Non-cancellable operating expenses

	Actual 2025 \$	Actual 2024 \$
Not later than one year	99,514	95,918
Later than one year and not later than five years	<u>125,892</u>	<u>23,980</u>
Total non-cancellable operating leases	<u>225,406</u>	<u>119,898</u>

The Company entered into an operating lease for new premises 16 December 2021. The initial term of the lease is six years, however, it is able to be cancelled after four years. The lease is fixed with two-yearly rental increases of 5% with market rent reviews upon renewal.

16 Contingencies

As at 30 June 2025 the Company had no contingent liabilities or assets (2024: \$nil)

17 Related party transactions

The Company is controlled by the councils listed on the directory page.

Transactions with key management personnel

Key management personnel include the Chief Executive and directors. Co-Lab has one independent director who receives remuneration.

	Actual 2025 \$	Actual 2024 \$
Chief Executive Remuneration	280,806	261,821
Independent Director	<u>63,000</u>	<u>63,000</u>
Total key management personnel compensation	<u>343,806</u>	<u>324,821</u>

Related party disclosures have 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 if dealing with that individual or entity at arm's length in the same circumstances.

Related parties have been limited to the directors, shareholders, companies with common shareholding and company related roles. The following transactions were carried out with related parties:

	Actual 2025 \$	Actual 2024 \$
Income		
Hamilton City Council	2,373,965	1,898,554
Hauraki District Council	614,960	736,768
Matamata Piako District Council	615,421	465,814
Otorohanga District Council	419,054	392,151
Rotorua Lakes Council	449,824	486,250
South Waikato District Council	735,169	719,056
Thames Coromandel District Council	468,400	461,917
Waikato District Council	601,584	637,495
Waikato Regional Council	150,329	95,288
Waipa District Council	1,177,693	1,130,704
Waitomo District Council	801,768	704,000
Western Bay of Plenty District Council	<u>274,303</u>	<u>103,709</u>
	<u>8,682,470</u>	<u>7,831,706</u>

The income disclosed above includes revenue received relating to the 2024/25 financial year and revenue received which has been transferred to deferred revenue for 2025/26.

The table above also includes the amount invoiced but not yet received and meets the criteria of revenue recognition as of 30 June 2025.

	Actual 2025 \$	Actual 2024 \$
Expenses		
Hamilton City Council	4,090,053	3,975,213
Hauraki District Council	81	-
Matamata Piako District Council	1,592	-
Otorohanga District Council	26,912	7,290
South Waikato District Council	-	-
Waikato Regional Council	71,944	5,476
Waipa District Council	939,415	852,017
Waitomo District Council	-	-
BOP LASS Ltd	<u>10,000</u>	<u>20,000</u>
	<u>5,139,997</u>	<u>4,859,996</u>

17 Related party transactions (continued)

Expenses are related to services provided by the related parties.

	Actual 2025 \$	Actual 2024 \$
Note		
Advances		
<i>Trade & Other Receivables</i>		
Hamilton City Council	510,328	193,072
Hauraki District Council	175,181	156,062
Matamata Piako District Council	452,222	260,391
Otorohanga District Council	262,178	113,079
Rotorua Lakes Council	29,876	1,782
South Waikato District Council	508,349	283,948
Thames Coromandel District Council	210,005	143,131
Waikato District Council	312,007	265,342
Waikato Regional Council	154,949	72,134
Waipa District Council	322,092	68,435
Waitomo District Council	476,785	154,417
Western Bay of Plenty District Council	267,249	35,397
7	<u>3,681,221</u>	<u>1,747,190</u>
 <i>Amounts owing at year end:</i>		
Hamilton City Council	866,478	830,754
Otorohanga District Council	6,999	8,383
Waikato District Council	16,275	-
Waikato Regional Council	426,109	363,699
Waipa District Council	235,188	234,941
12	<u>1,551,049</u>	<u>1,437,777</u>

18 Events occurring after the balance date

There have been no events after balance date.

19 Financial instruments

The Company has policies to manage the risks associated with financial instruments. The Company is risk averse and seeks to minimise exposure from its treasury activities.

(a) Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to fair value interest rate risk is limited to short-term bank deposits.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to cashflow interest rate risk.

The Company currently has no variable interest rate debt or investments.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk, as it does not enter into foreign currency transactions.

(b) Credit risk

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

Due to the timing of its cash inflows and outflows, the Company invests surplus cash with registered banks.

The Company has processes in place to review the credit quality of customers prior to the granting of credit.

The Company's maximum credit exposure for each class of financial instruments is represented by the total carrying amount of cash equivalents (note 8), and trade receivables (note 7). There is no collateral held as security against these financial instruments, including these instruments that are overdue or impaired.

The Company has no significant concentrations of credit risk, as it has a large number of credit customers and only invests funds with registered banks with specified credit ratings.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and liquid assets, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Company maintains a target level of investments that must mature within specified timeframe's.

The maturity profiles of the Company's interest bearing investments and borrowings would be disclosed in the notes, if the Company had any.

(d) Financial instrument categories

	Note	2025 \$	2024 \$
FINANCIAL ASSETS			
Financial assets at amortised costs			
Financial assets at amortised costs	8	1,161,341	3,202,301
Receivables	7	4,921,027	1,876,045
Total financial assets at amortised costs		6,082,368	5,078,346

19 Financial instruments (continued)

(d) Financial instrument categories(continued)

FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Payables	12	2,947,339	3,399,822
Funds held on behalf of Councils*		<u>1,337,245</u>	<u>-</u>
Total financial liabilities at amortised cost		<u>4,284,584</u>	<u>3,399,822</u>

* Funds held on behalf of Councils for Waikato Waters Limited. Co-Lab has acted as an agent for the WWDW project (a collaborative initiative led by the Waikato Joint Mayors) in FY25

20 Explanation of major variances against budget

An explanation of year-on-year variances in line items is set out within the preceding relevant notes. The following explains the major variations to the budget.

Statement of comprehensive revenue and expenditure

Revenue

Main reasons for the variance are:

The budgeted SVDS revenue included sales from an existing contract with a company that was subsequently acquired and chose to terminate the agreement, resulting in a shortfall.

At the time the SOI is finalised, specific projects are often unknown. As such, a collective budget is allocated under 'unknown projects', with estimated revenue set to ensure full utilisation of the ODT. In FY25, significant projects such as WWDW and LEGO have contributed higher than budgeted revenue and associated expenditure.

RATA member charges for FY25 were based on the commitment forms issued in August 2024, by which time there was greater clarity around project scopes and associated costs. This led to an increase in both revenue and corresponding expenditure.

The original WBCG budget assumed \$200k of the cash surplus would be used to reduce member charges. However, following consultation with the WBCG Advisory Group, this was revised to \$100k, resulting in higher revenue.

Sampling & Analysis revenue was revised down to reflect reduced council demand, following the establishment of baseline results under Taumata Arowai's November 2022 Drinking Water Standards. The lower revenue is offset by corresponding cost reductions.

Co-Lab Learning delivered \$90k worth of in-person training, which was not included in the original budget due to the unpredictable nature of demand at the time of planning.

Expenses

Personnel Costs were lower than budgeted primarily due to a role within Company Management & Support was budgeted at 1 FTE but currently filled at 0.9FTE.

The positive variance against the SOI is largely attributable to higher-than-anticipated recovery of CMS staff time through project work. Major initiatives such as WWDW and LEGO have required significant input from both ODT and support staff, resulting in increased recoveries.

Expenditure was lower than expected due to a temporary pause in the WRTM procurement process, which was necessary to allow for a comprehensive review of its scope and budget. As WRTM invoices councils based on actual costs incurred, this also led to lower revenue recognition to the SOI.

The Co-Lab Waters SOI assumed salaries and recruitment would occur at 100% of pay grade across all Waters teams. This has not materialised, resulting in lower-than-expected expenditure.

Co-Lab Learning external training costs were not budgeted due to the unpredictable nature of course delivery for council staff. As a result, expenditure exceeded budget; however, this was directly offset by unbudgeted revenue.

Statement of Financial Position

Delays in the issuance of purchase orders by some councils resulted in higher-than-anticipated invoicing in June. This led to a corresponding increase in receivables and cash and cash equivalents at year-end.

The FY25 insurance brokerage invoice was received earlier than anticipated in the budget, contributing to timing-related variances.

Current liabilities are higher than budgeted primarily due to the recognition of unbudgeted deferred revenue and the deferral of certain expenses beyond the timeframe anticipated in the SOI.

Statement of Cash Flows

Receipts from other revenue were less than budgeted for the reasons noted in this and earlier notes to these accounts.

Payments to suppliers and employees were less than budgeted for the reasons noted in this and earlier notes to these accounts.

DIRECTORY

Company number (for the legal entity, Waikato Local Authority Shared Services Ltd)	1730380
Registered office	6/34d Lake Street Cambridge 3434 Waikato
Directors	O’SULLIVAN, Stephanie MCLAY, Christopher SPEIRS, David SMIT, Ben STUBBS, Peter VERVOORT, Lance
Bankers	Bank of New Zealand Hamilton Banking Centre Victoria Street Hamilton
Auditors	PKF Hamilton Audit Limited (on behalf of the Auditor General)

COLAB

Better Together

[COLABSOLUTIONS.GOV.T.NZ](https://colabsolutions.govt.nz)