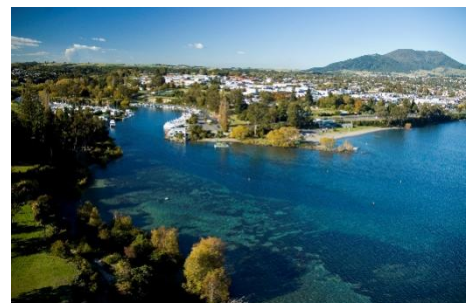


# ANNUAL REPORT 2019-2020

For the year ended  
30 June 2020



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PART ONE – OUR YEAR



On behalf of our Directors I am pleased to present the BOPLASS 2020 Annual Report. Due to COVID-19, the latter part of the financial year has not been without its challenges for our shareholding councils. However, I am pleased to report that BOPLASS has been able to remain on target during the various stages of the alert levels and has delivered against all financial and performance measures.

Although adjustments naturally had to be made to some business operations, the unprecedented impact of COVID-19 highlighted BOPLASS' effective administration systems, with the ability of staff to immediately transition to working remotely. They have been able to continue operations almost seamlessly while still progressing projects and collaborating with our constituent councils and the greater local government community. The Board acknowledges and thanks the significant commitment of the staff during this period.

Some of the projects BOPLASS was involved with were brought forward during the lockdown to ensure we were able to assist councils with some of their challenges or requirements during this time. BOPLASS assisted councils with:

- Establishing expanded video conferencing options to ensure council meetings could continue and remote working staff had full connectivity within their organisations. The increased video conferencing capacity and managed service proved to be tremendously helpful in keeping councils connected.
- Media Monitoring services were significantly increased, with the BOPLASS supplier circulating essential daily COVID-19 updates and summaries to councils (at no cost).
- Health and Safety management meetings were held weekly, providing an opportunity for sharing of pandemic planning information between the councils and the collective development of protocols as the alert levels changed.
- Key updates and support were provided by BOPLASS providers to treasury staff, risk managers and finance managers during the changing alert levels.

During the initial lockdown the value of some of the 'less visible' activity that BOPLASS is involved with became more obvious and has created greater awareness of the incremental value and benefits being delivered through the coordinated collaboration across BOPLASS councils.

The last year has seen a marked increase in the level of inter-regional collaboration BOPLASS is involved in, with a number of procurement initiatives or shared services being developed in conjunction with other LASS or councils. This is proving to be a very efficient way to progress common initiatives through: lowering the effort required by all parties, providing greater leverage, reducing costs, and often resulting in a common standard across a large group of councils.

A key inter-regional project undertaken this year has been the appointment of a provider for insurance brokerage and risk management services. BOPLASS developed this procurement initiative on behalf of 28 North Island councils. Working in conjunction with the other LASS this collective approach provided significant benefits throughout the tender process, as it was managed as a single project. The tender achieved a good response from the market and a very good outcome for all participating councils; resulting in a best-practice service now being delivered to all councils and providing savings in both fees and insurance premiums.

The MahiTahi Collaboration Portal was used as the primary means of running this important tender across multiple councils and proved to be a very good example of simplifying the sharing of information and collaborating in the development of tender documents and information.

During the last year there has been further uptake of the MahiTahi Collaboration Portal across New Zealand councils and within local government. The Portal proved to be an invaluable tool during COVID-19 lockdowns as councils were able to collaborate with their peers in other councils and easily share information while working remotely. During this period BOPLASS offered the Portal to all NZ councils to use without any cost or commitment.

The BOPLASS Health and Safety Group have become active users of the MahiTahi Collaboration Portal and this has helped create a virtual team of health and safety expertise across the region. Working in conjunction with Waikato LASS a number of new health and safety initiatives continue to be identified by this group for future collaboration.

A very good outcome was achieved by BOPLASS in the placement of councils' infrastructure insurance into the international markets. Due to the tightening capacity within the London markets BOPLASS investigated alternative options by completing presentations into other markets. The resultant competitive tension assisted in creating a very good outcome for the group with favourable rates and terms achieved for all councils.

It has been a good year for BOPLASS despite the challenges of COVID-19. We have been pleased to have played a part in supporting our constituent councils and helping them deal with the consequences of COVID-19. The company has continued to contribute significant value to our councils by maximising the value out of existing contracts and undertaking new initiatives over the last year. We would like to thank the council staff involved for the important support they provide to BOPLASS projects.



Craig O'Connell  
Chair



Nature of Business	Shared Service Provider
Registered Office	91 Willow Street, Tauranga 3110
Telephone:	+64 7 577 7342
Email:	<a href="mailto:contact@boplass.govt.nz">contact@boplass.govt.nz</a>
Website:	<a href="https://www.boplass.govt.nz">https://www.boplass.govt.nz</a>
Incorporation Number	2074873
Incorporation Date	14 January 2008
IRD Number	98-965-361
Directors	Aileen Lawrie Craig O'Connell Fiona McTavish Gareth Green Geoff Williams Martin Grenfell Miriam Taris Nedine Thatcher-Swann Russell George Stephanie O'Sullivan
Shareholders	Bay of Plenty Regional Council Gisborne District Council Kawerau District Council Opotiki District Council Rotorua Lakes Council Taupo District Council Tauranga City Council Western Bay of Plenty District Council Whakatane District Council
Auditor	Audit New Zealand
Bankers	ANZ Bank
Solicitors	Cooney Lees and Morgan

## Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2020-2023 and associated budget formally adopted by the directors by resolution on 22 June 2020.

### Performance Targets 2020-2023

To ensure the company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Targets <u>2020-2023</u>	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of listed projects to increase by 10% per year. Number of active users to increase by 20% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with each Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

## Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2019/22.

Target <u>2019/20</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Internal Audits</u> – Following a review by BOPLASS councils, the Internal Audit Services agreement has been renewed with KPMG. The collective arrangement provides competitive pricing for these services but also enables the sharing of internal audit information and insights across the group.</p> <p><u>Video Conferencing Services</u> – Video conference services with Canon and Zoom enhanced and expanded to deliver desktop and meeting room services to participating councils.</p> <p>Specific project undertaken to increase capacity, create additional meeting rooms and ensure licences were available to all councils/users during the pandemic.</p> <p><u>GIS software and services</u> –</p> <p>FME</p> <p>Geocortex Essentials</p> <p>Geocortex Analytics</p> <p>X-Tools</p> <p>NZ Archaeological Association</p> <p>Retrolens</p> <p>Contracts renegotiated and renewed – no alternative suppliers.</p> <p><u>Print Media Copyright Agency (PMCA)</u> – Collective contract and requirements reviewed and renewed with PMCA – the sole NZ provider of print and media copyright services.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed with no increases in cost to councils. No alternative provider in NZ.</p> <p><u>N3</u> – Purchasing group (previously known as GSB) membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Sole NZ provider.</p> <p><u>Vertical Horizonz</u> – Renegotiated Health and Safety training contract for a further two-year period with the same terms, conditions, and costs.</p>



		<p><u>Inter-Council Network</u> – High-speed fibre network providing connectivity to and between BOPLASS councils.</p> <p>Significant cost savings through renegotiation of some contracts, utilisation of newer technologies, and design changes. Multiple contracts and suppliers.</p> <p><u>Media Monitoring services</u> – iSentia reappointed as media monitoring provider to the BOPLASS councils following a review process undertaken by councils' communication managers. This service has provided significant value to the councils this year with the BOPLASS provider providing daily COVID-19 media summaries covering all essential information from NZ and international media.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>Achieved</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>Tender Facilitation</u> – BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils. Grant Thornton NZ Ltd were appointed.</p> <p><u>Regional LiDAR Capture 2020–2025</u> – Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region. Aerial Surveys Ltd were appointed to complete a region-wide five-year plan for LiDAR capture. The data will be used by councils to create highly accurate 3D terrain and surface models of the land, which are vital for flood modelling purposes and mapping water flows.</p> <p><u>Infrastructure Insurance</u> – Securing councils' insurance cover requires a new procurement process to be undertaken every 12-months, with a variety of insurers and underwriters engaged, to negotiate favourable terms and competitive pricing. This year BOPLASS represented a collective group of NZ councils for direct placement into the London markets for councils' infrastructure insurance. Options for placements into the Asian markets were also explored. Through this competitive process and the aggregated approach, BOPLASS councils were able to achieve rates with an average 20% discount compared with each council securing individual policies.</p> <p>A new contract was established with a mix of Lloyds' syndicates.</p> <p><u>Standards NZ</u> – BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing. BOPLASS councils were using differing forms of access/licences with not all councils having access to the same range of Standards data. The</p>

		<p>collective agreement has meant a broader range of catalogues are available to all councils and at a lower cost than individual arrangements. This has enabled better utilisation of Standards and negated expensive individual subscriptions.</p> <p><u>Accounts Payable Automation Software</u> – Following presentations from vendors on workflow automation for the BOPLASS councils, Esker were selected as the preferred solution for the implementation of Accounts Payable automation software.</p> <p><u>FME Server</u> – GIS software. Reviewed options for multiple councils to participate in shared procurement of this software rather than purchasing individual licences. BOPLASS currently manages shared procurement of the FME Desktop software on behalf of councils.</p> <p><u>Human Resources Information Systems</u> – BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils. It was agreed for the BOPLASS councils to review options available under the All of Government purchasing.</p> <p><u>Insurance Brokerage and Risk Management Services</u> – BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke’s Bay councils for the appointment of an insurance broker. The collective approach to the tender delivered considerable value, including savings in fees and premiums, but also an opportunity to share best practices and further align insurance programmes across the regions. Aon NZ Ltd were appointed as broker by all participating LASS and councils.</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Resource assignment measured from project job tracking.</p>	<p>Achieved</p>	<p>0.6 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p><u>Robotic Process Automation (RPA)</u> – BOPLASS is leading a project to review opportunities for RPA services to be developed collectively and shared across participating councils. RPA provides an opportunity for the automation of repeatable processes that can run without intervention. A presentation of existing services has been completed and options for developing a centre of excellence are being explored as a means of supporting collaborative development and the efficient use of design/development expertise. This project is ongoing.</p>

	<p><u>Treasury Staff</u> – Meetings have been coordinated by BOPLASS for councils’ treasury staff and finance representatives to be provided information from senior economists on New Zealand and international economies. This has been proven to be particularly valuable given the current international and NZ economic turmoil.</p> <p><u>Sustainable Public Procurement</u> – BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p> <p><u>Debt Recovery Services</u> – Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services. The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p><u>Zoom Video Conference Services</u> – Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p><u>Civil Defence Emergency Management GIS Group</u> – GIS data and tools are now an integral part of a Civil Defence response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p><u>Standardisation of Insurance Valuations</u> – Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils’ insurance.</p>
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		<p><u>Inter-LASS collaboration</u> – A number of procurement projects are underway or being investigated covering multiple LASS and benefitting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and has recently provided information to South Island councils investigating collective opportunities.</p> <p><u>Regional Waste Operator Licensing and Data Collection</u> – Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council’s area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p><u>Skype for Business inter-council communication</u> – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year.</p> <p>Number of active users to increase by 20% per year.</p>	<p>Achieved</p>	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the MahiTahi Collaboration Portal was marketed through SOLGM to all NZ councils’ CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p> <p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p>

		Development of Azure services to further support the Collaboration Portal, including implementing multi-factor authentication of portal administrators and migration of DNS services to Azure.
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2020: \$15,223 deficit.</p>

## Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2018/19 and is provided for comparative purposes.

Target <u>2018/19</u>	Result	Narration
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>Infrastructure Insurance</u> – BOPLASS represented a collective group of councils in negotiations for placement of councils' infrastructure insurance into the London markets. Although faced with a hardening insurance market BOPLASS councils were able to achieve particularly good outcomes as a result of our existing underwriter relationships and an established history within the London insurance markets. This was supported by accurate loss modelling information, asset valuations, and risk quantification data, all of which have become essential information in securing appropriate and competitively priced insurance. A new contract was established with a mix of Lloyds' syndicates.</p> <p><u>Eagle Training</u> – Eagle Technology was engaged by BOPLASS to provide collaborative training on migrating ArcMap to ArcGIS Pro for BOPLASS councils GIS staff. This collective approach provided significant cost savings and improved inter-council information sharing.</p> <p><u>Aerial Imagery and LiDAR* 2018/19</u> – The tender for BOPLASS councils' specific areas and requirements within the BOPLASS regional flying calendar were awarded to AAM NZ Ltd. An additional financial saving of approximately \$100,000 was achieved (beyond the benefits of a collective tender) through a unique flying and capture process being utilised.</p> <p><i>*LiDAR (Light Detection and Ranging) data, or height data, is precise laser measurements of the Earth's surface that is used for creating highly accurate 3D maps of the land. LiDAR is particularly useful for flood modelling purposes because it provides accurate terrain and surface models of the land. LiDAR allows us to better understand where water will flow, what protection may be needed and where the areas at greatest risk from flooding are.</i></p> <p><u>Provincial Growth Fund Application for LiDAR Capture</u> – BOPLASS successfully managed a coordinated regional approach to a Provincial Growth Fund application for co-funding for LiDAR capture for the entire Bay of Plenty region. Co-funding was made available to assist councils to invest in an expansion of 3D mapping to assist with supporting major development projects and improve land use management in our region. The successful application for co-funding will result in significant savings</p>

	<p>for BOPLASS councils' LiDAR and 3D mapping programmes.</p> <p><u>Antenno</u> – Is a local government communications app that allows councils to push notifications to their communities. It also provides facilities for people to lodge service requests with their council directly through the app. BOPLASS negotiated a discount rate with Datacom for all BOPLASS councils.</p> <p><u>Lone Worker Field Solutions</u> – The BOPLASS Health and Safety group have engaged with vendors to review communication and technology solutions to assist with protecting and connecting with lone or remote workers. Still under action.</p> <p><u>Robotic Process Automation</u> – RPA provides an opportunity for the automation of repeatable processes that can run without intervention. BOPLASS has facilitated workshops with vendors and also with Auckland Council as they have developed a mature process for developing solutions based upon various business units' requirements. This project is ongoing.</p> <p><u>Accounts Payable Automation Software</u> - BOPLASS led a project to identify collaborative opportunities for the automation of accounts payable processes through niche software or collective development of a shared solution. Negotiations are underway with a shortlisted provider. Still under action.</p> <p><u>PMCA NZME Premium Content</u> - BOPLASS holds a collective PMCA licence on behalf of our constituent councils. BOPLASS identified that our licenced organisations cannot legally access premium media content without holding a corporate paywall premium subscription. BOPLASS investigated a project to establish a single corporate licence on behalf of our councils. It was determined that the service was not required by all councils and individual agreements would be pursued.</p> <p><u>Insurance Valuations</u> – International underwriters for BOPLASS councils' insurances had requested we demonstrate a common standard of asset reporting aligned to a consistent standard for valuations reporting. Having this consistent data would assist them in better understanding the risk they are writing and, ultimately, would be reflected in their pricing. BOPLASS negotiated an agreement with Aon to review councils' valuation processes and establish consistent standards for valuation of assets. Discounted pricing and savings for all councils was achieved through a collective agreement.</p> <p><u>Contractor online inductions</u> – The BOPLASS Health and Safety advisory group have investigated and shortlisted suppliers to deliver a collective solution for online inductions of contractors for all BOPLASS councils. Still under action.</p>
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		<p><u>Eastern BOP Electricity Tender</u> – At the request of Eastern Bay councils BOPLASS explored options for other BOPLASS councils to participate in a collective tender. After investigating with other councils it was determined that it was more beneficial for Eastern Bay councils to proceed with a separate tender.</p> <p><u>Health and Safety Management Software</u> – A BOPLASS preferred supplier agreement has been established with Vault with preferential pricing applied to all participating Waikato and BOPLASS councils. The agreement provided significant savings for all councils and migration to the latest Vault version at no cost to participating councils.</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.</p>	<p>Achieved</p>	<p>0.45 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p><u>Radio Telephony (RT) strategy</u> – Push Wireless have been appointed as preferred supplier to coordinate region-wide Radio Telephone services and technologies. Standardisation of services and networks also provides the potential for further alignment in civil defence strategies.</p> <p><u>Bulk loading As Built Data questionnaire</u> – Investigated aligning BOPLASS councils to common As Built data standards. Survey circulated to all GIS teams to benchmark current standards. Still under action.</p> <p><u>Solid Waste Management</u> – Scoping for two of the three solid waste services that are being coordinated by BOPLASS has been completed, with significant opportunities for cross-regional collaboration identified:</p> <p>A regional or cross-regional approach to licensing and data collection for waste operators  Diverting putrescible wastes from landfill</p> <p>The Regional Facilities Strategy project is awaiting commitment from Waikato councils before completing the initial scoping.</p> <p><u>Insurance Forum</u> – BOPLASS hosted an insurance forum covering Waikato and BOP councils. BOPLASS arranged sponsorship and the forum was provided at no cost to the councils. Qualified speakers covered a number of critical insurance and risk topics. Councils benefitted from access to this important information through this forum.</p> <p><u>Health and Safety Inter-Council Audits</u> – A framework has been developed to enable BOPLASS councils to request a peer review from other councils in the BOPLASS group with the objective of sharing knowledge and improving areas within Health and Safety.</p>



	<p><u>Asbestos protocol</u> – Researched and shared best practice and protocols across councils and within BOPLASS Health and Safety Advisory group. Organised WorkSafe presentation. Ongoing sharing of information between councils.</p> <p><u>Sustainable Public Procurement</u> – BOPLASS supported Toi-Ohomai Institute of Technology in a research report on Sustainable Public Procurement in the Bay of Plenty. BOPLASS has worked with CoBOP and The Sustainable Business Network to progress the opportunities identified in the report. BOPLASS councils' procurement managers have undertaken a project to collaborate in the development of sustainability procurement practices and policies.</p> <p><u>Health and Safety Benchmarking</u> – The BOPLASS and Waikato LASS Health and Safety groups have established measures and systems for implementing a shared local authority health and safety benchmarking system.</p> <p><u>Support of Video Conferencing services for councils</u> – Ongoing support for councils' in-house and external video conferencing services. Central management of virtual meeting rooms and directories. Investigation of updated services. Added Zoom services to councils' video conferencing services.</p> <p><u>Opotiki District Council Library and cloud services</u> – BOPLASS IT Manager assisted in reconfiguration of network and led project to investigate options to move Opotiki District Council into the Cloud.</p> <p><u>Inter-Council Network (ICN) review, redesign and renegotiation of suppliers and services</u> – The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. ICN design was reviewed and an evaluation of ICN contracts undertaken to deliver further cost reductions.</p> <p><u>Debt Collections</u> – After investigating options for establishing a local shared service, BOPLASS engaged with MWLASS to develop an opportunity for BOPLASS councils to participate in the MWLASS debt management service – Debt Management Central (DMC) – as a shared service. An interLASS agreement has been agreed, with BOPLASS councils entering into individual contracts with DMC.</p> <p><u>Capital Construction and Civil Works Projects</u> – A regional-wide marketing approach to civil projects is being reviewed. The focus of this approach is to market the project plans of the region as a whole to the construction sector and to help avoid the complex issue of regional versus local prioritisation for delivery of projects. The anticipated benefit of this approach is to attract a better response from contractors for councils across the region. Ongoing.</p>
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		<p><u>Inter-LASS collaboration</u> – BOPLASS continues to encourage collaboration between all LASSes and has established quarterly meetings for LASS leaders to share information and identify opportunities for collective partnering.</p> <p><u>Collaborative Training</u> – Cross-council training has continued to be arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainers are prepared to travel to region for a larger group), opportunity to network with peers from other councils, and development of tailored material.</p> <p><u>BOPLASS Reviews</u> – Undertaken during all advisory group meetings – at least quarterly.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year. Number of Team Sites to increase by 20% per year. Portal is operational outside of the LASS groups with a minimum of ten additional councils or local government related organisations having utilised the portal.</p>	Achieved	<p>Project completed relaunching the Collaboration Portal with a more user-friendly platform under Microsoft Teams to enable and encourage a higher level of sharing from councils and the Local Government community. User survey feedback implemented along with a review of best practice methodologies.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in more than ten additional councils or Local Government related organisations outside of the LASS group signing up to and using the Collaboration Portal, there are 24 councils or local government related organisations outside of the LASS group registered on the Portal.</p> <p>On-boarding, training material and training provided to councils to maximise usage and ensure increased uptake. Demonstrations of the Portal given to BOPLASS Advisory Groups and to councils' executive leadership teams.</p> <p>Number of projects has increased by 11 over the last year, there are now 39 lodged projects.</p> <p>The number of Collaboration Portal Team Sites have increased by 32 over the last year with 58 team sites now registered.</p>
<p>Ensure appointed vendors remain competitive and continued best value is returned to shareholders.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Video Conferencing Services</u> – New video conference services have been established using Canon and Zoom to deliver desktop and meeting room services to participating councils.</p> <p><u>GIS software and services</u> –</p> <p>Geocortex Essentials Geocortex Optimizer X-Tools NZ Archaeological Association</p> <p>Contracts renegotiated and renewed – no alternative suppliers.</p>

		<p><u>Print Media Copyright Agency (PMCA)</u> – Contract and requirements reviewed. Contract renewed with PMCA – sole NZ provider.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – BOPLASS Enterprise Agreement renegotiated and renewed for a further three year term with no increases in cost to councils. No alternative provider in NZ.</p> <p><u>Media Monitoring services</u> – Competitive procurement process managed by BOPLASS with presentations received from two vendors. Contract with iSentia renewed.</p> <p><u>Inter-Council Network</u> – Existing contracts renegotiated with some of the ICN suppliers, resulting in improved levels of service and \$56,048 annual savings in 2018/19 for this foundation service:</p> <p><u>Spark Fortigate Firewall Services</u> – renegotiated contract resulting in reduced ongoing costs for this service saving \$12,611 per year.</p> <p><u>Spark GWS Service</u> in Opotiki replaced with Evolution Networks Wireless WAN. Planning work begun in 2018 and completed in early 2019 year. Further improvements to the wireless service undertaken in February 2019. The decommission of the Spark service will result in a saving of \$20,000 per year.</p>
<p>Review governance performance and structure to ensure it supports BOPLASS’ strategic direction.</p> <p>Perform review of BOPLASS governance.</p> <p>Affirmative feedback received from shareholding councils at least annually.</p>	<p>Achieved</p>	<p>Following direct engagement with shareholders and feedback received a decision was made not to proceed with an independent governance review. The majority of councils advised they were comfortable with the current Board composition and the cost of carrying out an independent governance review would be prohibitive relative to the return in value.</p> <p>Discussions around strategy and governance are held on a continuous basis by the Board.</p> <p>Feedback from councils is received through the Statement of Intent submission process.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	<p>Achieved</p>	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Meetings were held with each council’s Executive Leadership Team.</p> <p>A further four Operations Committee meetings were held during the year with Executive Leadership Team representation and input provided by all shareholding councils.</p>

<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<p>Achieved</p>	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2019: \$5,322 profit.</p>
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**PART TWO – ACCOUNTABILITY STATEMENTS**



### **Building Blocks**

BOPLASS Ltd has been built on a number of principles and activities and these are the building blocks of our success.



You will find examples in text boxes scattered through the document.

## Statement of Responsibility



The following pages 27-50 outline the financial statements and notes for year ended 30 June 2020 for BOPLASS Limited.

The directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of BOPLASS Ltd for the twelve months ended 30 June 2020.

For and on behalf of the Board of Directors:

Signed:		Craig O'Connell – Chair	Date:	30 November 2020
Signed:		Martin Grenfell – Director	Date:	30 November 2020

## Independent Auditor's Report

To the readers of BOP LASS Limited's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of BOP LASS Limited (the company). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

### Opinion

We have audited:

- the financial statements of the company on pages 27 to 46 and 49 to 50, 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; and
- the performance information of the company on pages 7 to 20.

In our opinion:

- the financial statements of the company on pages 27 to 46 and 49 to 50:
  - 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 the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the company on pages 7 to 20 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Company as set out on pages 49-50 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 and the performance information

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 information for the company.

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

In preparing the financial statements and the performance information, 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 Local Government Act 2002.



### Responsibilities of the auditor for the audit of the financial statements and the performance information

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

For the budget information reported in the financial statements and the performance information, 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 information.

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 information, 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 evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- 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 information 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 and the performance information, including the disclosures, and whether the financial statements and the performance information 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 6 and 47 to 48, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 information, 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 information 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 the audit, we have no relationship with, or interests in, the company.



Clarence Susan  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand


## Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2020			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
<b>ASSETS - CURRENT</b>			
Bank accounts and cash	10	328,672	216,878
Short Term Investments	10	803,090	800,000
Debtors and Other Receivables	11	200,341	126,132
Prepayments	12	34,788	70,127
<b>Total Current Assets</b>		<b>1,366,891</b>	<b>1,213,137</b>
<b>ASSETS - NON-CURRENT</b>			
Intangible Assets	13	16,893	24,241
Plant and Equipment	14	860	1,383
<b>Total Non-Current Assets</b>		<b>17,753</b>	<b>25,624</b>
<b>TOTAL ASSETS</b>		<b>1,384,644</b>	<b>1,238,761</b>
<b>LIABILITIES - CURRENT</b>			
Creditors and Accrued Expenses	15	156,408	120,629
Employee Costs Payable	16	36,101	38,809
Income in Advance	17	1,162,279	1,034,244
Borrowings	18	0	0
<b>Total Current Liabilities</b>		<b>1,354,788</b>	<b>1,193,682</b>
<b>TOTAL LIABILITIES</b>		<b>1,354,788</b>	<b>1,193,682</b>
<b>TOTAL ASSETS less TOTAL LIABILITIES</b>		<b>29,856</b>	<b>45,079</b>
<b>EQUITY</b>			
Accumulated Deficits	19	(69,146)	(53,923)
Share Capital	19	99,002	99,002
<b>TOTAL EQUITY</b>		<b>29,856</b>	<b>45,079</b>

The notes and Statement of Accounting Policies form part of these financial statements.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 30 November 2020


Signed:  Martin Grenfell – Director Date: 30 November 2020

## Financial Statements – Statement of Financial Performance


STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2020				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
<b>REVENUE</b>				
Council Contribution	2	273,511	273,510	273,511
Project Revenue	2	1,099,886	1,196,500	1,061,642
Interest Revenue	3	23,237	17,500	24,690
Other Income (Tax Refund)		8,777	0	0
<b>Total Revenue</b>		<b>1,405,411</b>	<b>1,487,510</b>	<b>1,359,843</b>
<b>EXPENSES</b>				
Depreciation and Amortisation	4	7,870	8,000	9,283
Employee Related Costs	5	274,531	302,000	344,150
Directors Costs	6	16,220	18,000	21,206
Finance Cost	7	0	1,000	793
Other Expenses	8	1,122,013	1,158,510	979,089
<b>Total Expenses</b>		<b>1,420,634</b>	<b>1,487,510</b>	<b>1,354,521</b>
Surplus/(Deficit) before tax		(15,223)	0	5,322
Income Tax Expense/(Benefit)	9	0	0	0
<b>Surplus/(Deficit) after Tax</b>		<b>(15,223)</b>	<b>0</b>	<b>5,322</b>

The notes and Statement of Accounting Policies form part of these financial statements. Explanations of major variances against budget are provided in note 25.

### Media Monitoring



A shared media monitoring portal provides councils with improved visibility of community feedback through monitoring of press and social media.



## Financial Statements – Statement of Cashflows

STATEMENT OF CASHFLOWS - FOR THE YEAR ENDED 30 JUNE 2020			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Council Contribution		273,511	273,511
Other Revenue		8777	0
Project Revenue		1,155,783	1,185,801
Interest Revenue		23,237	24,690
Tax Paid - RWT (net)		0	0
Goods and Services Tax (net)		19,396	7,987
Total Cash Provided		1,480,704	1,491,989
Employee Related Costs		(277,240)	(335,130)
Payments to Suppliers		(1,081,524)	(1,082,520)
Interest Paid		0	(794)
Tax Paid - RWT (net)		(7,056)	(8,767)
Goods and Services Tax (net)			(0)
Total Cash Applied		(1,365,820)	(1,427,211)
<b>NET CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>114,883</b>	<b>64,778</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Investments		(3,090)	(300,000)
Purchase of Plant and Equipment		0	(0)
Purchase of Intangibles		0	(16,283)
Total Investing Cash Applied		0	(316,283)
<b>NET CASHFLOWS FROM INVESTING ACTIVITIES</b>		<b>(3,090)</b>	<b>(316,283)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Loans		0	0
Repayment of Loans		0	(0)
<b>NET CASHFLOWS FROM FINANCING ACTIVITIES</b>		<b>0</b>	<b>(0)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>111,794</b>	<b>(251,505)</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>216,878</b>	<b>468,383</b>
<b>CASH AT END OF THE YEAR</b>	10	<b>328,672</b>	<b>216,878</b>

The GST component of operating activities reflects the net GST paid and received to and from the Inland Revenue Department. The GST component has been prepared on a net basis, as the gross amounts do not provide meaningful information for financial purposes.

The notes and Statement of Accounting Policies form part of these financial statements.

## *Entity Information for the Year Ended 30 June 2020*

### *LEGAL NAME*

BOP LASS Limited stands for Bay of Plenty Local Authority Shared Services.

### *TYPE OF ENTITY AND LEGAL BASIS*

BOPLASS Ltd is incorporated in New Zealand under the Companies Act 1993.

### *COMPANY'S PURPOSE*

BOPLASS Ltd is based in Tauranga and is a joint venture between nine councils formed to provide shared services.

### *STRUCTURE OF COMPANY'S OPERATIONS INCLUDING GOVERNANCE ARRANGEMENTS*

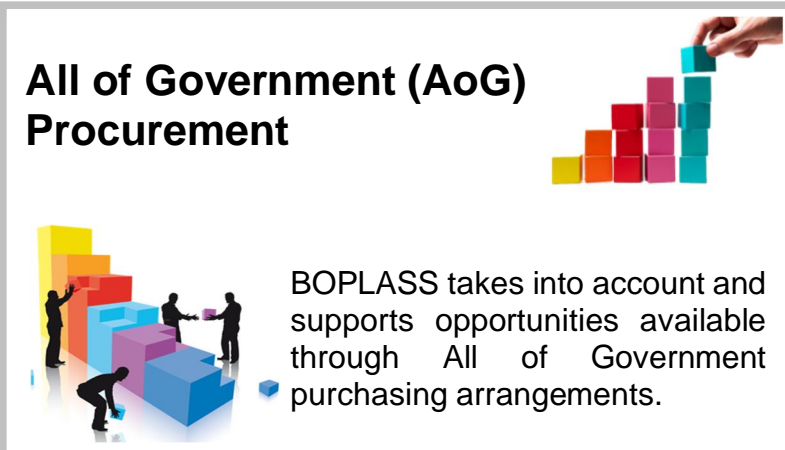
The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering against the company's objectives. The Board is made up of nine Chief Executives from participating councils and one Independent director. Refer Statutory Disclosure note page 48 for list of councils.

### *MAIN SOURCE OF THE COMPANY'S CASH AND RESOURCES*

Annual operating contribution received from each of the nine councils and project commissions are the main source of funding.

### *OUTPUTS*

As per the Statement of Intent and Performance.



**All of Government (AoG)  
Procurement**

BOPLASS takes into account and supports opportunities available through All of Government purchasing arrangements.

## Statement of Accounting Policies

### Statement of Accounting Policies for the Year Ended 30 June 2020

#### ACCOUNTING POLICIES APPLIED:

##### *BASIS OF PREPARATION*

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the company does not have public accountability (as defined) and has total annual expenses less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. The functional currency of BOPLASS Ltd is New Zealand dollars.

The financial statements are prepared on the assumption that the company will continue to operate in the foreseeable future.

##### *SIGNIFICANT ACCOUNTING POLICIES*

There have been no changes to accounting policies during the reporting period.

##### *GOODS AND SERVICES TAX*

The company is registered for GST. All amounts in the financial Statements are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

##### *REVENUE RECOGNITION*

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

Contributions received from the nine shareholder councils are BOPLASS Limited's primary source of funding for the 12 months ended 30 June 2020.

Council contributions are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contributions are not met. No such obligation is attached to the council contributions received for the twelve months ended 30 June 2020.

Project revenue is recognised when the sale of goods or services is sold to the customer.

Interest revenue is recorded as it is earned during the year.

### *EMPLOYEE RELATED COSTS*

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

### *ADMINISTRATION, OVERHEADS AND PROJECT EXPENDITURE COSTS*

These are expensed when the related service has been received.

### *LEASE EXPENSES*

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

### *BANK ACCOUNTS AND CASH*

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

### *DEBTORS AND OTHER RECEIVABLES*

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.

### *PLANT AND EQUIPMENT*

Plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the company, the asset is impaired if the value to the company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

The useful lives for associated depreciation rates of other assets have been estimated using the diminishing value basis as follows:



Office equipment	5 years	40%
Computer equipment	4 years	50%
Mobile Phone	3 years	67%

#### *INTANGIBLE ASSETS*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a diminishing value basis over its estimated useful life, at the same rate as is allowed by the Income Tax Act 1994. This charge is recognised as an expense.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated using the diminishing basis as follows:

2020 Computer Software	4 years	50%
2019 Computer Software	4 years	50%

#### *CREDITORS AND ACCRUED EXPENSES*

Creditors and accrued expenses are measured at the amount owed.

#### *EMPLOYEE COSTS PAYABLE*

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

#### *INTEREST BEARING LOANS AND BORROWINGS*

Loans & Borrowings are recognised at the amount borrowed from the lender.

Interest costs and interest accrued are recognised as an expense when incurred.

#### *INCOME TAX*

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

### *BUDGET FIGURES*

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

### *COMMITMENT AND CONTINGENT LIABILITIES*

Commitments and contingencies are disclosed exclusive of GST.

### *EQUITY*

Equity is measured by the value of total assets less total liabilities.

### *TIER 3 PBE ACCOUNTING STANDARDS APPLIED*

BOPLASS Ltd has applied Tier 3 Accounting Standards in preparing its Financial Statements to:

- Property, plant and equipment to show intangible assets separate from property, plant & equipment.
- Debtors and prepayments reported separately.



**Print Services**

A collective contract with CSG for photocopiers and printers has delivered significant savings to the group. It has also provided a common technology platform supporting the development and delivery of further shared services.

## Notes to Financial Statements

### NOTE 2: COUNCIL CONTRIBUTION / PROJECT REVENUE

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Revenue				
Council Contribution		273,511	273,510	273,511
		273,511	273,510	273,511
Project Revenue				
Rebates	*	8,461	6,000	7,850
Aerial Photography Revenue	**	332,436	300,000	205,510
Video Conferencing Revenue	***	31,753	30,500	34,140
Revenue - ICN	****	109,898	135,000	116,783
Recoveries	*****	596,937	650,000	561,012
Sales of Service Revenue	*****	0	0	57,947
Collaboration Portal Revenue	*****	20,400	75,000	78,400
		1,099,885	1,196,500	1,061,642
<b>TOTAL CORE AND PROJECT REVENUE</b>		<b>1,373,396</b>	<b>1,470,010</b>	<b>1,335,153</b>

\* Rebates for Services contracted by BOPLASS Ltd are received from CSG and NZ Post Ltd.

\*\* Aerial Photography revenue is offset by Aerial Photography expenditure paid by BOPLASS Ltd on behalf of the councils. Refer to note 8.

\*\*\* Video Conferencing Revenue is offset by Video Conferencing expenditure.

\*\*\*\* ICN Revenue is offset by ICN expenditure.

\*\*\*\*\* Recovery Revenue is offset by recovery expenditure refer to note 8. This is the recovery of BOPLASS project or procurement costs incurred on behalf of the participating councils.

\*\*\*\*\* Sales of Service Revenue no longer applies.

\*\*\*\*\* Collaboration Portal Revenue is offset by Collaboration Portal expenditure. The Budget variation occurred as the Budget was set before the number of participating LASS and councils was confirmed.

### NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Revenue				
Interest Revenue - Current account	*	143	1,000	559
Project Revenue				
Interest Revenue - Aerial Trust account	*	23,094	16,500	24,131
<b>TOTAL INTEREST REVENUE</b>		<b>23,237</b>	<b>17,500</b>	<b>24,690</b>

\* Bank interest on BOPLASS Ltd current account and Aerial Photography Trust account.

The Budget variation occurred on the current account as the interest rate declined significantly. Councils now have an agreement to invest monies at a higher interest rate. Refer Note 10.

#### NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Expenditure				
Intangibles	*	7,347	8,000	7,875
Plant and Equipment	**	524	0	1,408
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>7,871</b>	<b>8,000</b>	<b>9,282</b>

\* Intangibles refer to note 13.

\*\* Plant and Equipment refer to note 14.

#### NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Expenditure				
Salary and Wages		242,822	265,000	293,860
Superannuation	*	9,740	10,000	20,481
Direct Personnel Overheads	**	21,969	27,000	29,809
<b>TOTAL EMPLOYEE RELATED COSTS</b>		<b>274,531</b>	<b>302,000</b>	<b>344,150</b>

\* Superannuation includes employer contributions to Kiwisaver.

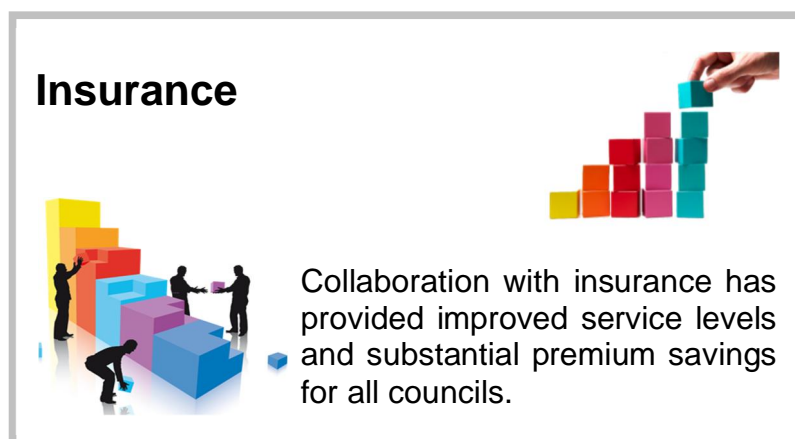
\*\* Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

#### NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Expenditure				
Directors Costs (Fees & Travel)	*	16,220	18,000	15,000
Directors Costs	**	0	0	6,206
<b>TOTAL DIRECTORS COSTS</b>		<b>16,220</b>	<b>18,000</b>	<b>21,206</b>

\* Craig O'Connell is the only independent paid Director, commenced February 2015. The other nine Directors are the Chief Executives of participating Councils and do not receive any remuneration from BOPLASS.

\*\* Directors Costs have been combined to one code for fees and travel.



## NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Expenditure				
Interest on Borrowings	*	0	1,000	793
<b>TOTAL FINANCE COST</b>		<b>0</b>	<b>1,000</b>	<b>793</b>

\* Interest on Tauranga City Council loan refer to note 18.

## NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2019/20 Actual	2019/20 Budget	2018/19 Actual
Core Expenditure				
Audit Fees	*	19,981	17,500	16,592
Administration Expenses	**	17,727	14,400	28,892
Consultancy	***	3,700	4,500	7,100
General Costs	****	182	9,900	5,743
Insurance		8,837	8,500	8,425
Loss on Disposal of Asset		0	0	0
		50,427	54,800	66,752
Project Expenditure				
Aerial Photography	*	332,436	300,000	205,510
Video Conferencing	**	30,959	28,610	35,904
Inter Council Network (ICN)	**	102,648	129,100	104,285
Recoveries	***	579,029	620,000	531,930
Collaboration Portal Opex	****	26,514	26,000	34,707
		1,071,586	1,103,710	912,336
<b>TOTAL OTHER EXPENSES</b>		<b>1,122,013</b>	<b>1,158,510</b>	<b>979,088</b>

### Core

- \* Audit Fees for 2019/20 are \$19,981, includes accrual \$16,991
- \*\* Administration Expenses
- \*\*\* Consultancy includes tax advice for 2019/20
- \*\*\*\* Accommodation & Travel, Bank Fees, Conferences, General Expenses, Health & Safety, Legal, Subscriptions

### Project

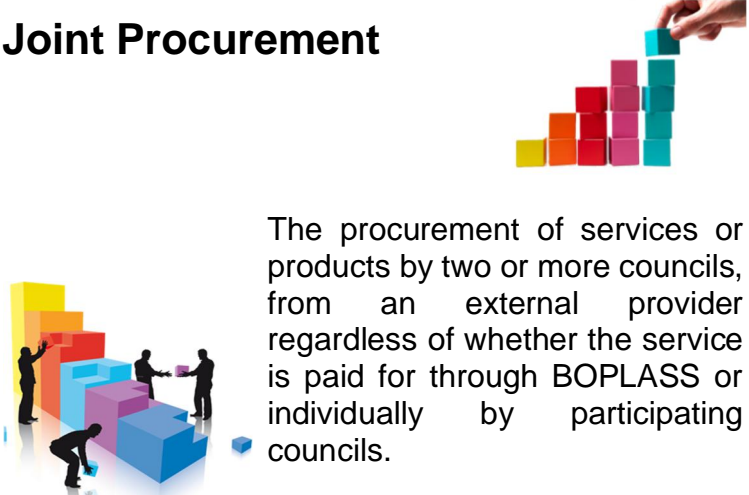
- \* BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.
- \*\* ICN Expenses. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.
- \*\*\* Recoveries - This expenditure is offset from the revenue received from the councils for project work.
- \*\*\*\* Collaboration Portal Opex - to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate.

## NOTE 9: INCOME TAX EXPENSE

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Components of tax expense			
Current Tax Expense		0	0
Adjustments to current tax in prior years		0	0
Tax Expense		0	0
<b>INCOME TAX EXPENSE</b>		<b>0</b>	<b>0</b>
Relationship between tax expense and accounting profit			
Net surplus (deficit) before Taxation*		(15,223)	5,322
Tax calculation @ 28%		(4,262)	1,490
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		169,838	134,414
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(169,665)	(134,126)
Prior Period Adjustment		0	0
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		4,089	(1,779)
<b>TOTAL INCOME TAX EXPENSE</b>		<b>(0)</b>	<b>(0)</b>

Tax losses for 2020: (\$34,645), 2019: (\$11,898) are available to carry forward and offset against any future taxable income.

### Joint Procurement



The procurement of services or products by two or more councils, from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

## NOTE 10: BANK ACCOUNTS, CASH AND OTHER FINANCIAL ASSETS

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Cash at Bank - Current account		124,388	40,988
Cash at Bank - Aerial Trust account		204,284	175,890
Term Deposit 182 days @ 2.70% Maturing 13 July 2020		303,090	300,000
Term Deposit 180 days @ 2.75% Maturing 12 August 2020		250,000	250,000
Term Deposit 180 days @ 2.70% Maturing 08 September 2020		250,000	250,000
<b>TOTAL BANK ACCOUNTS AND CASH</b>		<b>1,131,762</b>	<b>1,016,878</b>

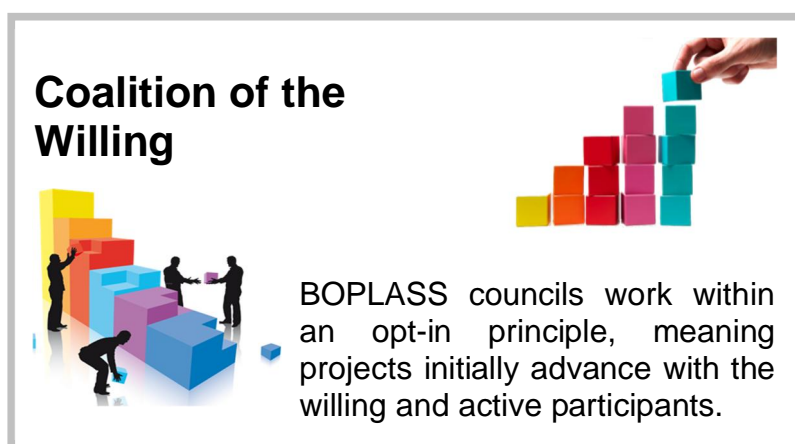
## NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Debtors – Other		148,367	73,474
Goods and Services		0	4,985
Accrued Revenue		24,397	27,152
Withholding Tax		27,577	20,521
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>		<b>200,341</b>	<b>126,132</b>

Debtors are non-interest bearing and receipt is normally 30-day terms. Therefore, the carrying amount of debtors approximates their fair value.

## NOTE 12: PREPAYMENTS

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Under 1 Year		34,788	70,127
<b>TOTAL PREPAYMENTS</b>		<b>34,788</b>	<b>70,127</b>



## NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Computer Software			
Cost			
Cost at beginning of Year		79,174	62,891
Current Year Additions		0	16,283
Current Year Disposals		0	0
Cost Balance at Year End		79,174	79,174
Accumulated Amortisation and Impairment			
Cost at beginning of Year		(54,934)	(47,059)
Amortisation Expense		(7,347)	(7,875)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(62,281)	(54,934)
Carrying Amounts			
Cost at beginning of Year		24,240	15,832
Carrying Amount at Year End		16,893	24,240

Amortisation Expense was at varying rates between 15% to 60%.

No impairment losses have been recognised for intangible assets.

## NOTE 14: PLANT AND EQUIPMENT

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		3,995	6,484
Current Year Additions		0	0
Current Year Disposals		0	(2,489)
Cost Balance at Year End		3,995	3,995
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(2,612)	(1,204)
Depreciation Expense		(524)	(1,408)
Impairment Losses		0	0
Loss on Disposal of Asset		0	0
Accumulated Depreciation and Impairment Balance at Year End		(3,136)	(2,612)
Carrying Amounts			
Cost at beginning of Year		1,383	3,995
Carrying Amount at Year End		859	1,383

Office equipment has been depreciated over its life (5 years).

Computer equipment has been depreciated over its life (4 years). Mobile Phone (3 years).



## NOTE 15: CREDITORS AND ACCRUED EXPENSES

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
ANZ Business Credit Card		0	4,195
Creditors		121,392	57,298
Accrued Expenses	*	20,606	19,592
Goods and Services Tax Payable		14,410	0
Retentions		0	39,544
<b>TOTAL CREDITORS AND ACCRUED EXPENSES</b>		<b>156,408</b>	<b>120,629</b>

ANZ Business Credit Card facilities were arranged primarily to pay international accounts for software to reduce the fees charged and to improve expense processes and reporting.

Creditors are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

\* Accrued Expenses relates to Audit Fees of \$16,991 and Tax Advice that have been accrued for the 2019/20 financial year.

## NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Accrued Salaries and Wages		7,735	10,058
Annual Leave		18,817	16,896
PAYE		9,549	11,855
<b>TOTAL EMPLOYEE COSTS PAYABLE</b>		<b>36,101</b>	<b>38,809</b>

## NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Income in Advance	*	1,162,279	1,034,244
<b>TOTAL INCOME IN ADVANCE</b>		<b>1,162,279</b>	<b>1,034,244</b>

\* Income in advance that relates to 2019/20 financial year:  
 \$953,693 is for aerial photography;  
 \$58,544 is for the Geospatial Web project;  
 \$49,999 is for Proof of Concept budget for OpsCom Projects;  
 \$25,877 is for N3 Group Membership 1 July 2020 to 30 June 2021;  
 \$5,000 CSG Technology Rebates 2021 per annum;  
 \$9,793 PMCA Licence;  
 \$59,372 Solid Waste

## NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Maturing in Under 1 Year		0	0
<b>TOTAL BORROWINGS</b>		<b>0</b>	<b>0</b>

BOPLASS Ltd has a reciprocal borrowing arrangement with Tauranga City Council which allows for the borrowing of funds and placement of excess funds. The current loan balance as at 30 June 2020 is \$NIL. Interest is accrued during each interest period.

This loan facility is still available to BOPLASS Ltd.

Interest is calculated at current market rates. The loan from Tauranga City Council is unsecured.

## NOTE 19: EQUITY

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Share Capital			
Balance at beginning of Year		99,002	99,002
Fully Paid up Shares		0	0
Balance at Year End		99,002	99,002
Accumulated Surpluses/(Deficit)			
Balance at beginning of Year		(53,923)	(59,245)
Surplus/(Deficit) after Taxation		(15,223)	5,322
Balance at Year End		(69,146)	(53,923)

Share Capital - As at 30 June 2020, share capital comprised of thirty-one Ordinary Shares and twenty-two Non-Voting Shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

Dividends - No dividends have been paid or are proposed by the Company.

## NOTE 20: CONTINGENCIES

BOPLASS Ltd have no contingencies at year end and that there were no contingencies for prior year.

## NOTE 21: EVENTS OCCURRING AFTER BALANCE DAY

No events have occurred since balance date for BOPLASS Ltd.

## NOTE 22: STATEMENT OF COMMITMENTS

	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Capital Commitments		0	0
<b>TOTAL CAPITAL COMMITMENTS</b>		<b>0</b>	<b>0</b>

This statement represents extraordinary or exceptionally large commitments for that type of expenditure within the normal course of business, which have been contractually entered into. As at balance date, BOPLASS Ltd has no large commitments of this nature.

BOPLASS Ltd has a contractual agreement with AAM Limited to provide aerial photos for the councils. This is treated as an operational expense in the BOPLASS Ltd accounts.

### Operating Leases as Lessee

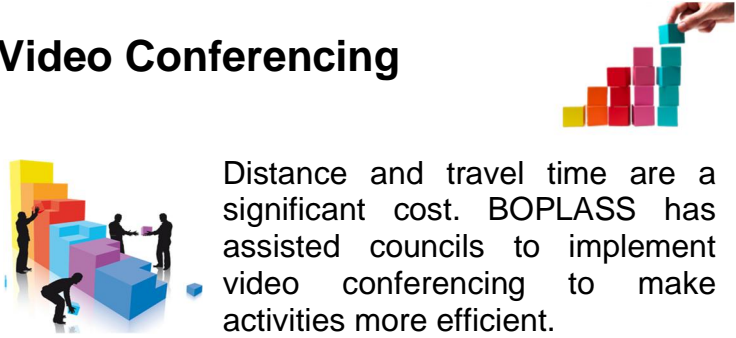
BOPLASS Ltd leased an ultrafast broadband network to enable the establishment of the Inter Council Network. An advance payment of \$250,000 was paid by BOPLASS Ltd in 2010 for the first three years of a lease contract. The lease had a term of ten years with the right of withdrawal after three years. The lease expired 1 March 2020. BOPLASS Ltd did not have an option to purchase the leased broadband network at the expiry of the lease period. The service is now provided through agreements with multiple service providers.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Not later than one year		0	33,008
Later than one year and not later than five years		0	0
Later than five years		0	0
<b>TOTAL OPERATING LEASES AS LESSEE</b>		<b>0</b>	<b>33,008</b>

The expense of \$102,648 for the Inter Council Network is recognised in the Statement of Financial Performance refer to note 8. Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the costs of the Inter Council Network. The pricing is reviewable not less than annually and adjustments are to be made for market trends and for the number of councils participating.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd	
		2019/20 Actual	2018/19 Actual
Not later than one year		0	33,008
Later than one year and not later than five years		0	0
Later than five years		0	0
<b>TOTAL OPERATING LEASES AS LESSOR</b>		<b>0</b>	<b>33,008</b>

## Video Conferencing



Distance and travel time are a significant cost. BOPLASS has assisted councils to implement video conferencing to make activities more efficient.

## NOTE 23: RELATED-PARTY TRANSACTIONS

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 company would have adopted in dealing with the party at arm's length in the same circumstances.

Related party required to be disclosed

Tauranga City Council provided accounting services to BOPLASS Ltd during the financial year to 30 June 2020 free of charge. An estimated value of the accounting services provided for the year is \$10,000.

## NOTE 24: STATEMENT OF PERFORMANCE AGAINST STATEMENT OF INTENT

The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders and not creditors.

The calculation of equity ratio is:

2020: 168% (2019: 176%)

## NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Aerial Photography Revenue and Expenditure (Note 2)	Due to favourable flying conditions the Aerial Photography Programme was able to progress more quickly than anticipated.
Collaboration Portal (Note 2)	Collaboration Portal revenue is less than budget as Portal membership has not increased to expected levels due to limited marketing being able to be undertaken.
ICN Revenue and Expenditure (Note 2)	ICN income and expenditure reflect the reduction in costs through ongoing negotiation with BOPLASS suppliers. Reductions in the expense and revenue remained proportional.
Recoveries and Projects – Recoveries (Note 2)	Project timing is often impacted by reprioritisation of workstreams and effects the Project Recoveries and Expenditure. Both the expense and revenue remained proportional.
Interest Revenue (Note 3)	Reducing interest rates have had a significant impact on revenue. Some funds moved to term deposits to increase revenue from interest in the low interest rate environment.
Administration (Note 8)	Increases in operational costs incurred with BOPLASS software and administration overheads.

NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2019/20			
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	Explanation
<b>Core</b>				
Council Contribution	273,511	0	273,511	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects.
Interest Revenue	143	0	143	Refer Note 3.
Sales of Service	0	0	0	Sales of Service no longer applies.
Other Income – Tax Refund	8,778	0	8,778	Tax Refund received.
Depreciation & Amortisation	0	7,871	(7,871)	Refer to note 4.
Salary and Wages	0	242,800	(242,800)	Refer to note 5.
Superannuation	0	9,740	(9,740)	Refer to note 5.
Direct Personnel				
Overheads	0	21,969	(21,969)	Refer to note 5.
Directors Fees & Costs	0	16,220	(16,220)	Refer to note 6.
Interest on Borrowings	0	0	0	Interest paid to TCC for general loan.
Administration Expenses	0	17,727	(17,727)	Refer to note 8.
Audit Fees	0	17,332	(17,332)	Refer to note 8.
Consultancy	0	3,700	(3,700)	Refer to note 8.
Insurance	0	8,837	(8,837)	Refer to note 8.
General	0	2,853	(2,853)	Refer to note 8.
<b>Total</b>	<b>282,432</b>	<b>349,049</b>	<b>(66,617)</b>	
<b>Projects</b>				
Aerial Photography	332,436	332,436	0	Participating councils are invoiced by BOPLASS Ltd and AAM Ltd is paid as percentages of the work on the project are completed.
Interest Revenue related to Aerial Photography	23,094	0	23,094	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	31,753	30,959	794	Councils pay BOPLASS Ltd an amount charged by Canon plus an administrative fee for BOPLASS Ltd maintaining a service and maintenance contract on behalf of the councils.
Inter Council Network	109,898	102,648	7,250	Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the cost for the Inter Council Regional Network Platform. ICN revenue includes recovery of other operating expenditure - ICN, interest on borrowings - ICN loan and BOPLASS Ltd administration fees.
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700	BOPLASS charges an administration fee for management of the software purchase and recoveries.
Other Recoveries	222,436	208,229	14,208	Includes recovery and administration fees for ad-hoc projects.

.../ continued

Rebates	8,462	0	8,462	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.
Collaboration Portal	20,400	26,513	(6,114)	The Portal is to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate. Membership Revenue lower than expected.
Total	1,122,279	1,071,585	51,394	
Overall Total	1,405,411	1,420,634	(15,223)	

BOP LASS Ltd 2018/19

	BOP LASS Ltd 2018/19		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
<b>Core</b>			
Council Contribution	273,511	0	273,511
Interest Revenue	558	0	558
Sales of Service	57,947	0	57,947
Depreciation & Amortisation	0	9,282	(9,282)
Salary and Wages	0	293,860	(293,860)
Superannuation	0	20,481	(20,481)
Direct Personnel Overheads	0	29,809	(29,809)
Directors Fees & Costs	0	21,206	(21,206)
Interest on Borrowings	0	793	(793)
Administration Expenses	0	28,892	(28,892)
Audit Fees	0	16,592	(16,592)
Consultancy	0	7,100	(7,100)
Insurance	0	8,425	(8,425)
General	0	5,745	(5,745)
Total	332,016	442,185	(110,169)
<b>Projects</b>			
Aerial Photography	205,510	205,510	0
Interest Revenue related to Aerial Photography	24,132	0	24,132
Canon Video Conferencing	34,140	35,904	(1,764)
Inter Council Network	116,783	104,285	12,498
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	186,512	161,130	25,382
Rebates	7,850	0	7,850
Collaboration Portal	78,400	34,707	43,693
Total	1,027,827	912,336	115,491
Overall Total	1,359,843	1,354,521	5,322

## Statutory Disclosures

as per section 211 (1) of the Companies Act (1993)

### NATURE OF BUSINESS

There has been no change in the nature of the business of the company during the year.

### DIRECTORS APPOINTED

Under the Shareholder Agreement directors are appointed by the constituent councils. Directors and their dates of appointment are as follows:

Independent director	Craig O'Connell	26 February 2015 Chair from 16 March 2016
Kawerau District Council	Russell George	14 January 2008
Bay of Plenty Regional Council	Fiona McTavish	30 June 2018
Western Bay of Plenty District Council	Miriam Taris	1 July 2014
Rotorua Lakes Council	Geoff Williams	1 July 2013
Whakatane District Council	Martin Grenfell	26 September 2011 until 31 August 2018
	Stephanie O'Sullivan	19 November 2018
Tauranga City Council	Garry Poole	26 April 2013 until 31 August 2018
	Martin Grenfell	3 September 2018
Taupo District Council	Gareth Green	26 July 2016
Gisborne District Council	Nedine Thatcher-Swann	13 March 2017
Opotiki District Council	Aileen Lawrie	10 August 2010

## INTEREST REGISTER

There have been no disclosures of self-interest during the period.

## DIRECTORS REMUNERATION

In February 2015 the Board appointed an independent director. The independent director receives remuneration and is reimbursed for related expenses. No remuneration had been paid to other directors.

## DONATIONS

There were no donations made by the company during the period.

## AUDIT FEES

The actual audit fees for the financial year are \$19,981. The amount of \$19,981 has been accrued for audit fees for BOPLASS Ltd and this is what is shown in the Statement of Financial Performance.





#### BACKGROUND

Given the current environment caused by the impact of COVID-19, many local government organisations face an unprecedented level of uncertainty about the economy, future revenue and asset and liability values. We have remained cognisant of this potential impact on both BOPLASS and our shareholding councils in the preparation of the BOPLASS financial statements.

We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as health and safety measures for our people (e.g. social distancing and working from home) and continuing to engage with our suppliers and our constituent councils through video conferencing.

The impact on our business and results has not been significant and, based upon our experience to date, we expect this to remain the case. As we operate predominately in the delivery of back of office services, during COVID-19 we have found increased demand for some of our collaborative solutions and we expect this to continue.

#### ASSUMPTIONS

While there is always a possibility of some form of commercial implication for BOPLASS, the risk is considered to be very low as the company remains focused on delivering cost-savings and collective benefits to the councils – services of key importance to our shareholders.

Despite the impact of COVID-19 on much of the New Zealand economy, there has been no change in the nature or capacity of the company's business during the 2019-20 financial year and we don't expect this to change in the future. The company has remained on target with the delivery of all projects, with BOPLASS staff able to continue to operate effectively while working remotely during the various government imposed alert levels.

During and after the lockdown periods BOPLASS was able to continue with all financial reporting and reporting against performance indicators. Governance meetings were held, and regular engagement continued with shareholding councils.

The BOPLASS financial statements have been prepared with the judgement and assumption that COVID-19 has not, and will not, have an adverse impact on the organisation's workstreams or the level of engagement from our shareholding councils. Therefore, when preparing the financial

statements there has been no material adjustments made to the carrying amounts of assets and liabilities within the current or future financial years.

- BOPLASS has minimal assets and the value of those assets will not be impacted by COVID-19.
- There has been no impact from COVID-19 on the company's liquidity and we don't expect there to be future change.
- Project revenue is generated directly by councils' participation in collective contracts or projects. The core BOPLASS principle remains in place that the company will not enter into supplier contracts or commitments without first gaining agreement and financial commitment from participating councils.
- Letters of Support have been provided to BOPLASS by our shareholding councils, providing financial surety for the current and future financial year.
- The level of business for BOPLASS will continue as forecast and may, in some circumstances, create further opportunities.
- BOPLASS current and future performance targets will not be adjusted as a result of COVID-19.

Based on the circumstances described above, the financial statements have been prepared on the assumption that any impacts on BOPLASS from COVID-19 are minimal and the company will continue to operate as a going concern.

We will continue to follow the various government policies and advice, while at the same time doing our utmost to continue our operations in the best and safest way possible without jeopardising the health or wellbeing of our staff.