

ANNUAL REPORT 2021-2022

For the year ended
30 June 2022



"COUNCILS PARTNERING FOR VALUE AND SERVICE"

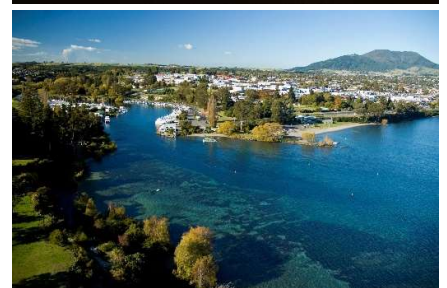


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PART ONE – OUR YEAR



In 2021/22, BOPLASS has continued to focus on joint procurement opportunities with specific attention given to benefits that can be derived through inter-regional collaboration. Several new opportunities were identified by collaborative groups working across BOPLASS, Waikato and Manawatū-Whanganui regions in order to help deliver services as efficiently and cost-effectively as possible.

Inter-regional opportunities have increased as a result of the shared coordination between the LASSes. The board recognises the different strategic strengths and directions of each LASS and, at this stage, BOPLASS is able to assist other LASS with joint procurement. This ultimately provides benefits to all participating councils, including BOPLASS, through better outcomes being achieved by aggregating volumes.

BOPLASS has also worked closely with the other LASS to determine opportunities for BOPLASS councils to utilise services developed, or being developed by other LASS, with both Co-Lab (Waikato LASS) and MW LASS having services that can be offered to the other LASS councils on a commercial basis.

BOPLASS has continued to ensure that appointed vendors remain competitive and return best value to our shareholders. Through managing tenders for several of the larger contracts and negotiating supplier terms and conditions, substantial cost savings have been achieved, along with improved service delivery. Some of the procurement highlights this year have been:

- Mail services
- Courier services
- RATs purchasing
- Staff wellbeing platform
- Infrastructure insurance
- Cyber insurance
- Aerial imagery

The newly appointed supplier for postal services will result in substantial savings and improved service delivery across BOPLASS, Co-Lab, MW LASS, and Hawke's Bay councils. The contract also provides significant sustainability and efficiency benefits. This has been a great example of good outcomes and efficiencies achieved through collaboration across multiple regions, as opposed to individual councils endeavouring to manage separate processes.

In conjunction with the postal services tender a separate procurement process was managed for courier services across the three regions. Following extensive analysis, the BOPLASS recommendation for councils to participate in the ACC syndicated courier agreement will result in all councils achieving heavily discounted rates that could never be achieved by councils on an individual basis. Once again, councils across multiple regions will achieve savings through the interLASS collaborative approach.

There has been a high level of collaborative activity across councils within health and wellbeing over the last year, with BOPLASS supporting a number of collective projects. An almost unexpected highlight was a joint procurement project run by BOPLASS to secure collective purchasing of Rapid Antigen Tests (RATs) on behalf of BOPLASS, Co-Lab and MW LASS councils. The volume of the collective order resulted in heavily reduced pricing, discounted shipping, and priority service.

The BOPLASS Health & Safety group also successfully established a preferred supplier agreement for a collective staff wellbeing portal, which has a strong focus on helping to support staff and their families during and after the tumultuous covid disruptions faced by many people. This project also covered the Co-Lab and MW LASS councils with all participating councils across the three regions eligible for the discounted pricing.

Although international insurance markets have had restricted capacity, the strength of BOPLASS' relationships with London underwriters and Lloyds syndicates, and the ongoing work in obtaining accurate and quality information from councils, again resulted in the collective insurance programme achieving very competitive rates and continuing to maintain good cover for all councils.

BOPLASS added particular value to the renewal of councils' cyber insurance policies this year with local government being classed as a high-risk client and insurers initially declining cover for some of our councils. BOPLASS was able to engage with councils to provide further information to the underwriters and, through leveraging the strength of the greater group, coverage was reinstated for all BOPLASS councils.

Good work has continued with the collective aerial imagery programme this year with aerial imagery captured across the eastern BOP, Tauranga and Gisborne regions. Three tenders were undertaken over this period with two separate providers appointed.

We note the increasing reporting of organisations environmental, social, and governance performance and impacts. This can be seen in the reports of some of our member Councils. We support this reporting and will, in future reports, provide examples and a more extensive narrative. We will explore what metrics are most relevant for BOPLASS from the core sustainability issues of environment, leadership and governance, business model and innovation, human capital, and social capital. Current initiatives in waste management and minimisation contribute to the environment category, InterLASS collaboration supports leadership and governance, and the collaboration and new activities in the Wellness, Health, and Safety forum are part of the human capital area.

There has been a change around the governance table in 2021/22, with John Holyoake from Western BOP District Council being welcomed to the Board and Miriam Taris retiring as Western BOP District Council Chief Executive and BOPLASS director. On behalf of the Board, we wish to acknowledge the significant contribution Miriam Taris made to the company during her tenure and thank her for the assistance and support she provided to BOPLASS.

BOPLASS has continued to deliver considerable value to the shareholding councils for a modest investment. We would like to thank the various individuals within all of the councils who have supported and assisted with the progress of the company to date.



Craig O'Connell
Chair



Nature of Business	Shared Service Provider
Registered Office	91 Willow Street, Tauranga 3110
Telephone:	+64 7 577 7342
Email:	contact@boplass.govt.nz
Website:	https://www.boplass.govt.nz
Incorporation Number	2074873
Incorporation Date	14 January 2008
IRD Number	98-965-361
Directors	Miles McConway Craig O'Connell Fiona McTavish Gareth Green Geoff Williams Martin Grenfell John Holyoake 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	BDO 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 2022-2025 and associated budget formally adopted by the directors by resolution on 29 June 2022.

Performance Targets 2022-2025

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>2022-2025</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 5% per year. Number of active users to increase by 5% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with members of 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 2021/24.

Target <u>2021/22</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.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Achieved</p>	<p>Contracts negotiated and/or renewed for:</p> <p><u>Zoom Video Conferencing Services</u> – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure.</p> <p><i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p><u>GIS software and services</u> –</p> <p>FME Geocortex Essentials & Geocortex Analytics X-Tools NZ Archaeological Association RetroLens</p> <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></p> <p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><u>Health & Safety Management Software</u> – BOPLASS manages a collective agreement for H&SMS across BOPLASS and Waikato councils. A change of ownership with the incumbent supplier saw a decline in service levels and BOPLASS engaged with the supplier to address the service shortfalls or seek an alternative supplier. Given the number of councils under the collective agreement, improvements were quickly undertaken by the vendor and improved service levels established. <i>Project still ongoing.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements.</p> <p><i>Service to be put to tender in 2022-23.</i></p>

		<p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed at no increase in cost to councils.</p> <p><i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates.</p> <p><i>Sole NZ provider.</i></p> <p><u>Health and Safety Training provider</u> – BOPLASS renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils.</p> <p><i>No alternative provider in NZ.</i></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, along with the addition of new links for councils. Kordia were appointed to replace Vocus. The resultant contract will provide an improvement in service levels and financial savings for all participating councils. Migration of services to Kordia has been initiated.</p> <p><u>MFDs (Photocopier/printers)</u> – Due to the variable print volumes through Covid lockdowns and the subsequent high level of working from home, BOPLASS negotiated with our incumbent provider to extend the current agreement for a further 16 months. The Variation Agreement included benefits such as retaining existing equipment, providing flexibility through the pandemic disruption, and further discounts to print rates.</p> <p><i>A full tender will be undertaken in 2022 when councils should have an improved understanding of volumes and requirements.</i></p>
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		<p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2021 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><i>No alternative provider in NZ.</i></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>Postal Services</u> – Joint procurement for councils’ mail services resulted in DX Mail being appointed as preferred supplier. The BOPLASS-led process covered BOPLASS, Co-Lab, MW LASS and Hawke’s Bay councils. Savings for all councils will be substantial, particularly for councils with high volumes of urban mail. The contract also provides sustainability and efficiency benefits for councils.</p> <p><u>Courier Services</u> – In conjunction with the Postal services tender a process was managed to identify opportunities for savings with courier services across the BOPLASS, Co-Lab and MW LASS councils. BOPLASS engaged with DIA and ACC to facilitate access to the ACC syndicated contract for courier services. This provides a substantial saving for all councils over their incumbent providers and the alignment with the mail provider offers efficiencies within council mailrooms.</p> <p><u>Infrastructure Insurance</u> – Given the current restricted capacity in the international insurance markets, councils’ insurance is only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through different insurers. Negotiations for councils’ infrastructure insurance were undertaken in late 2021 through direct engagement with London underwriters and Lloyds syndicates. Very good outcomes were achieved for all councils – both in insurance rates and the cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p>

		<p><u>My Everyday Wellbeing</u> – Staff online wellbeing platform used extensively across local government. Negotiated for BOPLASS councils to be treated as a single entity. Added Co-Lab and MW LASS councils into same enterprise membership. Negotiated 12-month subscription providing savings to the collective group.</p> <p><u>Rapid Antigen Tests (RATs)</u> – BOPLASS engaged with other LASS and CCOs to aggregate volumes to leverage improved pricing. Several RATs orders were placed on behalf of BOPLASS, Co-Lab, MW LASS and council CCOs. The volume of the collective order resulted in heavily discounted pricing and priority service.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils, providing substantial savings through the collective training and also helping to bring all councils up to similar skill levels.</p> <p><u>High-Volume Print</u> – The benefits of councils collaborating in high-volume print services are being investigated. Councils currently use a variety of solutions ranging from in-house commercial print equipment/print rooms to outsourced models.</p> <p><i>Investigation still under action.</i></p> <p><u>Cyber Insurance</u> – The renewal of councils’ cyber insurance policies was facilitated by BOPLASS through a collective programme. Insurers have become much more selective in their placements and local government are viewed as a high-risk client. BOPLASS were able to bring Berkshire Hathaway Specialty Insurance onto the programme who thoroughly analysed councils’ IT systems and security. Despite an initial rejection of cover for some councils, BOPLASS was able to provide further information to the insurers, resulting in the collective approach being reinstated and all councils able to secure cover at a reduced cost.</p> <p><i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme, three tenders were run for orthophotography services this year. Separate contracts were awarded to AAM NZ for the eastern BOP region and TCC interim flying programmes. The flying and imagery for TCC included specific requirements for the capture of high growth areas. A separate procurement process was undertaken for Gisborne District Council with the contract awarded to Aerial Surveys.</p>
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<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p>BOPLASS has led several interLASS projects this year or worked together with other LASS to develop inter-regional benefits:</p> <ul style="list-style-type: none"> • Waste Operator Licencing Data System • Courier Services • Mail Services • H&S Management System • H&S training providers • Occupational Health Services • Rapid Antigen Tests purchasing • Staff Wellbeing Portal • Regional Contractor Database • Risk Management Practices • Collaborative Policy Development • Insurance Renewals Standardisation • Debt Recovery Services <p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads aiming to meet on a quarterly basis. Several joint procurement projects have been completed and further opportunities identified.</p> <p>Projects being undertaken by other LASS are offered to BOPLASS councils on a commercial basis.</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 5% per year.</p> <p>Number of active users to increase by 10% per year.</p>	<p>Achieved</p>	<p>Projects continue to be added to the MahiTahi Collaboration Portal, increasing from 53 to 88 this year.</p> <p>Continued promotion of the MahiTahi Collaboration Portal has seen a 10.5% increase in registered users with numbers increasing from 388 to 429.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>Working with the DIA, the MahiTahi Collaboration Portal now includes secure areas to support Local Transition Groups working collectively on the Three Waters project.</p> <p>Regional Software Holdings Limited are migrating the regional sector Special Interest Groups to be hosted in a similar collaborative environment as the MahiTahi Collaboration Portal. Technical aspects of the migration are being supported by BOPLASS.</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>Not 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>Formal meetings with all council executive teams were unable to be completed this year. Staff absences, travel</p>

		<p>restrictions and increased workloads meant not all councils could be covered.</p> <p>See Covid Disclosure p. 47.</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 2022: \$6,244 surplus.</p>

MahiTahi Local Government Collaboration Portal



A portal for registration of council projects, collaboration opportunities and identification of potential project partners. Also includes collaboration areas for staff to engage with their peers within other councils.

Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2020/21 and is provided for comparative purposes.

Target <u>2020/21</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.</p> <p>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> – Canon video conferencing infrastructure was moved from a Canon managed service to a BOPLASS hosted service. This provided further cost savings to councils and acknowledged the global move from vendor hosted video conferencing solutions to cloud-based technologies, e.g. Zoom, Teams.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed. No increases in cost to councils.</p> <p><i>No alternative provider in NZ.</i></p> <p><u>GIS software and services</u> –</p> <p>FME</p> <p>Geocortex Essentials & Geocortex Analytics</p> <p>X-Tools</p> <p>NZ Archaeological Association</p> <p>RetroLens</p> <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></p> <p><u>Health and Safety Training provider</u> – BOPLASS has renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WCLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><u>Treasury Staff Briefings</u> – BOPLASS coordinated presentations and workshops with senior NZ economists to better inform councils on the financial outlooks for local communities and the national economy. The workshops are provided at no cost to BOPLASS councils and have proven to be particularly</p>

		<p>valuable given the current international and local economic challenges.</p> <p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme a contract for orthophotography was awarded to AAM NZ Ltd on behalf of TCC and WBOPDC. The flying and imagery included specific requirements to capture high growth areas.</p> <p><u>N3</u> (previously known as GSB) – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. <i>Sole NZ provider.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with ISENTIA that automatically monitors and reports on broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. Council agreement to renew for another year. Same rates negotiated. <i>Service to be put to open tender in 2022.</i></p> <p><u>Zoom Services</u> – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure. <i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i></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>Waste Operator Licencing and Data System</u> – An ROI was undertaken by BOPLASS on behalf of all the BOPLASS and Waikato councils for a data management system and administration services to support the development of a region-wide waste operator licencing and data service. The collective approach to the ROI provided savings to all councils and garnered significant attention from suitable vendors due to the size of the aggregated opportunity. <i>The ROI process will be followed by a closed RFP.</i></p> <p><u>Skin Scans / Mole Mapping</u> – BOPLASS explored opportunities for a collective contract to enable councils to offer a subsidised rate to their staff for</p>

		<p>mole mapping. A provider has not yet been appointed as the project has expanded to investigate health insurance options across the BOPLASS group of councils.</p> <p><u>Infrastructure Insurance</u> – Councils infrastructure insurance was placed into the London markets in late 2020 through direct engagement with the London underwriters and Lloyds syndicates. Exceptional outcomes were achieved for all councils – both in insurance rates and the cover achieved. Due to a continued unprecedented level of international natural disaster claims, insurance markets have become extremely cautious about the risk they are prepared to write. The high standard of the information being provided by BOPLASS councils and our historical relationships with the international markets have proven to be a strength for us at renewal time.</p> <p><i>Securing councils’ insurance cover requires a new procurement process to be undertaken every 12-months and includes investigating, or engaging with, alternative markets.</i></p> <p><u>GIS Technical Support</u> – The majority of core GIS software used within councils is now procured through collective BOPLASS agreements. On behalf of the councils BOPLASS undertook procurement to appoint a Regional Technical Advisor to be used as a shared resource and provide technical support across all BOPLASS councils. Eagle Technology were appointed under a discounted enterprise agreement. In addition to the cost savings, the service helps facilitate further sharing of information and expertise across the GIS teams.</p> <p><u>Website Quality Assurance</u> – BOPLASS has established a collective agreement for website quality assurance. Monsido is the incumbent provider to several BOPLASS councils and discounted pricing has been negotiated, dependent on the number of councils participating.</p> <p><i>This project is still under action.</i></p> <p><u>IPWEA Membership</u> – BOPLASS engaged with the Institute of Public Works Engineering Australasia on behalf of our constituent councils to establish a single BOPLASS portal to allow all councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p>
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		<p><u>Courier Services</u> – BOPLASS has led a procurement process across the three North Island LASS and Hawke’s Bay councils for the appointment of a courier services provider.</p>
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p>	<p>Achieved</p>	<p><u>Debt Recovery Services</u> – Additional BOPLASS councils have moved to the shared service established by MW LASS. As an inter-LASS service this negates duplication across the regions and provides cost-effective specialised local government debt recovery services.</p> <p><u>Insurance Renewals Standardisation</u> – BOPLASS led a project across the three North Island LASS to develop scorecards to assist councils with the preparation of accurate and timely renewal data for their annual insurance renewals. The scorecards help councils identify the required standards and any potential gaps in their processes. They will be used across all LASS participating in our collective insurance programme – BOPLASS, MW LASS and WLASS – ensuring a consistent and best-practice approach to renewal processes, ultimately assisting in achieving the best outcomes.</p> <p><u>Inter-LASS meetings</u> – A number of procurement projects are underway covering multiple LASS and leveraging benefits of aggregated volumes. Collaboration across the regions drives greater efficiencies and often allows projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and this group meet on a quarterly basis. BOPLASS has recently provided information to South Island councils that are investigating collective opportunities.</p> <p><u>Waste Operator Licensing and Data Collection</u> – BOPLASS is leading a joint BOPLASS/WLASS project to establish a cross-regional entity to administer licensing conditions on behalf of territorial authorities. The entity will also manage and collect waste data to assist councils in preparing detailed waste assessments and identification of priority waste management and minimisation actions. BOPLASS is leading the associated procurement exercises and is also engaging with other councils interested in participating in the project. The project includes continued engagement with MfE and WasteMINZ to ensure that the proposed approach is aligned with national strategies.</p> <p><u>Waste Minimisation Fund Application</u> – On behalf of the BOPLASS and WLASS councils, BOPLASS has submitted an application to the MfE Waste Minimisation Fund to support the development of collective projects across the two regions.</p>

		<p><u>Occupational Health Services</u> – BOPLASS has renewed the agreement with Waikato Occupational Safety Services for discounted occupational health services across the BOPLASS councils. This agreement is now undertaken in conjunction with WLASS.</p> <p><u>Cross Council H&S audits and Safety Performance Indicators</u> – Waikato LASS and BOPLASS have collectively developed H&S projects to support best practice and shared learnings across councils in the greater region. The projects assist in identifying skills, processes or procedures that can be shared across the regions.</p> <p><u>Courier Services</u> – BOPLASS coordinated activity across the central North Island councils to establish confirmed participation in joint procurement for the appointment of a courier services provider.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</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 10% 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 71% increase in the number of local government users with 161 new members joining.</p> <p>The increased membership is primarily a result of ongoing development of on-boarding and training material. Additionally, non-member councils have been proactively contacted to highlight the benefits and encourage participation.</p> <p>Five additional projects added to the MahiTahi Collaboration Portal, increasing from 48 to 53 lodged projects.</p> <p><u>RSIP Redevelopment</u> – The Regional Sector Information Portal is a collaboration tool used by regional and unitary councils. The RSIP Portal has been migrated to be hosted by BOPLASS on the same platform as the MahiTahi Collaboration Portal.</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>In addition to these regular meetings, the BOPLASS chair and CE undertook a roadshow to directly engage with executive staff across all shareholding councils. These meetings were used to provide an update on BOPLASS initiatives and to gain further insights into additional collaboration opportunities. New opportunities in both shared services and procurement were identified through these workshops.</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>Funding model reviews were undertaken by the board during the 2020-2021 financial year with two changes undertaken to ensure the continued financial viability of the organisation:</p> <ul style="list-style-type: none"> • A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ was retained as income in advance to assist with funding the BOPLASS aerial imagery programme over the next five years. • The BOPLASS Board approved for a CPI adjustment to be included with council annual contributions. <p>Financial position year end 30 June 2021: \$15,970 surplus.</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 25-47 outline the financial statements and notes for year ended 30 June 2022 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 2022.

For and on behalf of the Board of Directors:

Signed:		Craig O'Connell – Chair	Date:	22.12.2022
Signed:		Gareth Green – Director	Date:	22.12.2022



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Tauranga 3110
PO Box 15660, Tauranga 3144
New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOP LASS LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of BOP LASS Limited (the company). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, 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 25 to 44 and 46 to 47, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information and
- the performance information of the company on pages 7 to 19.

In our opinion:

- the financial statements of the company on pages 25 to 44 and 46 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting- Accrual (Public Sector); and
- the performance information of the company on pages 7 to 19 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 2022.

Our audit was completed late

Our audit was completed on 22 December 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67 (5) of the Local Government Act 2002. This is due to an auditor shortage in New Zealand.

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

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.

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Jenny Lee CA
Paul Manning CA

Janine Hellyer CA

ASSOCIATE: Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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 shareholders, taken on the basis of these financial statements and the performance information.

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, 20 to 21 and 45, but does not include the financial statements and the performance information, and our auditor's report thereon.

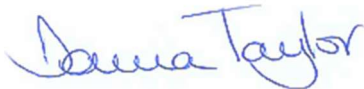
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Donna Taylor
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand


Financial Statements – Statement of Financial Position

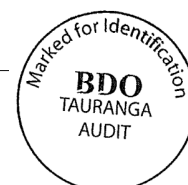
STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2022			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
ASSETS - CURRENT			
Bank accounts and cash	10	370,585	368,717
Short Term Investments	10	550,000	800,000
Debtors and Other Receivables	11	153,287	229,189
Prepayments	12	116,891	80,129
Total Current Assets		1,190,763	1,478,035
ASSETS - NON-CURRENT			
Intangible Assets	13	9,340	12,478
Plant and Equipment	14	22,762	1,882
Total Non-Current Assets		32,101	14,360
TOTAL ASSETS		1,222,864	1,492,395
LIABILITIES - CURRENT			
Creditors and Accrued Expenses	15	281,151	277,852
Employee Costs Payable	16	31,070	17,572
Income in Advance	17	858,574	1,151,145
Borrowings	18	0	0
Total Current Liabilities		1,170,795	1,446,569
TOTAL LIABILITIES		1,170,795	1,446,569
TOTAL ASSETS less TOTAL LIABILITIES		52,070	45,826
EQUITY			
Accumulated Deficits	19	(46,932)	(53,176)
Share Capital	19	99,002	99,002
TOTAL EQUITY		52,070	45,826

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: 22.12.2022

Signed:  Gareth Green – Director Date: 22.12.2022




Financial Statements – Statement of Financial Performance


STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2022				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
REVENUE				
Council Contribution	2	306,140	306,139	298,672
Project Revenue	2	1,632,054	1,193,000	1,254,599
Interest Revenue	3	9,425	6,200	9,281
Other Income	2.5	50,000	0	173
Total Revenue		1,997,619	1,505,339	1,562,725
EXPENSES				
Depreciation and Amortisation	4	7,355	5,650	5,065
Employee Related Costs	5	312,989	284,800	256,642
Directors Costs	6	18,000	21,000	16,871
Finance Cost	7	0	500	0
Other Expenses	8	1,647,109	1,193,389	1,260,024
Total Expenses		1,985,454	1,505,339	1,538,602
Surplus/(Deficit) before tax		12,165	0	24,123
Income Tax Expense/(Benefit)	9	5,921	0	8,153
Surplus/(Deficit) after tax		6,244	0	15,970

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 2022			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
CASHFLOWS FROM OPERATING ACTIVITIES			
Council Contribution		306,140	298,672
Other Revenue		50,000	173
Project Revenue		1,439,315	1,212,330
Interest Revenue		9,425	9,281
Tax Paid - RWT (net)		0	8,424
Goods and Services Tax (net)		(8,669)	0
Total Cash Provided		1,796,211	1,528,880
Employee Related Costs		(299,491)	(275,171)
Payments to Suppliers		(1,722,774)	(1,187,494)
Interest Paid		0	0
Tax Paid - RWT (net)		3,019	0
Goods and Services Tax (net)		0	(28,740)
Total Cash Applied		(2,019,246)	(1,498,446)
NET CASHFLOWS FROM OPERATING ACTIVITIES		(223,035)	37,475
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments		250,000	3,090
Purchase of Plant and Equipment		(25,096)	(521)
Purchase of Intangibles		0	0
Total Investing Cash Applied		224,904	2,569
NET CASHFLOWS FROM INVESTING ACTIVITIES		224,904	2,569
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans		0	0
Repayment of Loans		0	0
NET CASHFLOWS FROM FINANCING ACTIVITIES		0	0
NET INCREASE/(DECREASE) IN CASH		1,869	40,045
CASH AT BEGINNING OF THE YEAR		368,716	328,671
CASH AT END OF THE YEAR	10	370,586	368,716

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 2022

LEGAL NAME

BOPLASS Limited stands for Bay of Plenty Local Authority Shared Services.

TYPE OF ENTITY AND LEGAL BASIS

BOPLASS Limited 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

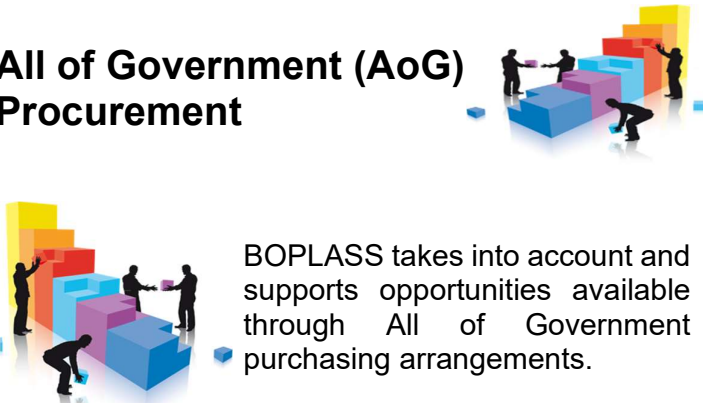
The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering 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 46 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 2022

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 2022.

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 2022.

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	20%
Computer equipment/ICN	4 years	25%
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:

2021 Computer Software	2 years	50%
2020 Computer Software	2 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

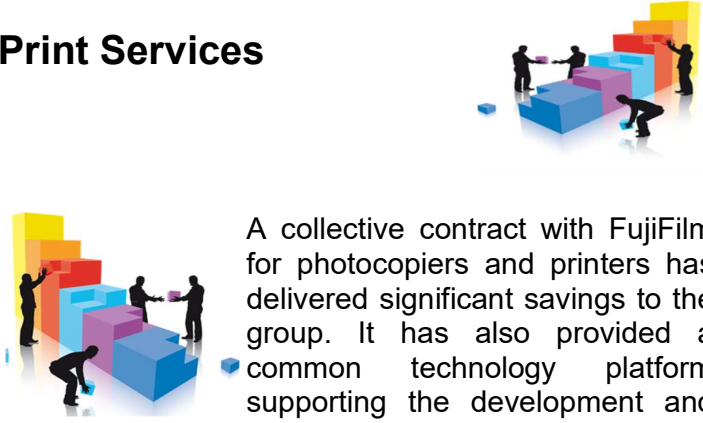
Equity is measured by the value of total assets less total liabilities.

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 FujiFilm 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		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Revenue				
Council Contribution		306,140	306,139	298,672
		306,140	306,139	298,672
Project Revenue				
Rebates	*	3,188	2,500	7,878
Aerial Photography Revenue	**	688,275	300,000	468,937
Video Conferencing Revenue	***	26,145	30,500	40,562
Revenue - ICN	****	142,596	135,000	125,237
Recoveries	*****	735,151	680,000	576,285
Collaboration Portal Revenue	*****	36,700	45,000	35,700
		1,632,054	1,193,000	1,254,599
TOTAL CORE AND PROJECT REVENUE		1,938,194	1,499,139	1,553,271

- * Rebates for Services contracted by BOPLASS Ltd are received from NZ Post Ltd and a final from CSG.
- ** 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.
- ***** Collaboration Portal Revenue is offset by Collaboration Portal expenditure.

NOTE 2.5: OTHER INCOME

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Other Income				
LINZ Grant	*	50,000	0	0
Reimbursement		0	0	173
TOTAL OTHER INCOME		50,000	0	173

- * A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ.

NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Revenue				
Interest Revenue - Current account		640	200	73
Project Revenue				
Interest Revenue - Aerial Trust account		8,784	6,000	9,208
TOTAL INTEREST REVENUE		9,425	6,200	9,281



NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Expenditure				
Intangibles	*	3,138	5,000	4,415
Plant and Equipment	**	4,217	650	650
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		7,355.2	5,650	5,065

* Intangibles refer to note 13.

** Plant and Equipment refer to note 14.

NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Expenditure				
Salary and Wages		271,338	261,500	211,649
Superannuation	*	18,813	0	16,863
Direct Personnel Overheads	**	22,837	23,300	28,130
TOTAL EMPLOYEE RELATED COSTS		312,989	284,800	256,642

* Superannuation includes employer contributions to Kiwisaver.

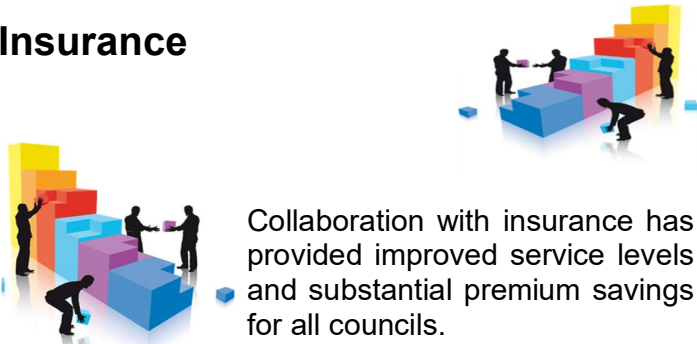
** Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Expenditure				
Directors Costs (Fees & Travel)	*	18,000	21,000	16,871
TOTAL DIRECTORS COSTS		18,000	21,000	16,871

* 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.

Insurance



Collaboration with insurance has provided improved service levels and substantial premium savings for all councils.



NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Expenditure				
Interest on Borrowings	*	0	500	0
TOTAL FINANCE COST		0	500	0

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

NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2021/22 Actual	2021/22 Budget	2020/21 Actual
Core Expenditure				
Audit Fees	*	21,277	20,700	26,831
Administration Expenses	**	14,814	17,300	14,204
Consultancy	***	8,250	5,300	7,600
General Costs	****	5,320	10,200	7,464
Insurance		9,860	9,500	9,453
Loss on Disposal of Asset		0	0	0
		59,521	63,000	65,552
Project Expenditure				
Aerial Photography	*	688,275	300,000	468,937
Video Conferencing	**	26,145	28,670	45,238
Inter Council Network (ICN)	**	108,582	129,600	115,574
Recoveries	***	742,601	646,000	545,221
Collaboration Portal Opex	****	21,985	26,119	19,499
		1,587,588	1,130,389	1,194,469
TOTAL OTHER EXPENSES		1,647,109	1,193,389	1,260,021

Core

- * Audit Fees for 2022 are \$21,277
- ** Administration Expenses
- *** Consultancy includes tax advice for both 2021 and 2022
- **** 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.

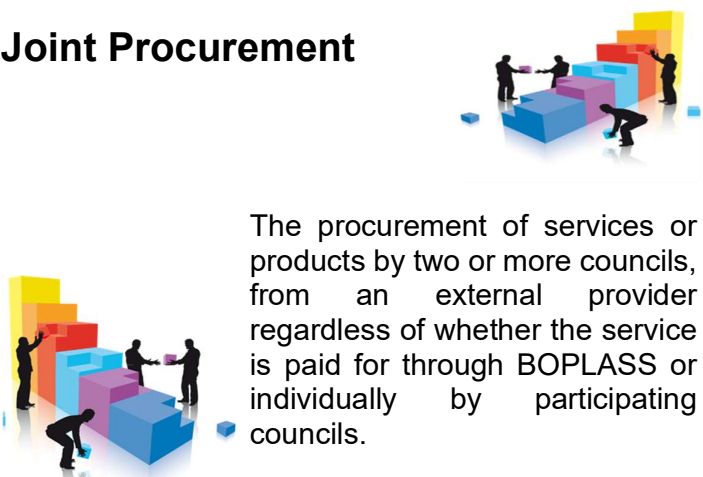


NOTE 9: INCOME TAX EXPENSE

	Notes	BOP LASS Ltd	
		2021/2022 Actual	2020/21 Actual
Components of tax expense			
Current Tax Expense		0	0
Adjustments to current tax in prior years		5,921	0
Tax Expense		0	0
INCOME TAX EXPENSE		5,921	0
Relationship between tax expense and accounting profit			
Net surplus (deficit) before Taxation*		12,165	3,602
Tax calculation @ 28%		3,406	1,009
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		278,706	215,060
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(278,436)	(214,931)
Prior Period Adjustment		5,921	0
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(3,676)	(4,605)
TOTAL INCOME TAX EXPENSE		5,921	(3,467)

Tax losses of \$1,540 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	
		2021/22 Actual	2020/21 Actual
Cash at Bank - Current account		361,609	16,759
Cash at Bank - Aerial Trust account		8,976	351,958
Term Deposit 182 days @ 2.00% Maturing 10 October 2022		300,000	300,000
Term Deposit 180 days @ 0.90% Maturing 09 August 2021		0	250,000
Term Deposit 182 days @ 1.60% Maturing 05 September 2022		250,000	250,000
TOTAL BANK ACCOUNTS AND CASH		920,585	1,168,717

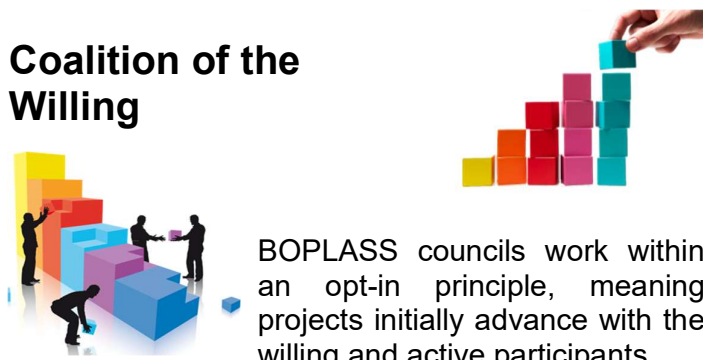
NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Debtors – Other		3,457	78,993
Goods and Services		22,999	14,330
Accrued Revenue		118,890	124,906
Tax (Payable) / Receivable		7,941	10,960
TOTAL DEBTORS AND OTHER RECEIVABLES		153,287	229,189

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

NOTE 12: PREPAYMENTS

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Under 1 Year		116,891	80,129
TOTAL PREPAYMENTS		116,891	80,129



Coalition of the Willing

BOPLASS councils work within an opt-in principle, meaning projects initially advance with the willing and active participants.



NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Computer Software			
Cost			
Cost at beginning of Year		79,174	79,174
Current Year Additions		0	0
Current Year Disposals		0	0
Cost Balance at Year End		79,174	79,174
Accumulated Amortisation and Impairment			
Cost at beginning of Year		(66,696)	(62,281)
Amortisation Expense		(3,139)	(4,415)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(69,835)	(66,696)
Carrying Amounts			
Cost at beginning of Year		12,478	16,893
Carrying Amount at Year End		9,340	12,478

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	
		2021/22 Actual	2020/21 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		4,516	3,995
Current Year Additions	*	25,097	1,737
Current Year Disposals		0	(1,216)
Cost Balance at Year End		29,613	4,516
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(2,635)	(1,919)
Depreciation Expense		(4,217)	(650)
Impairment Losses		0	0
Loss on Disposal of Asset		0	(65)
Accumulated Depreciation and Impairment Balance at Year End		(6,852)	(2,634)
Carrying Amounts			
Cost at beginning of Year		1,882	859
Carrying Amount at Year End		22,762	1,882

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

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

Asset Additions

- * Inter Council Network – BOPLASS manages a high-speed fibre-based wide-area network which used to be managed and maintained by multiple service providers. The move towards maintaining this inhouse has resulted in various bits of equipment and consultancy expenses being recognised as an asset that will be depreciated over 4 years.

NOTE 15: CREDITORS AND ACCRUED EXPENSES

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
ANZ Business Credit Card		3,887	2,909
Creditors		194,596	235,997
Accrued Expenses	*	25,497	17,941
Goods and Services Tax Payable		0	0
Retentions		57,172	21,005
TOTAL CREDITORS AND ACCRUED EXPENSES		281,151	277,852

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 \$24,537 and FBT \$960 that have been accrued for the 2022/23 financial year.

NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Accrued Salaries and Wages		7,295	7,979
Annual Leave		11,222	1,002
PAYE		12,553	8,591
TOTAL EMPLOYEE COSTS PAYABLE		31,070	17,572

NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Income in Advance	*	858,574	1,151,145
TOTAL INCOME IN ADVANCE		858,574	1,151,145

* Income in advance that relates to 2022/23 financial year:
 \$759,348 is for aerial photography;
 \$49,999 is for Proof of Concept budget for OpsCom Projects
 \$33,257 Solid Waste;
 \$10,266 is for the Geospatial Web project;
 \$3,109 is for NZ Archaeological Association membership fee
 \$2,595 is for standards NZ license



NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Maturing in Under 1 Year		0	0
TOTAL BORROWINGS		0	0

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 2022 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	
		2021/22 Actual	2020/21 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		(53,176)	(69,146)
Surplus/(Deficit) after Taxation		6,244	15,970
Balance at Year End		(46,932)	(53,176)

Share Capital - As at 30 June 2022, 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 regarding 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	
		2021/22 Actual	2020/21 Actual
Capital Commitments		0	0
TOTAL CAPITAL COMMITMENTS		0	0

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

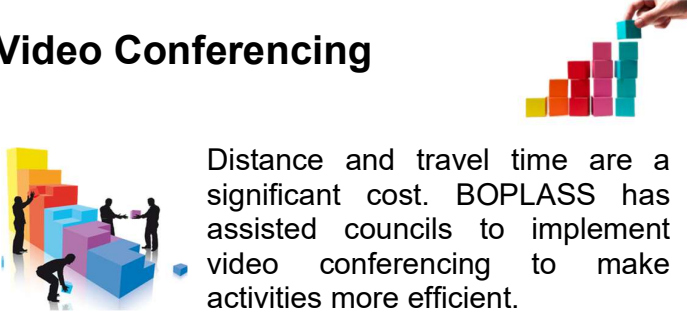
BOPLASS Ltd has a contractual agreement with AAM Limited and Aerial Surveys Ltd to provide aerial photos for the councils. This is treated as an operational expense in the BOPLASS Ltd accounts.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2021/22 Actual	2020/21 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSEE		0	0

The expense of \$108,582 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	
		2021/22 Actual	2020/21 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSOR		0	0

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 BOP LASS Ltd during the financial year to 30 June 2022 free of charge. An estimated value of the accounting services provided for the year is \$15,000.

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:

2022: 4.32% (2021: 3.07%)

NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Other Income (Note 2.5)	Land Information New Zealand provided funding which was unexpected at the time of budget
Aerial Photography Revenue and Expenditure (Note 2)	Suppliers have been able to complete more work than expected as a result revenue and expenses have increase proportionally
Collaboration Portal (Note 2)	Collaboration Portal revenue and expenses have decreased proportionally through various cost saving activities
ICN Expenditure (Note 8)	ICN expenditure has decreased due to the capital recognition of \$25,097 which will be depreciated over 4 years. (Note 14)
Video Conference Revenue and Expenditure (Note 2)	Fewer video conference services purchased, decreasing expenditure and revenue against budget.
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)	Increasing interest rates have has resulted in the increase we see in bank interest.



NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2021/22			Explanation
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	
Core				
Council Contribution	306,140	0	306,140	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects. Includes CPI Adjustment.
Interest Revenue	640	0	640	Refer Note 3.
Other Income – Reimbursement	50,000	0	50,000	Refer Note 2.5.
Depreciation & Amortisation	0	7,355	(7,355)	Refer to note 4.
Salary and Wages	0	271,338	(271,338)	Refer to note 5.
Superannuation	0	18,813	(18,813)	Refer to note 5.
Direct Personnel Overheads	0	22,837	(22,837)	Refer to note 5.
Directors Fees & Costs	0	18,000	(18,000)	Refer to note 6.
Administration Expenses	0	14,814	(14,814)	Refer to note 8.
Audit Fees	0	21,277	(21,277)	Refer to note 8.
Consultancy	0	8,250	(8,250)	Refer to note 8.
Insurance	0	9,860	(9,860)	Refer to note 8.
General	0	5,320	(5,320)	Refer to Note 8.
Tax Expense	0	5,921	(5,921)	Refer to Note 9.
Total	356,780	403,785	(47,005)	
Projects				
Aerial Photography	688,275	688,275	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	8,784	0	8,784	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	26,145	26,145	0	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	142,596	108,582	34,014	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	360,651	371,801	(11,151)	Includes recovery and administration fees for ad-hoc projects.
				.../ continued



Rebates	3,188	0	3,188	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.
Collaboration Portal	36,700	21,985	14,715	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	1,640,838	1,587,589	53,249	
Overall Total	1,997,619	1,991,375	6,244	

BOP LASS Ltd 2020/21

	BOP LASS Ltd 2020/21		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
Core			
Council Contribution	298,672	0	298,672
Interest Revenue	73	0	73
Other Income – Reimbursement	173	0	173
Depreciation & Amortisation	0	5,065	(5,065)
Salary and Wages	0	211,649	(211,649)
Superannuation	0	16,863	(16,863)
Direct Personnel Overheads	0	28,130	(28,130)
Directors Fees & Costs	0	16,871	(16,871)
Administration Expenses	0	14,204	(14,204)
Audit Fees	0	26,831	(26,831)
Consultancy	0	7,600	(7,600)
Insurance	0	9,453	(9,453)
General	0	7,464	(7,464)
Tax Expense	0	8,155	(8,155)
Total	298,918	352,285	(53,367)
Projects			
Aerial Photography	468,937	468,937	0
Interest Revenue related to Aerial Photography	9,208	0	9,208
Canon Video Conferencing	40,562	45,238	(4,676)
Inter Council Network	125,237	115,574	9,663
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	201,784	174,421	27,363
Rebates	7,878	0	7,878
Collaboration Portal	35,700	19,499	16,201
Total	1,263,806	1,194,469	69,337
Overall Total	1,562,724	1,546,754	15,970



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 until 18 July 2021
	John Holyoake	19 July 2021
Rotorua Lakes Council	Geoff Williams	1 July 2013
Whakatane District Council	Stephanie O'Sullivan	19 November 2018
Tauranga City Council	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 until 26 July 2022
	Miles McConway	16 August 2022

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.



Additional Disclosures

Impact of COVID-19

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 2021-22 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.

Travel restrictions, lockdowns, and working from home meant that less face-to-face meetings were undertaken in the 2021-22 year, and this resulted in the performance target of meeting with each executive team not being achieved. We accept this under the circumstances and plan to complete engagements early in the new financial year.



Despite 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.

