

ANNUAL REPORT 2018-2019

For the year ended
30 June 2019

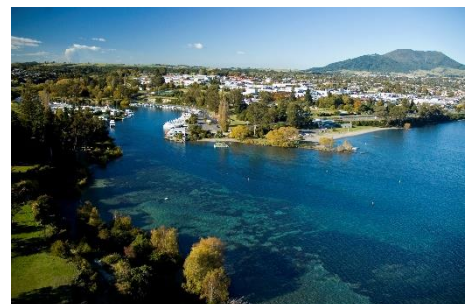
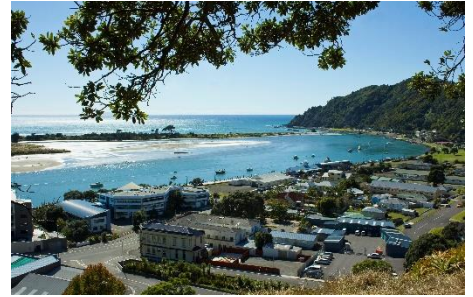


TABLE OF CONTENTS

PART ONE – OUR YEAR	3
BOPLASS Chair’s Report	4
BOPLASS Chair’s Report continued.....	5
Company Directory	6
Statement of Intent and Performance	7
PART TWO – ACCOUNTABILITY STATEMENTS	22
Statement of Responsibility	23
Audit Report.....	24
Financial Statements – Statement of Financial Position	28
Financial Statements – Statement of Financial Performance	29
Financial Statements – Statement of Cashflows	30
Entity Information for the Year Ended 30 June 2019	31
Statement of Accounting Policies	32
Notes to Financial Statements	36
Statutory Disclosures	48

PART ONE – OUR YEAR



On behalf of our Directors I am pleased to present the BOPLASS 2019 Annual Report to our Shareholders. The company continues to contribute significant value to our councils with a number of new initiatives undertaken over the last year in both joint procurement and shared services.

Of particular note is the substantial savings achieved by councils this year through their participation in the collective aerial photography programme. A tender for aerial imagery and LiDAR (3D mapping data) awarded by BOPLASS resulted in savings to all councils through this combined approach but also provided an additional saving of almost \$100,000 through utilising a new approach to the capture of the imagery.

As part of the aerial imagery programme, BOPLASS has successfully managed a coordinated regional approach to a Provincial Growth Fund application for co-funding of LiDAR capture for the entire Bay of Plenty region. This funding will provide significant savings for all councils as LiDAR capture had already been planned. The expansion of 3D mapping will also assist councils with supporting major development projects and improve land use management within the region.

Once again, BOPLASS has achieved a very good outcome in the placement of councils' infrastructure insurance into hardening international markets; with all insurance secured and at very competitive rates. While the insurers have been complementary about the risk modelling work undertaken by BOPLASS councils and the management of their assets, this year they indicated that improved valuation data and common standards of asset reporting and valuations methodology across councils would strengthen our position to maintain adequate cover. BOPLASS is now managing a valuations project to develop best practice standards across all BOPLASS councils.

The BOPLASS Advisory Groups have continued to collaboratively develop productive projects in their respective areas of business with BOPLASS now facilitating the following work groups:

- Solid waste
- GIS
- IT
- Health and Safety
- Radio Telephony
- Insurance
- Treasury
- Communications
- Audit and Risk
- Finance
- Procurement

BOPLASS is also working with a number of projects outside of their traditional back of office projects. Robotic Process Automation (RPA) workshops have been organised through BOPLASS to assist councils with developing automated processes for time-consuming repeatable work processes. As a result of these workshops a collective project has been undertaken for Accounts Payable automation.

Investigations into opportunities for improved coordination of councils' capex programmes have also been initiated. This is a significant project for councils and may result in a region-wide marketing approach to civil projects to make the opportunities more attractive to contractors and draw an improved level of tender responses across the region.

During 2018/19 BOPLASS has worked closely with our neighbouring LASS and a number of shared initiatives are being undertaken that will benefit our councils through aggregating volumes across a larger group of councils. The Board are supportive of inter-regional cooperation and encourage sharing of knowledge and collaboration with projects that deliver benefits for all parties and reduce the potential for duplication of effort.

The redesigned MahiTahi Collaboration Portal has much improved navigation and usability and has received positive feedback from users with a number of new team sites being established. Membership has continued to grow and the Portal has driven increased levels of sharing and collaboration between New Zealand councils and the greater Local Government community.

This year we welcomed the Whakatane District Council Chief Executive, Stephanie O'Sullivan, to the Board as Director and Shareholder Representative. Stephanie joins the board as an experienced director and with a strong background in local government. We also welcomed our existing director Marty Grenfell into his new role as Director and Shareholder Representative for Tauranga City Council and farewelled Garry Poole as the Tauranga City Council representative. The Board wish to acknowledge Garry's valued contribution to the Board over the last five years.

BOPLASS continues to deliver considerable value to our shareholding councils for a modest investment. The company remains committed to the areas of collaboration identified in the Statement of Intent with a specific focus on delivering value and savings to our constituent councils through joint procurement initiatives.

The Board acknowledges the commitment of the staff and also thanks the various individuals within all of the councils who have supported and assisted with the variety of projects.

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	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 2019-2022 and associated budget formally adopted by the directors at the meeting held on 28 June 2019.

Performance Targets 2019-2022

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>2019-2022</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. (Current identified projects are listed in Appendix B.)	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.
Provide support to BOPLASS councils that are managing or investigating Shared Services projects.	BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.	Resource assignment measured from project job tracking.
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 20% 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 2018/21.

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 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>
--	--

		<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> <ul style="list-style-type: none"> • A regional or cross-regional approach to licensing and data collection for waste operators • Diverting putrescible wastes from landfill <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>
--	---

		<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.</p> <p>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>	<p>Achieved</p>	<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>	<p>Achieved</p>	<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> <ul style="list-style-type: none"> • Geocortex Essentials • Geocortex Optimizer • X-Tools • NZ Archaeological Association <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> <ul style="list-style-type: none"> - <u>Spark Fortigate Firewall Services</u> – renegotiated contract resulting in reduced ongoing costs for this service saving \$12,611 per year. - <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>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>	Achieved	<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>	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>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>
--	-----------------	---

Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2017/18 and is provided for comparative purposes.

Target <u>2017/18</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>Joint procurement initiatives undertaken for:</p> <p><u>Health, Safety & Risk Management Software</u> – A project to investigate collective procurement of health and safety risk management software to provide improved functionality and cost savings for councils. Also included Waikato councils.</p> <p><u>Infrastructure Insurance</u> – BOPLASS represented a collective group of 41 councils in negotiations for placement of councils’ infrastructure insurance in the London markets. Requirements included increased limits and higher insured values for BOPLASS councils. Very competitive pricing achieved at rates up to 30% cheaper than had councils insured individually.</p> <p><u>Health & Safety in Design</u> – BOPLASS facilitated the opportunity for councils to participate in using design services to minimise health and safety risks of council driven projects.</p> <p><u>Enterprise Content Management / EDRMS Strategic Review</u> – BOPLASS councils collectively reviewed vendor offerings and options for electronic document management systems. Ongoing reviews underway to determine benefits from collective approach to vendors.</p> <p><u>Managing Contractors’ Onsite Safety</u> - BOPLASS investigated the opportunity for councils to participate in joint procurement of the Forsite contractor management system to assist with managing contractors’ onsite safety. It was determined that the system was not currently required by all councils and individual contracts would be pursued rather than entering into a collective agreement.</p> <p><u>Video Conferencing</u> – A project to review options for councils’ desktop and meeting room video conferencing systems included a review and testing of multiple providers. Zoom selected as preferred supplier to BOPLASS and councils.</p> <p>Contract provides for cost savings, standard solution across councils and simplification of video conferencing for desktop or meeting-room calling.</p>

		<p><u>Drug and Alcohol Testing</u> – BOPLASS investigated the opportunity to establish a collective agreement and secure improved pricing from the incumbent supplier to the majority of the BOPLASS and Waikato councils to provide cost savings and common standards. Still under action.</p> <p><u>Occupational Health Service Preferred Supplier</u> – Following the completion of a tender Waikato Occupational Health Consultancy (WOHC) were appointed as the preferential Health Service supplier for the BOPLASS councils. Access to improved and consistent levels of service achieved at significantly reduced costs through a collaborative agreement. Waikato LASS also with the same provider.</p> <p><u>Media Distribution Services</u> – BOPLASS is investigating opportunities for regional coordination for the release and distribution of media notifications through common software and standardisation of services.</p> <p><u>Training</u> – Collaborative training has been arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainer is prepared to travel to region for a larger group), opportunity to network with peers from other councils and development of tailored material.</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>0.46 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>GIS Centralised Data Repository / Shared SDE</u> – Establishment of central GIS storage services for councils. BOPLASS also investigated setting up a SDE (spatial data enterprise) on behalf of its councils. Following completion of initial architecture, it was determined that this was not feasible as it would require too much effort in terms of resource.</p> <p><u>Radio Telephony (RT) strategy</u> – A region-wide strategy has been developed by BOPLASS for the sharing and utilisation of Radio Telephone services and technologies. This is considered to be of significant importance in shared civil defence strategies.</p> <p><u>GIS Operating Guide for Civil Defence Emergency Events</u> – Developed by BOPLASS councils to capture learnings from the Edgumbe event and as a reference to support collaborative working. Operating guide shared with the Local Government Geospatial Alliance and is now being developed into a national reference document through this national GIS collaborative group.</p>

	<p><u>Online Natural Hazards Mapping</u> – Developed as a shared data initiative with App available to BOPLASS councils to notify owners as hazards such as tsunami or flooding.</p> <p><u>Regional / Cross-Regional Approach to Licensing and Data Collection for Waste Operators</u> – Scoping of a project to provide a consistent approach to licensing of private waste operators and standards within the industry, while enabling improved data collection for councils’ waste planning. Project also covers Waikato councils.</p> <p><u>Diversion of Organic Waste from Landfill</u> – Investigation of opportunities for the facilitation and development of a regional shared food waste collection service for BOPLASS councils. Initial scoping phase undertaken.</p> <p><u>Solid Waste Regional Infrastructure Strategy</u> – A regional or cross-regional approach to planned and potential waste infrastructure developments within the region. Project identified to be progressed with Waikato councils.</p> <p><u>Sustainable Procurement Research Project</u> – BOPLASS facilitated council participation in this project in conjunction with the Sustainable Business Network and Toi Ohomai. Collective project benefitted councils by assisting in establishing how current local government procurement policies and practices are aligned with national objectives of sustainability, and where improvements might be made.</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.</p> <p><u>Review of Inter-Council Network (ICN) suppliers and services</u> A full review of the ICN was undertaken, with a number of providers changed, new services established, and new contracts negotiated on behalf of the councils participating in this shared service. Improved levels of service achieved, additional services added, and \$97,635 in annual savings achieved:</p> <ol style="list-style-type: none"> 1. <u>Wireless WAN solution for ICN in Opotiki</u> – Evolution Networks project to replace GWS server and develop Wireless WAN in Opotiki (ICN – new contract signed). 2. <u>Increase of fibre pipeline from Opotiki</u> – Termination of service with Vocus and commission of service with Alchemy. 3. <u>Migration off of the One.Govt service for ICN Whakatane & Rotorua</u> – Termination of One.Govt
--	--

		<p>contract and migration of accounts to Vocus for links.</p> <ol style="list-style-type: none"> 4. <u>Establishment of community internet backhaul for Kawerau</u> – New service for Kawerau community. 5. <u>Alchemy Network Service</u> – Opotiki fibre (ICN – new contract signed with new supplier of existing service). 6. <u>Vocus Communications</u> – Fibre pipeline services for Whakatane, Rotorua, Kawerau (ICN – new contract signed with new supplier). Reduction in cost of services. Addition of new links (migrated from One-Govt). 7. <u>Cybersmart</u> – Support of the ICN (agreement signed with new supplier). New service to provide technical support services. <p><u>Audit and Risk Insights Panel Sessions</u> – BOPLASS coordinated workshops with senior leaders of the KPMG advisory team to provide councils their insights and experience in the areas of:</p> <ul style="list-style-type: none"> • Internal Audit Trends, • Enabling Data Analytics in Internal Audits, • Cyber Security, • and Fraud Awareness <p>Workshops provided at no cost to councils and included inter-council sharing of invaluable information.</p> <p><u>Joint Development of Health & Safety Policies and Terms of Reference</u> – BOPLASS H&S group facilitated the sharing of existing H&S procedures or shared development of new procedures across the BOPLASS and Waikato councils. Includes H&S in procurement, common documentation, processes, H&S liabilities and standard reporting measures for councils and governance. Provides for reduced effort for all councils and ability to share best practice.</p> <p><u>Support for Shared Services projects identified and reviewed by BOPLASS Operations Committee</u> – Projects under review or progressed as opportunities for further council collaboration in Shared Services:</p> <ul style="list-style-type: none"> • GIS <ul style="list-style-type: none"> - Further opportunities to align and share services / resources • Digitalisation <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure • Shared Data Centre <ul style="list-style-type: none"> - Utilisation of shared infrastructure by multiple BOPLASS councils • Accounts Payable <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure
--	--	---

		<ul style="list-style-type: none"> • Debt Management/Collections <ul style="list-style-type: none"> - Development of shared service • Building Consents <ul style="list-style-type: none"> - Development of standard processes across councils and opportunities for sharing of resource • Capex projects <ul style="list-style-type: none"> - Alignment or sequencing of capital projects
<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>Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils.</p> <p>All NZ councils are made aware of the Collaboration Portal and its benefits. 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 to review usage of the Collaboration Portal and opportunities to further develop the Portal to increase the support for collaboration across local government in New Zealand. User survey undertaken along with a review of best practice methodologies.</p> <p>Design-thinking workshop run, with council staff reviewing opportunities to improve the user experience while providing direct input into developing improvements.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in new councils and local government related organisations joining the Collaboration Portal.</p> <p>On-boarding and training provided to new councils to maximise usage and ensure increased uptake.</p> <p>Collaboration Portal membership has increased by 13 local government organisations over the last year. There are now:</p> <p>72 councils or local government related organisations registered on the Portal and 569 users.</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.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Councils' liability insurance</u> – Providers reviewed and renewed. Solutions proposed and reviewed from alternative brokers and insurers.</p> <p><u>GIS software and services</u> –</p> <ul style="list-style-type: none"> • Geocortex Essentials • Geocortex Optimizer • FME • X-Tools • NZAA <p>Contracts renegotiated and renewed – no alternative suppliers.</p> <p><u>Print Media Copyright Agency (PMCA)</u> – Contract and requirements reviewed. Re-signed with PMCA – sole NZ provider.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – Renegotiated and renewed. No alternative provider in NZ.</p>


		<p><u>Insurance brokerage services</u> – A review of options for the appointment of an insurance broker to the BOPLASS councils was undertaken. Aon reappointed for a further two-year period, as provided for under the agreement. A full tender for brokerage services will be undertaken by BOPLASS at the conclusion of this extension.</p> <p><u>Aerial Photography</u> – BOPLASS contract extended as flying not completed within existing programme.</p> <p><u>Media Monitoring services</u> – Contract with iSentia was reviewed and renewed. Services reviewed from two companies.</p> <p><u>New contracts negotiated for Inter-Council Network</u> – All ICN contracts were reviewed and, where there were alternative options, tested in the market. Several providers were changed; providing for improved service levels or cost savings for participating councils.</p> <p><u>Insurance Forum</u> – BOPLASS hosted a forum which included presenters from London and Australia. This gave an opportunity for the London underwriter to get a better understanding of the regions they insure and for councils to meet with the underwriters and to gain a better understanding of the challenges facing the insurance industry. Ultimately leading to improved services and rates for BOPLASS councils.</p>
<p>Complete independent review of governance performance and structure to ensure it supports BOPLASS’ strategic direction.</p> <p>Engage external party to complete independent review of BOPLASS governance.</p> <p>Affirmative feedback received from shareholding councils following 2017/18 governance review.</p>	<p>Not achieved</p>	<p>Governance review initiated. After preliminary review of governance, Board made decision to complete a strategic review of BOPLASS and include governance structure as an important aspect of this full review. A shortlist of independent consultants identified by BOPLASS Board.</p> <p>Review put on hold as a strategic alliance with Waikato LASS was proposed. Consultant engaged to review and facilitate the opportunity for the two LASS to develop a jointly aligned strategy. Review also covered LASS governance. BOPLASS and Waikato Boards completed collective evaluation.</p> <p>Decision made to proceed with independent reviews of the two LASS. BOPLASS progressing strategic review and independent governance review. The governance review has not been completed at this stage.</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>Executive-level meetings held with councils. Five 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>	<p>Achieved</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 2018: \$10,794 deficit.</p>
--	-----------------	---


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 24-47 outline the financial statements and notes for year ended 30 June 2019 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 2019.

For and on behalf of the Board of Directors:

Signed:

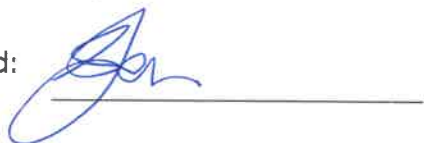


Craig O'Connell – Chair

Date:

23 Sept 2019

Signed:



Miriam Taris – Director

Date:

23 Sept 2019

Independent Auditor's Report

To the readers of BOP LASS Limited's financial statements and performance information for the year ended 30 June 2019

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 28 to 47, that comprise the statement of financial position as at 30 June 2019, 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 21.

In our opinion:

- the financial statements of the company on pages 28 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; 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;
- the performance information of the company on pages 7 to 21 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 2019.

Our audit was completed on 23 September 2019. This is the date at which our opinion is expressed.

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

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.

Audit Report Continued

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, page 22 to 27 and pages 48 to 49 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(Revised): 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 2019			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
ASSETS - CURRENT			
Bank accounts and cash	10	216,878	468,383
Short Term Investments	10	800,000	500,000
Debtors and Other Receivables	11	126,132	113,004
Prepayments	12	70,127	92,235
Total Current Assets		1,213,137	1,173,622
ASSETS - NON-CURRENT			
Intangible Assets	13	24,241	15,832
Plant and Equipment	14	1,383	2,791
Total Non-Current Assets		25,624	18,623
TOTAL ASSETS		1,238,761	1,192,245
LIABILITIES - CURRENT			
Creditors and Accrued Expenses	15	120,629	224,961
Employee Costs Payable	16	38,809	29,790
Income in Advance	17	1,034,244	897,738
Borrowings	18	0	0
Total Current Liabilities		1,193,682	1,152,489
TOTAL LIABILITIES		1,193,682	1,152,489
TOTAL ASSETS less TOTAL LIABILITIES		45,079	39,757
EQUITY			
Accumulated Deficits	19	(53,923)	(59,245)
Share Capital	19	99,002	99,002
TOTAL EQUITY		45,079	39,757

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: 23 Sept 2019.

Signed:  Miriam Taris – Director

Date: 23 Sept 2019


Financial Statements – Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2019				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
REVENUE				
Council Contribution	2	273,511	273,510	273,511
Project Revenue	2	1,061,642	1,592,000	1,170,889
Interest Revenue	3	24,690	17,500	585
Other Income		0	0	0
Total Revenue		1,359,843	1,883,010	1,444,985
EXPENSES				
Depreciation and Amortisation	4	9,282	12,000	14,464
Employee Related Costs	5	344,150	345,500	341,046
Directors Costs	6	21,206	18,000	15,758
Finance Cost	7	793	1,000	844
Other Expenses	8	979,089	1,506,510	1,083,667
Total Expenses		1,354,521	1,883,010	1,455,779
Surplus/(Deficit) before tax			0	
Income Tax Expense/(Benefit)	9	0	0	0
Surplus/(Deficit) after Tax		5,322	0	(10,794)


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 2019			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
CASHFLOWS FROM OPERATING ACTIVITIES			
Council Contribution		273,511	273,511
Project Revenue		1,185,801	1,279,973
Interest Revenue		24,690	16,083
Tax Paid - RWT (net)		0	0
Goods and Services Tax (net)		7,987	0
Total Cash Provided		1,491,989	1,569,567
Employee Related Costs		(335,130)	(338,622)
Payments to Suppliers		(1,082,520)	(964,211)
Interest Paid		(794)	(844)
Tax Paid - RWT (net)		(8,767)	(2,040)
Goods and Services Tax (net)		(0)	(69,584)
Total Cash Applied		(1,427,211)	(1,375,301)
NET CASHFLOWS FROM OPERATING ACTIVITIES		64,778	194,266
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments		(300,000)	(500,000)
Purchase of Plant and Equipment		(0)	(1,217)
Purchase of Intangibles		(16,283)	0
Total Investing Cash Applied		(316,283)	(501,217)
NET CASHFLOWS FROM INVESTING ACTIVITIES		(316,283)	(501,217)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans		0	0
Repayment of Loans		(0)	(35,000)
NET CASHFLOWS FROM FINANCING ACTIVITIES		(0)	(35,000)
NET INCREASE/(DECREASE) IN CASH		(251,505)	(341,951)
CASH AT BEGINNING OF THE YEAR		468,383	810,334
CASH AT END OF THE YEAR	10	216,878	468,383

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.

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 2019

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 2019.

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 2019.

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.

Bank overdrafts are presented as a current liability in the statement of financial position.

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:

2019 Computer Software	4 years	50%
2018 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		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Revenue				
Council Contribution		273,511	273,510	273,511
		273,511	273,510	273,511
Project Revenue				
Rebates	*	7,850	9,000	0
Aerial Photography Revenue	**	205,510	600,000	477,556
Canon Video Conferencing Revenue	***	34,140	13,000	7,853
Lease Revenue - ICN	****	116,783	175,000	293,092
Recoveries	*****	561,012	650,000	571,833
Sales of Service Revenue	*****	57,947	45,000	54,337
Collaboration Portal Revenue	*****	78,400	100,000	50,200
		1,061,642	1,592,000	1,454,871
TOTAL CORE AND PROJECT REVENUE		1,335,153	1,865,510	1,728,383

* 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.

**** Lease Revenue – ICN is offset by ICN Lease 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 includes various rebates on projects and secondment payment from Bay of Plenty Regional Council and Opotiki District Council.

***** Collaboration Portal Revenue is offset by Collaboration Portal expenditure.

NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Revenue				
Interest Revenue - Current account	*	559	1,000	585
Project Revenue				
Interest Revenue - Aerial Trust account	*	24,131	16,500	15,498
TOTAL INTEREST REVENUE		24,690	17,500	16,083

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

The Budget variation occurred as the budget was set before the interest rate dropped 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		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Expenditure				
Intangibles	*	7,875	12,000	13,371
Plant and Equipment	**	1,408	0	1,093
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		9,282	12,000	14,464

* Intangibles refer to note 13.

** Plant and Equipment refer to note 14.

NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Expenditure				
Salary and Wages		293,860	294,519	296,926
Superannuation	*	20,481	20,481	17,936
Direct Personnel Overheads	**	29,809	30,500	26,184
TOTAL EMPLOYEE RELATED COSTS		344,150	345,500	341,046

* 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		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Expenditure				
Directors Costs (Fees)	*	15,000	15,000	15,000
Directors Costs	**	6,206	3,000	758
TOTAL DIRECTORS COSTS		21,206	18,000	15,758

* Craig O'Connell 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 travel costs.

Insurance



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

NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Expenditure				
Interest on Borrowings	*	793	1,000	844
TOTAL FINANCE COST		793	1,000	844

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

NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2018/19 Actual	2018/19 Budget	2017/18 Actual
Core Expenditure				
Audit Fees	*	16,592	17,500	16,592
Administration Expenses	**	28,892	24,000	32,474
Consultancy	***	7,100	4,500	5,900
General Costs	****	5,743	9,900	6,318
Insurance		8,425	8,000	7,146
Loss on Disposal of Asset		0	0	0
		66,752	63,900	68,430
Project Expenditure				
Aerial Photography	*	205,510	600,000	256,781
Canon Video Conferencing	**	35,904	12,610	19,513
Lease Expenses - ICN	**	104,285	170,000	204,824
Recoveries	***	531,930	620,000	492,770
Collaboration Portal Opex	****	34,707	40,000	41,529
		912,336	1,442,610	1,015,417
TOTAL OTHER EXPENSES		979,088	1,506,510	1,083,847

Core

* Audit Fees for 2018/19 are \$16,592 includes accrual \$16,592.

** Administration Expenses

*** Consultancy includes tax advice for 2018/19

**** Accommodation & Travel, Bank Fees, Conferences, General Expenses, 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.

** Lease Expenses – ICN. 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.

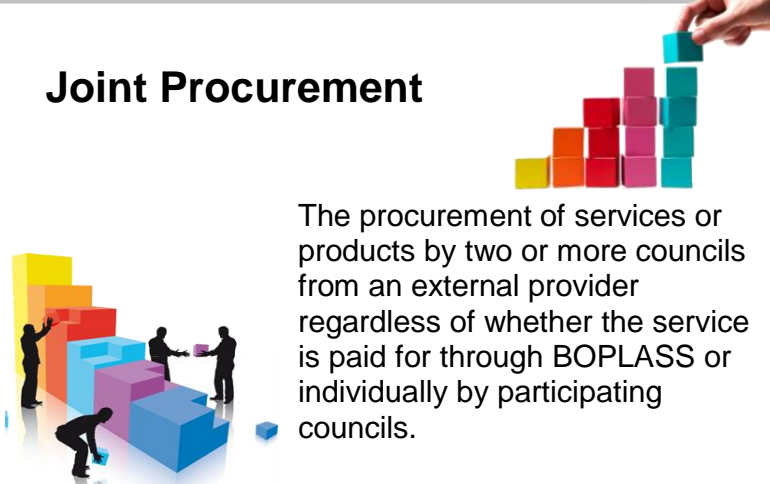
**** Collaboration Portal Opex - to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate.

NOTE 9: INCOME TAX EXPENSE

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Components of tax expense			
Current Tax Expense		0	0
Adjustments to current tax in prior years		0	0
Tax Expense		0	0
INCOME TAX EXPENSE		0	0
Relationship between tax expense and accounting profit			
Net surplus (deficit) before Taxation*		5,322	(10,794)
Tax calculation @ 28%		1,490	(3,022)
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		134,414	148,766
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(134,126)	(148,482)
Prior Period Adjustment		0	0
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(1,779)	2,738
TOTAL INCOME TAX EXPENSE		(0)	(0)

Tax losses for 2019: (\$11,898) 2018: (\$20,141) 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	
		2018/19 Actual	2017/18 Actual
Cash at Bank - Current account		40,988	76,910
Cash at Bank - Aerial Trust account		175,890	391,474
Term Deposit 90 days @ 3.40% Maturing 16 July 2019		300,000	300,000
Term Deposit 90 days @ 3.00% Maturing 16 July 2019		250,000	200,000
Term Deposit 180 days @ 3.45% Maturing 14 October 2019		250,000	
TOTAL BANK ACCOUNTS AND CASH		1,016,878	968,384

NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Debtors – Other		73,474	66,734
Goods and Services		4,985	12,971
Accrued Revenue		27,152	21,545
Withholding Tax		20,521	11,754
TOTAL DEBTORS AND OTHER RECEIVABLES		126,132	113,004

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	
		2018/19 Actual	2017/18 Actual
Under 1 Year		70,127	92,235
TOTAL PREPAYMENTS		70,127	92,235

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	
		2018/19 Actual	2017/18 Actual
Computer Software			
Cost			
Cost at beginning of Year		62,891	62,891
Current Year Additions		16,283	0
Current Year Disposals		0	0
Cost Balance at Year End		79,174	62,891
Accumulated Amortisation and Impairment			
Cost at beginning of Year		(47,059)	(33,688)
Amortisation Expense		(7,875)	(13,371)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(54,934)	(47,059)
Carrying Amounts			
Cost at beginning of Year		15,832	29,203
Carrying Amount at Year End		24,240	15,832

2019 Computer software has been developed in-house and outsourced. This has been amortised over its life (4 years). 2017 and 2018 Computer software has been developed in-house. This has been amortised over its life (4 years).

Amortisation Expense decreased as 2017 additions of \$24,349 were amortised at varying rates between 15% to 45% a total of \$13,371.

No impairment losses have been recognised for intangible assets.

NOTE 14: PLANT AND EQUIPMENT

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		6,484	5,268
Current Year Additions		0	1,216
Current Year Disposals		(2,489)	
Cost Balance at Year End		3,995	6,484
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(1,204)	(2,600)
Depreciation Expense		(1,408)	(1,093)
Impairment Losses		0	0
Loss on Disposal of Asset		0	0
Accumulated Depreciation and Impairment Balance at Year End		(2,612)	(3,693)
Carrying Amounts			
Cost at beginning of Year		3,995	2,668
Carrying Amount at Year End		1,383	2,791

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	
		2018/19 Actual	2017/18 Actual
ANZ Business Credit Card		4,195	0
Creditors		57,298	156,397
Accrued Expenses	*	19,592	20,363
Goods and Services Tax Payable		0	0
Retentions		39,544	48,201
TOTAL CREDITORS AND ACCRUED EXPENSES		120,629	224,961

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 \$16,592 and Tax Advice that have been accrued for the 2018/19 financial year.

NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Accrued Salaries and Wages		10,058	5,954
Annual Leave		16,896	14,602
PAYE		11,855	9,234
TOTAL EMPLOYEE COSTS PAYABLE		38,809	29,790

NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Income in Advance	*	1,034,244	897,738
TOTAL INCOME IN ADVANCE		1,034,244	897,738

* Income in advance that relates to 2018/19 financial year:

\$851,701 is for aerial photography;

\$68,544 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 2019 to 30 June 2020;

\$4,131 is for Geocortex Analytics Annual Maintenance to 1 July 2019 to 30 June 2020;

\$14,190 is for Annual Geocortex Essentials 1 July 2019 to 30 June 2020;

\$4,182 is for XTools Pro Annual Maintenance for Global License 1 July 19 to 30 June 2020;

\$10,000 CSG Technology Rebates 2020 and 2021 of \$5,000 per annum;

\$5,620 is for an ICN project which is currently on hold for 2020 financial year.

NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 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 2019 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	
		2018/19 Actual	2017/18 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		(59,245)	(48,451)
Surplus/(Deficit) after Taxation		5,322	(10,794)
Balance at Year End		(53,923)	(59,245)

Share Capital - As at 30 June 2019, 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	
		2018/19 Actual	2017/18 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 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.

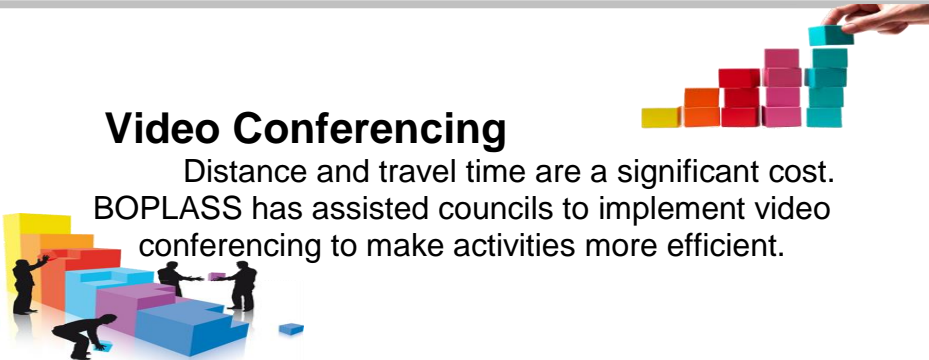
Operating Leases as Lessee

BOPLASS Ltd has 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 has a term of ten years with the right of withdrawal after three years. BOPLASS Ltd does not have an option to purchase the leased broadband network at the expiry of the lease period.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Not later than one year		33,008	49,510
Later than one year and not later than five years		0	33,008
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSEE		33,008	82,518

The lease expense of \$104,285 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 over the period of the lease to recover the costs for the lease of the 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. The lease invoicing started in the 2010 financial year.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd	
		2018/19 Actual	2017/18 Actual
Not later than one year		33,008	49,510
Later than one year and not later than five years		0	33,008
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSOR		33,008	82,518



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 2019 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:

2019: 20.69% (2018: 28.99%)

NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement Of Financial Performance	Variance against Budget
Sales of Service (Note 2)	Additional secondment hours were requested by and charged to BOPRC.
Aerial Photography Revenue and Expenditure (Note 2)	Budgeted Aerial Photography Programme was postponed while PGF application was undertaken.
ICN Lease Revenue and Expenditure (Note 2)	ICN income and expenditure reflect the reduction in costs through negotiation with BOPLASS supplier contracts. Reductions in the expense and revenue remained proportional.
Recoveries and Projects – Recoveries (Note 2)	Project timing effects the Project Recoveries and Expenditure which states the projects undertaken during the year. A number of projects remain under review by the Operations Committee and were deferred until 2019/20. Both the expense and revenue remained proportional.
Collaboration Portal (Note 2)	Collaboration Portal revenue is less than budget as Portal not marketed while it was being redeveloped. Changes to expense and revenue remained proportional.
Interest Revenue (Note 3)	Funds moved to Term Deposits to increase revenue from interest in the low interest rate environment.
Direct Personnel Overheads (Note 5)	Restructure of ACC rates decreased the premium payable.
Directors Costs (Note 6)	Directors costs increased as additional travel costs were incurred for Chair to attend OpsCom meetings.
Administration (Note 8)	Administration costs increased due to unexpected costs incurred with updates and support to existing software and the transition to an alternative provider.

NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2018/19			
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	Explanation to Variance
Core				
Council Contribution	273,511	0	273,511	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects.
Interest Revenue	558	0	558	Refer Note 3.
Sales of Service	57,947	0	57,947	Sales of Service is revenue earned from secondment for completion of work that are not part of a contract such as one off project.
Depreciation & Amortisation	0	9,282	(9,282)	Refer to note 4.
Salary and Wages	0	293,860	(293,860)	Refer to note 5.
Superannuation	0	20,481	(20,481)	Refer to note 5.
Direct Personnel	0	29,809	(29,809)	Refer to note 5.
Overheads				
Directors Fees & Costs	0	21,206	(21,206)	Refer to note 6.
Interest on Borrowings	0	793	(793)	Interest paid to TCC for general loan.
Administration Expenses	0	28,892	(28,892)	Refer to note 8.
Audit Fees	0	16,592	(16,592)	Refer to note 8.
Consultancy	0	7,100	(7,100)	Refer to note 8.
Insurance	0	8,425	(8,425)	Refer to note 8.
General	0	5,745	(5,745)	Refer to note 8.
Total	332,016	442,185	(110,169)	
Projects				
Aerial Photography	205,510	205,510	0	Participating councils are invoiced by BOPLASS Ltd and AAM Ltd is paid for as percentages of the work on the project are completed.
Interest Revenue related to Aerial Photography	24,132	0	24,132	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	34,140	35,904	(1,764)	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.
Lease - ICN	116,783	104,285	12,498	Participating councils are invoiced by BOPLASS Ltd on a quarterly basis over the period of the lease to recover the cost for the lease of the Council Regional Network Platform. ICN lease 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	186,512	161,130	25,382	Includes recovery and administration fees for ad-hoc projects.
Rebates	7,850	0	7,850	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.
Collaboration Portal	78,400	34,707	43,693	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.
Total	1,027,827	912,336	115,491	
Overall Total	1,359,843	1,354,521	5,322	

BOP LASS Ltd 2017/18

	BOP LASS Ltd 2017/18		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
Core			
Council Contribution	273,511	0	273,511
Interest Revenue	585	0	585
Salary and Wages	0	296,926	(296,926)
Superannuation	0	17,936	(17,936)
Direct Personnel Overheads	0	26,184	(26,184)
Depreciation & Amortisation	0	14,464	(14,464)
Interest on Borrowings	0	844	(844)
Administration Expenses	0	32,474	(32,474)
Audit Fees	0	16,592	(16,592)
Consultancy	0	5,900	(5,900)
Insurance	0	7,146	(7,146)
Directors Fees & Costs	0	15,758	(15,758)
General	0	6,138	(6,138)
Total	274,096	440,362	(166,266)
Projects			
Aerial Photography	256,781	256,781	0
Interest Revenue related to Aerial Photography	15,498	0	15,498
Canon Video Conferencing	20,515	19,513	1,002
Lease - ICN	225,630	204,824	20,806
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	149,553	121,970	27,583
Rebates	18,498	0	18,498
Collaboration Portal	66,564	41,529	25,035
Service Sales and Costs	43,350	0	43,350
Total	1,170,889	1,015,417	155,472
Overall Total	1,444,985	1,455,778	(10,794)

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 \$16,592. The amount of \$16,592 has been accrued for audit fees for BOPLASS Ltd and this is what is shown in the Statement of Financial Performance.

