

ANNUAL REPORT 2020-2021

For the year ended
30 June 2021



"COUNCILS PARTNERING FOR VALUE AND SERVICE"

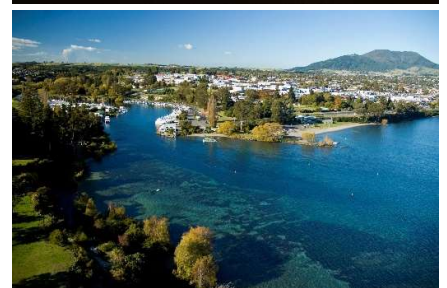


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PART ONE – OUR YEAR



On behalf of our Directors I am pleased to present the BOPLASS 2021 Annual Report. In addition to ongoing success with projects within the BOPLASS region, I am pleased to report that BOPLASS has played a pivotal role in advancing cross-region collaboration during 2020/21.

BOPLASS continues to maintain a close relationship with other North Island LASS and the ongoing sharing of knowledge and collaboration with projects is constantly pursued. Over the last 12 months BOPLASS has further developed this engagement through a number of shared initiatives with other LASS or councils outside of the BOPLASS region. A number of these projects are being led by BOPLASS on behalf of the wider group.

The BOPLASS insurance programme has been a glowing example of benefits achieved through cross-regional collaboration. Working closely with other North Island LASS very good outcomes were achieved with the 2020/21 placements, despite the ongoing hardening of the insurance markets. I note some of the highlights below:

- In conjunction with MW LASS and WLASS, BOPLASS completed a series of infrastructure insurance presentations directly to groups of London and Singapore underwriters and Lloyds syndicates. The presentations highlighted the resilience work and risk mitigation programmes being undertaken within our regions, as this important information helps build confidence for insurers. The LASS model, with its diversified risk and the geographical spread of assets, is now well-established and well-understood in the London markets and this has primarily been achieved through consistently marketing a collaborative approach across the three LASS. The presentations were particularly effective in 2020/21 as, for the first time, the Asian markets also indicated an interest in participating in our infrastructure insurance programme. Additionally, local markets have now expressed an interest in supporting the LASS insurance model.
- Given the importance to international underwriters of receiving accurate data, schedules, loss modelling, and valuations from councils (and the influence this can have on our insurance rates), BOPLASS has led the development of council scorecards to help councils assess the quality of their information and any areas that can be improved. The scorecards will also be used by the other LASS to ensure consistent best-practice is established across the collective insurance programme.
- As the insurance market evolves and placements become more challenging, BOPLASS has identified that councils will need to take a strategic approach to the types of cover they purchase, what will be insured, the levels of cover, and the levels of deductibles. BOPLASS arranged informative workshops for senior council staff to provide an overview of the impending changes within the insurance markets and alternative approaches to insurance that will need to be given consideration.
- Earlier this year BOPLASS led and coordinated an insurance forum to cover key insurance topics in local government. Councils from throughout the upper and central North Island attended and this proved to be an efficient and effective way to share and coordinate key information within the regions. Given the benefits to councils across multiple regions it is intended to continue with these forums on an annual basis.

There are a number of other projects and initiatives that BOPLASS is coordinating across multiple LASS. A key project set to deliver significant benefits across multiple regions is in solid waste:

- BOPLASS and WLASS are collaborating to establish a waste contractor management and reporting platform across the BOPLASS and Waikato regions. Given the shared waste streams and contractors across the two regions it makes sense to manage this as a collaborative project. Additionally, the aggregated size of the opportunity has drawn strong interest from potential vendors and other councils. The project will now either include the additional councils/regions that have expressed interest, or the service will be developed in a manner to allow other councils to join after it is established.

The MahiTahi LG Collaboration Portal continues to provide an effective platform for a growing number of councils and council groups across the country, with a 71% increase in new members in the last 12 months. The continuing growth highlights the value the MahiTahi Collaboration provides as a collaborative workspace for local government. It also highlights the obvious desire in local government to better share and coordinate information and activities.

The board is pleased to be able to report on the increased level of inter-regional collaboration as these projects undoubtedly add incremental savings and value through the joined-up approaches and shared coordination. We have been cognisant of recognising the different strategic strengths and directions of each LASS to ensure there is opportunity for LASSes to tap into each other's initiatives and specific skills, e.g. BOPLASS procurement.

We would like to thank the various individuals within the councils who continue to assist and support BOPLASS with project expertise and resource. The company remains reliant on this support. BOPLASS has performed well over the last year and the inter-regional initiatives, in particular, have delivered significant value to our constituent councils and to the greater local government community.



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 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	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 2021-2024 and associated budget formally adopted by the directors by resolution on 21 June 2021.

Performance Targets 2021-2024

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>2021-2024</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 10% 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 2020/23.

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>	<p>Achieved</p>	<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</p> <p>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 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 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. <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. <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> <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>
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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><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>
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<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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Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2019/20 and is provided for comparative purposes.

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

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

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

	<p>valuable given the current international and NZ economic turmoil.</p> <p><u>Sustainable Public Procurement</u> – BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p> <p><u>Debt Recovery Services</u> – Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services. The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p><u>Zoom Video Conference Services</u> – Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p><u>Civil Defence Emergency Management GIS Group</u> – GIS data and tools are now an integral part of a Civil Defence response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p><u>Standardisation of Insurance Valuations</u> – Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils’ insurance.</p> <p><u>Inter-LASS collaboration</u> – A number of procurement projects are underway or being investigated covering multiple LASS and benefitting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato</p>
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		<p>LASS and has recently provided information to South Island councils investigating collective opportunities.</p> <p><u>Regional Waste Operator Licensing and Data Collection</u> – Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council’s area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p><u>Skype for Business inter-council communication</u> – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year. Number of active users to increase by 20% per year.</p>	Achieved	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the MahiTahi Collaboration Portal was marketed through SOLGM to all NZ councils’ CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p> <p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p> <p>Development of Azure services to further support the Collaboration Portal, including implementing multi-factor authentication of portal administrators and migration of DNS services to Azure.</p>
<p>Communicate with each shareholding council at appropriate levels.</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>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>		<p>Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<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 2020: \$15,223 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 26-49 outline the financial statements and notes for year ended 30 June 2021 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 2021.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 28 April 2022

Signed:  Martin Grenfell – Director Date: 28 April 2022

Independent Auditor's Report

To the readers of BOPLASS Limited's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of BOPLASS 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 26 to 45 and 48 to 49, that comprise the statement of financial position as at 30 June 2021, 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 26 to 45 and 48 to 49:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the company on pages 7 to 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 2021.

Our audit was completed late

Our audit was completed on 28 April 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 was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

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.

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; 20 to 21 and 46 to 47, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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



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

Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2021			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 Actual
ASSETS - CURRENT			
Bank accounts and cash	10	368,717	328,672
Short Term Investments	10	800,000	803,090
Debtors and Other Receivables	11	229,189	200,341
Prepayments	12	80,129	34,788
Total Current Assets		1,478,035	1,366,891
ASSETS - NON-CURRENT			
Intangible Assets	13	12,478	16,893
Plant and Equipment	14	1,882	860
Total Non-Current Assets		14,360	17,753
TOTAL ASSETS		1,492,395	1,384,644
LIABILITIES - CURRENT			
Creditors and Accrued Expenses	15	277,852	156,408
Employee Costs Payable	16	17,572	36,101
Income in Advance	17	1,151,145	1,162,279
Borrowings	18	0	0
Total Current Liabilities		1,446,569	1,354,788
TOTAL LIABILITIES		1,446,569	1,354,788
TOTAL ASSETS less TOTAL LIABILITIES		45,826	29,856
EQUITY			
Accumulated Deficits	19	(53,176)	(69,146)
Share Capital	19	99,002	99,002
TOTAL EQUITY		45,826	29,856

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: 28 April 2022


Signed:  Martin Grenfell – Director Date: 28 April 2022

Financial Statements – Statement of Financial Performance


STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2021				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
REVENUE				
Council Contribution	2	298,672	273,510	273,511
Project Revenue	2	1,254,599	1,516,500	1,099,886
Interest Revenue	3	9,281	17,500	23,237
Other Income (Reimbursement)		173	0	8,777
Total Revenue		1,562,725	1,807,510	1,405,411
EXPENSES				
Depreciation and Amortisation	4	5,065	8,650	7,870
Employee Related Costs	5	256,642	299,500	274,531
Directors Costs	6	16,871	18,000	16,220
Finance Cost	7	0	500	0
Other Expenses	8	1,260,024	1,480,860	1,122,013
Total Expenses		1,538,602	1,807,510	1,420,634
Surplus/(Deficit) before tax		24,123	0	(15,223)
Income Tax Expense/(Benefit)	9	8,153	0	0
Surplus/(Deficit) after tax		15,970	0	(15,223)

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 2021			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 Actual
CASHFLOWS FROM OPERATING ACTIVITIES			
Council Contribution		298,672	273,511
Other Revenue		173	8,777
Project Revenue		1,212,330	1,155,783
Interest Revenue		9,281	23,237
Tax Paid - RWT (net)		8,424	0
Goods and Services Tax (net)		0	19,396
Total Cash Provided		1,528,880	1,480,704
Employee Related Costs		(275,171)	(277,240)
Payments to Suppliers		(1,187,494)	(1,081,524)
Interest Paid		0	0
Tax Paid - RWT (net)		0	(7,056)
Goods and Services Tax (net)		(28,740)	(0)
Total Cash Applied		(1,498,446)	(1,365,820)
NET CASHFLOWS FROM OPERATING ACTIVITIES		37,475	114,883
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments		3090	(3,090)
Purchase of Plant and Equipment		(521)	0
Purchase of Intangibles		0	0
Total Investing Cash Applied		2,569	0
NET CASHFLOWS FROM INVESTING ACTIVITIES		2,569	(3,090)
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		40,045	111,794
CASH AT BEGINNING OF THE YEAR		328,671	216,878
CASH AT END OF THE YEAR	10	368,716	328,672

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

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

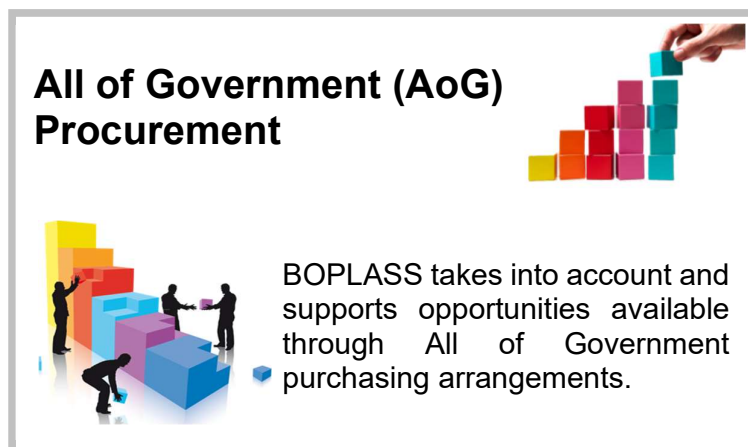
The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering 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 for the Year Ended 30 June 2021

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 2021.

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 2021.

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	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 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		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Revenue				
Council Contribution		298,672	273,510	273,511
		298,672	273,510	273,511
Project Revenue				
Rebates	*	7,878	6,000	8,461
Aerial Photography Revenue	**	468,937	600,000	332,436
Video Conferencing Revenue	***	40,562	30,500	31,753
Revenue - ICN	****	125,237	135,000	109,898
Recoveries	*****	576,285	670,000	596,937
Collaboration Portal Revenue	*****	35,700	75,000	20,400
		1,254,599	1,516,500	1,099,885
TOTAL CORE AND PROJECT REVENUE		1,553,271	1,807,510	1,373,396

- * 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. The Budget variation occurred as the Budget was set before the number of participating LASS and councils was confirmed.

NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Revenue				
Interest Revenue - Current account	*	73	1,000	143
Project Revenue				
Interest Revenue - Aerial Trust account	*	9,208	16,500	23,094
TOTAL INTEREST REVENUE		9,281	17,500	23,237

- * Bank interest on BOPLASS Ltd current account and Aerial Photography Trust account.
The Budget variation occurred on the current account as the interest rate declined significantly.
Councils now have an agreement to invest monies at a higher interest rate. Refer Note 10.

NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Expenditure				
Intangibles	*	4,415	8,000	7,347
Plant and Equipment	**	650	650	524
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		5,065	8,650	7,871

* Intangibles refer to note 13.

** Plant and Equipment refer to note 14.

NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Expenditure				
Salary and Wages		211,649	258,000	242,822
Superannuation	*	16,863	15,000	9,740
Direct Personnel Overheads	**	28,130	26,500	21,969
TOTAL EMPLOYEE RELATED COSTS		256,642	299,500	274,531

* Superannuation includes employer contributions to Kiwisaver.

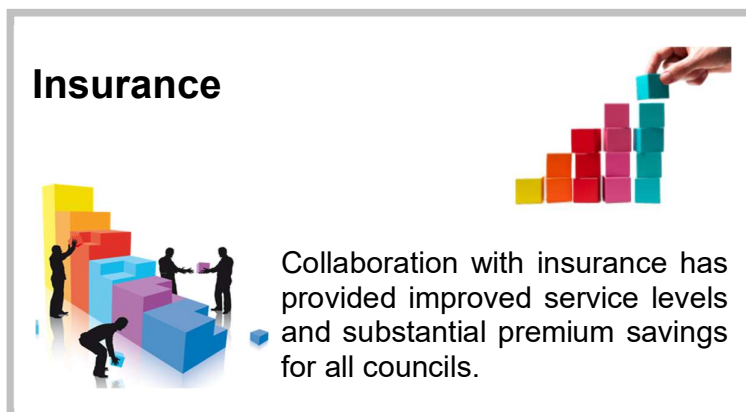
** Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Expenditure				
Directors Costs (Fees & Travel)	*	16,871	18,000	16,220
TOTAL DIRECTORS COSTS		16,871	18,000	16,220

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

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



NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2020/21 Actual	2020/21 Budget	2019/20 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		
		2020/21 Actual	2020/21 Budget	2019/20 Actual
Core Expenditure				
Audit Fees	*	26,831	17,500	19,981
Administration Expenses	**	14,204	15,300	17,727
Consultancy	***	7,600	5,300	3,700
General Costs	****	7,464	7,900	182
Insurance		9,453	9,000	8,837
Loss on Disposal of Asset			0	0
		65,552	55,000	50,427
Project Expenditure				
Aerial Photography	*	468,937	600,000	332,436
Video Conferencing	**	45,238	28,610	30,959
Inter Council Network (ICN)	**	115,574	129,100	102,648
Recoveries	***	545,221	640,000	579,029
Collaboration Portal Opex	****	19,499	26,150	26,514
		1,194,469	1,423,860	1,071,586
TOTAL OTHER EXPENSES		1,260,021	1,478,860	1,122,013

Core

- * Audit Fees for 2020/21 are \$20,581, (accrual \$16,982.56)
- ** Administration Expenses
- *** Consultancy includes tax advice for 2020/21
- **** Accommodation & Travel, Bank Fees, Conferences, General Expenses, Health & Safety, Legal, Subscriptions

Project

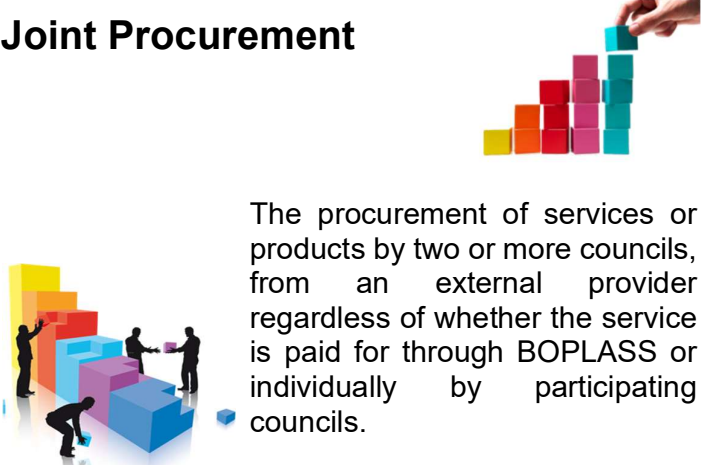
- * BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.
- ** ICN Expenses. This expenditure is offset from the revenue received from the councils. BOPLASS 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	
		2020/2021 Actual	2019/20 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*		3,602	(15,223)
Tax calculation @ 28%		1,009	(4,262)
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		215,060	169,838
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(214,931)	(169,665)
Prior Period Adjustment		0	0
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(4,605)	4,089
TOTAL INCOME TAX EXPENSE		(3,467)	(0)

Tax losses for 2021: (\$42,759), 2020: (\$34,645) 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	
		2020/21 Actual	2019/20 Actual
Cash at Bank - Current account		16,759	124,388
Cash at Bank - Aerial Trust account		351,958	204,284
Term Deposit 182 days @ 0.80% Maturing 11 October 2021		300,000	303,090
Term Deposit 180 days @ 0.90% Maturing 09 August 2021		250,000	250,000
Term Deposit 180 days @ 0.85% Maturing 06 September 2021		250,000	250,000
TOTAL BANK ACCOUNTS AND CASH		1,168,717	1,131,762

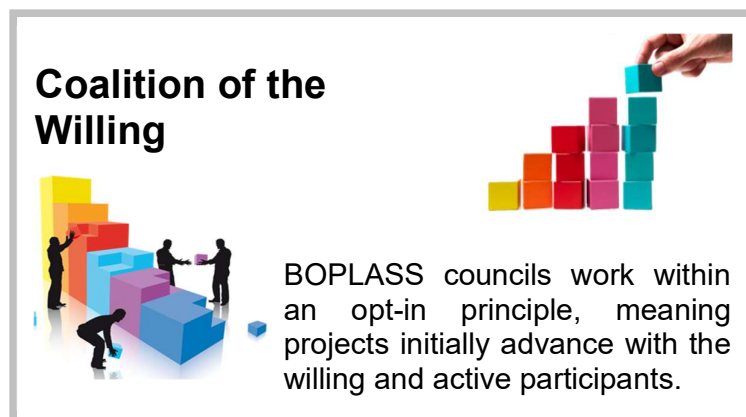
NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 Actual
Debtors – Other		78,993	148,367
Goods and Services		14,330	0
Accrued Revenue		124,906	24,397
Tax (Payable) / Receivable		10,960	27,577
TOTAL DEBTORS AND OTHER RECEIVABLES		229,189	200,341

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	
		2020/21 Actual	2019/20 Actual
Under 1 Year		80,129	34,788
TOTAL PREPAYMENTS		80,129	34,788



NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 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		(62,281)	(54,934)
Amortisation Expense		(4,415)	(7,347)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(66,696)	(62,281)
Carrying Amounts			
Cost at beginning of Year		16,893	24,240
Carrying Amount at Year End		12,478	16,893

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	
		2020/21 Actual	2019/20 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		3,995	3,995
Current Year Additions		1,737	0
Current Year Disposals		(1,216)	0
Cost Balance at Year End		4,516	3,995
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(1,919)	(2,612)
Depreciation Expense		(650)	(524)
Impairment Losses		0	0
Loss on Disposal of Asset		(65)	0
Accumulated Depreciation and Impairment Balance at Year End		(2,634)	(3,136)
Carrying Amounts			
Cost at beginning of Year		859	1,383
Carrying Amount at Year End		1,882	859

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	
		2020/21 Actual	2019/20 Actual
ANZ Business Credit Card		2,909	0
Creditors		235,997	121,392
Accrued Expenses	*	17,941	20,606
Goods and Services Tax Payable		0	14,410
Retentions		21,005	0
TOTAL CREDITORS AND ACCRUED EXPENSES		277,852	156,408

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 \$16,983 and FBT \$958 that have been accrued for the 2020/21 financial year.

NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 Actual
Accrued Salaries and Wages		7,979	7,735
Annual Leave		1,002	18,817
PAYE		8,591	9,549
TOTAL EMPLOYEE COSTS PAYABLE		17,572	36,101

NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 Actual
Income in Advance	*	1,151,145	1,162,279
TOTAL INCOME IN ADVANCE		1,151,145	1,162,279

* Income in advance that relates to 2020/21 financial year:
 \$928,970 is for aerial photography;
 \$29,152 is for the Geospatial Web project;
 \$49,999 is for Proof of Concept budget for OpsCom Projects;
 \$50,000 is from LINZ for operating;
 \$25,877 is for N3 Group Membership 1 July 2020 to 30 June 2021;
 \$10,185 PMCA Licence;
 \$33,257 Solid Waste;
 \$23,706 Geocortex – Essentials & Analytics for project.

NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 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 2021 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	
		2020/21 Actual	2019/20 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		(69,146)	(53,923)
Surplus/(Deficit) after Taxation		15,970	(15,223)
Balance at Year End		(53,176)	(69,146)

Share Capital - As at 30 June 2021, 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	
		2020/21 Actual	2019/20 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

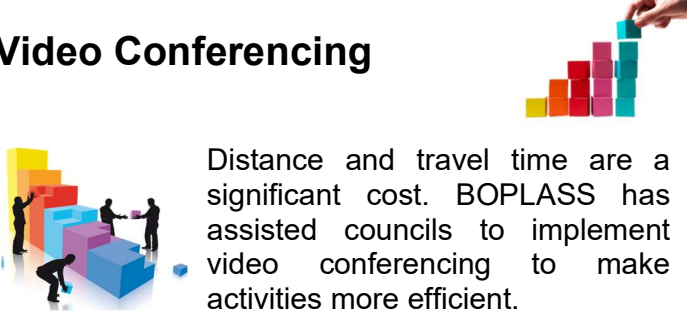
BOPLASS Ltd leased an ultrafast broadband network to enable the establishment of the Inter Council Network. An advance payment of \$250,000 was paid by BOPLASS Ltd in 2010 for the first three years of a lease contract. The lease had a term of ten years with the right of withdrawal after three years.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

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2020/21 Actual	2019/20 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 \$115,574 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	
		2020/21 Actual	2019/20 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 BOPLASS Ltd during the financial year to 30 June 2021 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:

2021: 3.07% (2020: 1.68%)

NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Council Contribution (Note 2)	A CPI Adjustment on Contributions from 2013-2021 was made.
Aerial Photography Revenue and Expenditure (Note 2)	Cost of current Aerial Photography Programme reduced through successful tender negotiations.
Collaboration Portal (Note 2)	Collaboration Portal revenue is less than budget as Portal membership has not yet increased to forecast levels. Additional marketing being undertaken.
ICN Revenue and Expenditure (Note 2)	ICN income and expenditure reflect the reduction in costs through ongoing negotiation with BOPLASS suppliers. Reductions in the expense and revenue remained proportional.
Video Conference Revenue and Expenditure (Note 2)	Additional video conference services purchased, increasing 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)	Reducing interest rates have had a significant impact on revenue. Some funds moved to term deposits to increase revenue from interest in the low interest rate environment.
Audit Fees (Note 8)	Increase in audit fees larger than anticipated and not budgeted for.

NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2020/21			Explanation
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	
Core				
Council Contribution	298,672	0	298,672	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects. Includes CPI Adjustment.
Interest Revenue	73	0	73	Refer Note 3.
Other Income – Reimbursement	173	0	173	Reimbursement.
Depreciation & Amortisation	0	5,065	(5,065)	Refer to note 4.
Salary and Wages	0	211,649	(211,649)	Refer to note 5.
Superannuation	0	16,863	(16,863)	Refer to note 5.
Direct Personnel Overheads	0	28,130	(28,130)	Refer to note 5.
Directors Fees & Costs	0	16,871	(16,871)	Refer to note 6.
Administration Expenses	0	14,204	(14,204)	Refer to note 8.
Audit Fees	0	26,831	(26,831)	Refer to note 8.
Consultancy	0	7,600	(7,600)	Refer to note 8.
Insurance	0	9,453	(9,453)	Refer to note 8.
General	0	7,464	(7,464)	Refer to Note 8.
Tax Expense	0	8,155	(8,155)	Refer to Note 9.
Total	298,918	352,285	(53,367)	
Projects				
Aerial Photography	468,937	468,937	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	9,208	0	9,208	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	40,562	45,238	(4,676)	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	125,237	115,574	9,663	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	201,784	174,421	27,363	Includes recovery and administration fees for ad-hoc projects.

				.../ continued
Rebates	7,878	0	7,878	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.
Collaboration Portal	35,700	19,499	16,201	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	1,263,806	1,194,469	69,337	
Overall Total	1,562,724	1,546,754	15,970	

BOP LASS Ltd 2019/20

	BOP LASS Ltd 2019/20		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
Core			
Council Contribution	273,511	0	273,511
Interest Revenue	143	0	143
Other Income – Tax Refund	8,778	0	8,778
Depreciation & Amortisation	0	7,871	(7,871)
Salary and Wages	0	242,800	(242,800)
Superannuation	0	9,740	(9,740)
Direct Personnel Overheads	0	21,969	(21,969)
Directors Fees & Costs	0	16,220	(16,220)
Interest on Borrowings	0	0	(0)
Administration Expenses	0	17,727	(17,727)
Audit Fees	0	17,332	(17,332)
Consultancy	0	3,700	(3,700)
Insurance	0	8,837	(8,837)
General	0	2,853	(2,853)
Total	282,432	349,049	(66,617)
Projects			
Aerial Photography	332,436	332,436	0
Interest Revenue related to Aerial Photography	23,094	0	23,094
Canon Video Conferencing	31,753	30,959	794
Inter Council Network	109,898	102,648	7,250
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	222,436	208,229	14,208
Rebates	8,462	0	8,462
Collaboration Portal	20,400	26,513	(6,114)
Total	1,122,279	1,071,585	51,394
Overall Total	1,405,411	1,420,634	(15,223)

NOTE 27: Breach of statutory deadline

The Company was required under section 67(5) of the Local Government Act 2002 to complete and adopt its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

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

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 \$20,581. The amount of \$16,982 has been accrued for audit fees for BOPLASS Ltd and this is what is shown in the Statement of Financial Performance.



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 2020-21 financial year and we don't expect this to change in the future. The company has remained on target with the delivery of all projects, with BOPLASS staff able to continue to operate effectively while working remotely during the various government imposed alert levels.

During and after previous 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.