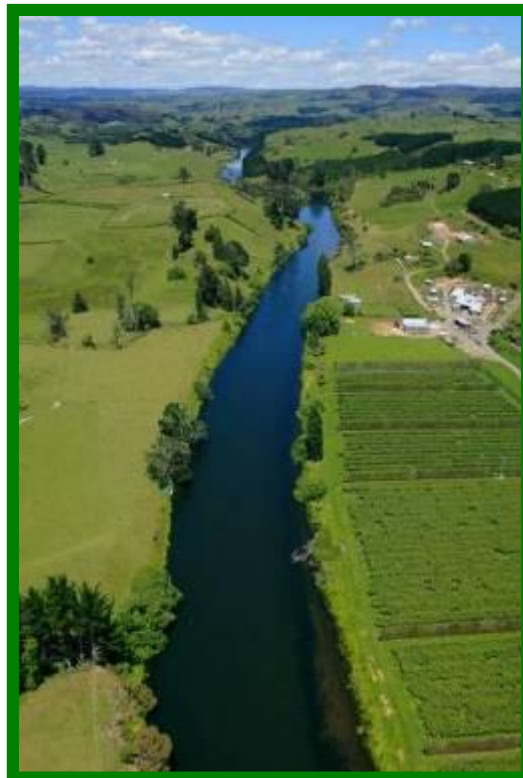


*“COUNCILS PARTNERING FOR VALUE AND SERVICE”*



**Annual Report  
For the year ended  
30 June 2012**



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**PART ONE – OUR YEAR**



## ***BOPLASS Chair's Report***

During the past year BOPLASS has continued to progress key initiatives with the support and involvement of staff from the participating councils. The fixed term appointment of a dedicated role to develop BOPLASS Information Services, as identified in the Information Services Strategic Plan, has resulted in important progress with the implementation of foundation services to support and enable the delivery of shared services.

The BOPLASS inter-council network has been further extended – with Opotiki now connected by microwave, and a new fibre link from Whakatane to Taupo will see further connections between regional council offices and Kawerau District Council.

Back office joint procurement initiatives continue to be pursued, with civil works opportunities also recently being explored. The All of Government procurement programme has been integrated within BOPLASS joint procurement strategies, with BOPLASS councils ensuring the programme is supported and given consideration.

Continued collaboration with insurance contracts has provided further financial savings for our constituent councils. Additionally, all BOPLASS councils insurance was secured prior to renewal, despite the difficult period the New Zealand insurance market has been experiencing.

Our work in the Geospatial Information Systems area has seen the development and implementation of a common web viewer technology introduced to all councils. Geospatial initiatives continue to be developed through the coordination of collaborative working and the inter-council sharing of resources.

BOPLASS aerial photography has been captured during the last year and delivery has begun to the councils. The recent purchase of the copyright for our imagery has allowed the distribution of data by councils under a common policy.

We again saw some changes of our Directors this past year – with Martin Grenfell replacing Diane Turner from Whakatane District Council and Judy Campbell from

## BOPLASS Chair's Report Continued

Gisborne District Council moving into the role vacated by Lindsay Mackenzie. It was with huge sadness that we experienced the passing of Ken Paterson from Tauranga City Council in April, after he joined the table in June 2011.

With the establishment of the foundation services, we continue to investigate and develop further opportunities for additional shared services.

I thank everyone for their efforts during the past year and look forward to the challenges that I know the coming year will bring. I would like to extend a special thank you to Glenn Snelgrove who recently stepped down from the position of Chair of BOPLASS. Glenn has headed BOPLASS very effectively and enthusiastically since its inception in 2008.

*M Macleod.*

Mary-Anne Macleod  
**Chair**



## Company Directory

Nature of Business	Shared Service Provider
Registered Office	CST Nexia Limited P O Box 76 261 Manukau City
Incorporation Number	2074873
Incorporation Date	14 January 2008
IRD Number	98-965-361
Directors	Mary-Anne Macleod Glenn Snelgrove Peter Guerin Rob Williams Russell George Aileen Lawrie Marty Grenfell Judy Campbell Ken Paterson
Shareholders	Bay of Plenty Regional Council Western Bay of Plenty District Council Rotorua District Council Taupo District Council Kawerau District Council Opotiki District Council Whakatane District Council Gisborne District Council Tauranga City Council
Auditor	Audit New Zealand
Bankers	The National 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 2012/13 and associated budget formally adopted by the Directors at the meeting held on 10 May 2012.

### Performance Targets

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



- initiate at least one shared service each year and no less than two shared services successfully implemented within three years
- implement shared services demonstrating best practice and added value to participating councils and stakeholders
- investigate a minimum of four joint procurement initiatives per year for goods and services from sources offering best value, service, continuity of supply and or opportunities for integration
- communicate with each shareholding council at appropriate levels with at least one meeting with each Executive Leadership Team per year
- ensure sufficient income is available from activities to sustain a viable company.



**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 scattered through the document.



## Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2011/12.

Performance Targets for 2011/2012		
Outcomes	Measure	Result
Initiate at least one shared service each year and no less than two shared services successfully implemented within three years.	Number of shared services.	Rates initiated 2011. Inter-council network implemented 2010. Information Services Strategic Plan (ISSP) completed 2011, implementation commenced 2011. Establishment of ISSP foundation services initiated 2011/12. Geographic Information Services (GIS) initiated 2009/10. Inception report completed 2010, significant progress on implementation. Inter-council video conferencing implemented 2010/11.
Implement shared services demonstrating best practice and added value to participating councils and stakeholders.	Implementation programme incorporates best practice.	GIS Inception plan developed with external support and peer review. Information Services Strategic Plan (ISSP) developed with external support and internal review. Video conferencing network established with external support and internal review.
Facilitate a minimum of four joint procurement initiatives per year for goods and services from sources offering best value, service, and or continuity of supply.	Number of procurement initiatives investigated and or completed.	GPS vehicle tracking, accommodation, travel, P-cards, reprographic, postal services, courier, after-hours phone services, spatial data software, raster analysis software, health insurance.
Communicate with each shareholding council at appropriate levels with at least one meeting with each Executive Leadership Team per year.	At least one meeting with each council at Council and or/ management team level.	Meetings with all councils.
Ensure sufficient income is available from activities to sustain a viable company.	Income received from contributing councils and funding from activities to meet operational budget.	Council contributions levied, activity groups levied, contributions received from activities producing savings.





## Statement of Responsibility

In the opinion of the Directors of BOPLASS Ltd, the financial statements and notes on pages 13 to 39:

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the company as at 30 June 2012 and the results of operations for the twelve months ended on that date, and
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgments and estimates.

The Directors believe that proper accounting records have been kept which 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.

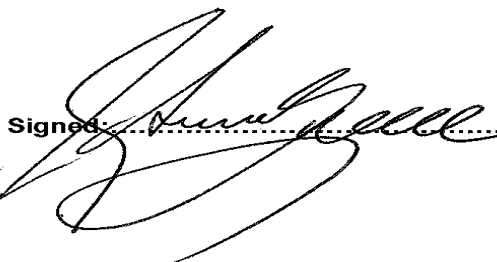
The Directors consider that they have taken adequate steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial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

The Directors are pleased to present the financial statements of BOPLASS Ltd for the twelve months ended 30 June 2012.

For and on behalf of the Board of Directors:

Signed:  Chair

Date: 28/09/12

Signed:  Director

Date: 28/09/12

## Independent Auditor's Report

**To the readers of  
Bay of Plenty Local Authority Shared Services Limited and group's  
financial statements and statement of service performance  
for the year ended 30 June 2012**

The Auditor-General is the auditor of Bay of Plenty Local Authority Shared Services Limited (the company) and group. The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company and group on her behalf.

We have audited:

- the financial statements of the company and group on pages 13 to 37, that comprise the statement of financial position as at 30 June 2012, 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 statement of service performance of the company and group on pages 6 and 7.

### Opinion

#### Financial statements and statement of service performance

In our opinion:

- the financial statements of the company and group on pages 13 to 37:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards, and
  - give a true and fair view of the company and group's:
    - financial position as at 30 June 2012; and
    - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the company and group on pages 6 and 7:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2012.

## **Other legal requirements**

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company and group as far as appears from an examination of those records.

Our audit was completed on 28 September 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities and explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments we consider internal control relevant to the preparation of the company and group's financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control 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 and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction nor do we guarantee complete accuracy of the financial statements and statement of service performance. In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we

## Audit Report Continued

have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company and group's financial position, financial performance and cash flows; and
- give a true and fair view of the company and group's service performance.

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

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

### Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit we have no relationship with or interests in the company or any of its subsidiaries.



David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

### Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of Bay of Plenty Local Authority Shared Services Limited and group for the year ended 30 June 2012 included on the Bay of Plenty Local Authority Shared Services Limited's website. The Bay of Plenty Local Authority Shared Services Limited's Board is responsible for the maintenance and integrity of the Bay of Plenty Local Authority Shared Services Limited's website. We have not been engaged to report on the integrity of the Bay of Plenty Local Authority Shared Services Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and the related audit report dated 28 September 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

## Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2012					
BOP LASS LTD	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>ASSETS - CURRENT</b>					
Cash and Cash Equivalents	9	957,225	1,187,234	957,225	1,187,234
Debtors and Other Receivables	10	346,642	175,820	346,642	175,820
Prepayments	11	69,477	113,889	69,477	113,889
<b>Total Current Assets</b>		<b>1,373,344</b>	<b>1,476,943</b>	<b>1,373,344</b>	<b>1,476,943</b>
<b>ASSETS - NON-CURRENT</b>					
Intangible Assets	12	151	377	151	377
Plant and Equipment	13	1,142	2,160	1,142	2,160
Prepayments	11	0	45,384	0	45,384
<b>Total Non-Current Assets</b>		<b>1,293</b>	<b>47,921</b>	<b>1,293</b>	<b>47,921</b>
<b>TOTAL ASSETS</b>		<b>1,374,637</b>	<b>1,524,864</b>	<b>1,374,637</b>	<b>1,524,864</b>
<b>LIABILITIES - CURRENT</b>					
Creditors and Other Payables	14	238,018	104,512	238,018	104,512
Employee Benefit Liabilities	15	4,418	13,266	4,418	13,266
Income in Advance	16	910,195	1,242,243	910,195	1,242,243
Borrowings	17	296,213	230,842	296,213	230,842
<b>Total Current Liabilities</b>		<b>1,448,844</b>	<b>1,590,863</b>	<b>1,448,844</b>	<b>1,590,863</b>
<b>TOTAL LIABILITIES</b>		<b>1,448,844</b>	<b>1,590,863</b>	<b>1,448,844</b>	<b>1,590,863</b>
<b>NET ASSETS</b>		<b>(74,207)</b>	<b>(65,999)</b>	<b>(74,207)</b>	<b>(65,999)</b>
<b>EQUITY</b>					
Retained Earnings	18	(83,207)	(74,999)	(83,207)	(74,999)
Share Capital	18	9,000	9,000	9,000	9,000
<b>TOTAL EQUITY</b>		<b>(74,207)</b>	<b>(65,999)</b>	<b>(74,207)</b>	<b>(65,999)</b>

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

Signed:  Director

Date: 28/9/12

Signed:  Director

Date: 28/9/12

## Financial Statements – Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME - FOR THE YEAR ENDED 30 JUNE 2012						
BOP LASS LTD	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>OPERATING REVENUE</b>						
Other Revenue	2	2,151,715	255,310	1,352,680	2,151,715	1,352,680
Finance Income	3	28,030	1,000	34,047	28,030	34,047
<b>Total Operating Revenue</b>		<b>2,179,745</b>	<b>256,310</b>	<b>1,386,727</b>	<b>2,179,745</b>	<b>1,386,727</b>
<b>OPERATING EXPENDITURE</b>						
Depreciation and Amortisation	4	1,244	0	905	1,244	905
Personnel Costs	5	262,410	246,854	234,832	262,410	234,832
Finance Cost	6	19,461	3,090	19,230	19,461	19,230
Other Expenses	7	1,904,838	48,426	1,150,349	1,904,838	1,150,284
<b>Total Operating Expenditure</b>		<b>2,187,953</b>	<b>298,370</b>	<b>1,405,316</b>	<b>2,187,953</b>	<b>1,405,252</b>
<b>Operational Surplus/(Deficit) before Other Revenue and Other Gains/(Losses)</b>		<b>(8,208)</b>	<b>(42,060)</b>	<b>(18,589)</b>	<b>(8,208)</b>	<b>(18,524)</b>
<b>OTHER REVENUE AND OTHER GAINS/(LOSSES)</b>						
Other Capital Expenditure Contributions		0	0	0	0	0
<b>Operational Surplus/(Deficit) after Other Revenue and Other Gains/(Losses)</b>		<b>(8,208)</b>	<b>(42,060)</b>	<b>(18,589)</b>	<b>(8,208)</b>	<b>(18,524)</b>
<b>Surplus/(Deficit) before Tax</b>		<b>(8,208)</b>	<b>(42,060)</b>	<b>(18,589)</b>	<b>(8,208)</b>	<b>(18,524)</b>
Income Tax Expense/(Benefit)	8	0	0	0	0	(200)
<b>Surplus/(Deficit) after Tax</b>		<b>(8,208)</b>	<b>(42,060)</b>	<b>(18,589)</b>	<b>(8,208)</b>	<b>(18,324)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Other Comprehensive Income		0	0	0	0	0
Taxation on Other Comprehensive Income		0	0	0	0	0
<b>Other Comprehensive Income Net of Taxation</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(8,208)</b>	<b>(42,060)</b>	<b>(18,589)</b>	<b>(8,208)</b>	<b>(18,324)</b>

The Notes and Statement of Accounting Policies form part of these financial statements



### Advisory Groups

Manage activities and are comprised of council representatives, providing expertise and accountability.



## Financial Statements – Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY - FOR THE YEAR ENDED 30 JUNE 2012					
BOP LASS LTD	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>EQUITY AT START OF THE YEAR</b>		<b>(65,999)</b>	<b>(47,410)</b>	<b>(65,999)</b>	<b>(47,675)</b>
Total Comprehensive Income		(8,208)	(18,589)	(8,208)	(18,324)
Capital Contribution		0	0	0	0
<b>EQUITY AT END OF THE YEAR</b>		<b>(74,207)</b>	<b>(65,999)</b>	<b>(74,207)</b>	<b>(65,999)</b>

The Notes and Statement of Accounting Policies form part of these financial statements



### GIS Licencing

All councils now use ESRI GIS Software enhancing collaborative capability while saving money through joint procurement.





## Financial Statements – Statement of Cashflows

STATEMENT OF CASHFLOWS - FOR THE YEAR ENDED 30 JUNE 2012					
BOP LASS LTD	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Revenue		1,663,313	2,596,977	1,663,313	2,596,977
Interest Received		28,030	34,047	28,030	34,047
Goods and Services Tax (net)		0	0	0	0
<b>Total Operating Cash Provided</b>		<b>1,691,343</b>	<b>2,631,024</b>	<b>1,691,343</b>	<b>2,631,024</b>
Payments to Employees		(271,258)	(233,555)	(271,258)	(233,555)
Payments to Suppliers		(1,668,714)	(1,071,307)	(1,668,714)	(1,075,241)
Interest Paid		(19,461)	(19,230)	(19,461)	(19,230)
Tax Paid - RWT		(9,250)	(11,472)	(9,250)	(11,472)
Goods and Services Tax (net)		(18,039)	(75,406)	(18,039)	(75,391)
<b>Total Operating Cash Applied</b>		<b>(1,986,722)</b>	<b>(1,410,970)</b>	<b>(1,986,722)</b>	<b>(1,414,889)</b>
<b>NET CASHFLOWS FROM OPERATING ACTIVITIES</b>	19	<b>(295,379)</b>	<b>1,220,054</b>	<b>(295,379)</b>	<b>1,216,134</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of Investments		0	0	0	0
Purchase of Plant and Equipment		0	(2,489)	0	(2,489)
Purchase of Intangibles		0	0	0	0
<b>Total Investing Cash Applied</b>		<b>0</b>	<b>(2,489)</b>	<b>0</b>	<b>(2,489)</b>
<b>NET CASHFLOWS FROM INVESTING ACTIVITIES</b>		<b>0</b>	<b>(2,489)</b>	<b>0</b>	<b>(2,489)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from Borrowings		530,928	173,243	530,928	173,243
Share Issue		0	0	0	0
Repayment of Borrowings		(465,558)	(260,401)	(465,558)	(260,401)
<b>NET CASHFLOWS FROM FINANCING ACTIVITIES</b>		<b>65,370</b>	<b>(87,158)</b>	<b>65,370</b>	<b>(87,158)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(230,009)</b>	<b>1,130,407</b>	<b>(230,009)</b>	<b>1,126,487</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>1,187,234</b>	<b>56,827</b>	<b>1,187,234</b>	<b>60,746</b>
<b>CASH AT END OF THE YEAR</b>	9	<b>957,225</b>	<b>1,187,234</b>	<b>957,225</b>	<b>1,187,234</b>

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

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

## **Statement of Accounting Policies**

### **Note 1: Statement of Accounting Policies – for the year ended 30 June 2012**

#### **REPORTING ENTITY**

BOPLASS Limited ('the Company') is a company incorporated and domiciled in New Zealand.

The Company is based in Tauranga, and is a joint venture between nine Councils formed to provide shared services. BOPLASS stands for Bay of Plenty Local Authority Shared Services.

The Company includes the parent (BOPLASS Ltd) and its 100% owned subsidiary Bay Broadband Ltd. Bay Broadband Ltd was established to facilitate and promote the development of broadband capacity and reach in the Bay of Plenty region, rather than making a financial return. Bay Broadband Ltd ceased trading at 30 June 2010 and was removed from the New Zealand Companies Register on 13 June 2012.

The financial statements of the Company are for the twelve months ended 30 June 2012. The financial statements were authorised for issue by the Directors on 28 September 2012.

#### **BASIS OF PREPARATION**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with Generally Accepted Accounting Practice (NZ GAAP).

These financial statements comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to public benefit entities. The Company is a public benefit entity that qualifies for and applies differential reporting concessions on the basis that it is not large and not publically accountable. The Company is also a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

Standards where the Company has not taken advantage of differential reporting concessions and has applied the standards obligatory for non-qualifying entities are:

NZ IAS 7 Statement of Cash Flow: The Company has provided a Statement of Cash Flow for the reporting period.

NZ IAS 38 Intangible Assets: The Company has provided a reconciliation of the carrying amount at the beginning and end of the period.

### **Measurement base**

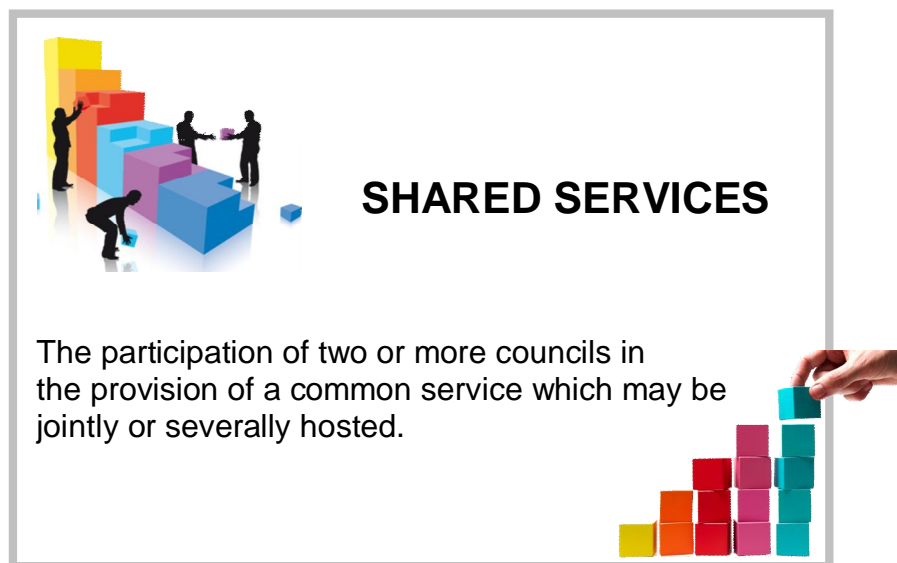
The financial statements have been prepared on an historical cost basis.

### **Functional and presentational currency**

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.

### **Accounting policies**

The accounting policies set out below have been applied for the twelve months ended 30 June 2012.



## **SIGNIFICANT ACCOUNTING POLICIES**

### **BASIS OF CONSOLIDATION - Subsidiaries**

BOPLASS Ltd consolidates in the group financial statements, all entities where BOPLASS Ltd has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where BOPLASS Ltd controls the majority voting power on the governing body.

Subsidiaries are accounted for by the line aggregations of assets, liabilities, revenue, expenses and equity that are recognised in the financial statements of all entities in the consolidation group. All significant inter-company transactions are eliminated upon consolidation.

### **REVENUE RECOGNITION**

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

Contributions received from the nine shareholder councils are BOPLASS Ltd's primary source of funding for the twelve months ended 30 June 2012.

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 2012.



**TELEPHONY SERVICES**

A contract with Gen-i Ltd for fixed line, data and mobile services [brought potential savings to the group of more than \$260,000.] It also provided free calling between councils and established a framework for future shared services.

## **PLANT AND EQUIPMENT**

Plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### *Depreciation*

All assets are depreciated over their expected useful lives. 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%

## **INTANGIBLE ASSETS**

### *Software acquisitions*

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.

### *Amortisation*

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.

Amortisation begins when the asset is available for use and ceases at the date the asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

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

Computer Software    4 years    60%

## **IMPAIRMENT**

Intangible assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment cost is recognised in the Statement of Comprehensive Income.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowing as a current liability in the Statement of Financial Position.

## **LEASES**

### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and benefits of ownership of the leased item to the lessee.

Lease payments under an operating lease are recognised as expenses in the Statement of Comprehensive Income on a straight line basis over the lease term.

## **CREDITORS AND OTHER PAYABLES**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

## **DEBTORS AND OTHER RECEIVABLES**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## **EMPLOYEE BENEFITS**

### *Short-term benefits*

Employee benefits that the Company expects to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within twelve months.

### *Superannuation schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income.

## **INTEREST BEARING LOANS AND BORROWINGS**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### *Borrowing costs*

Borrowing costs are recognised as an expense when incurred.

## TAXATION

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.

## GOODS AND SERVICES (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## EQUITY

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



**SOPHOS**  
**Antivirus Software**

A joint purchase of Sophos antivirus software has resulted in significant savings while improving security of councils IT systems.

The advertisement features a central graphic with the text 'SOPHOS Antivirus Software'. Below the text, there is a bar chart with five bars of increasing height, colored yellow, orange, red, pink, and teal. A hand is shown placing a teal block on top of the tallest bar. To the left of the text, there is an illustration of three silhouettes of people standing on a platform, interacting with a large, multi-colored bar chart.



## Notes to Financial Statements

### Note 2: Other Revenue

NOTE 2: OTHER REVENUE	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Activity Group Fees		78,000	72,100	46,117	78,000	46,117
Aerial Photography Revenue	*	882,460	0	396,810	882,460	396,810
Council Contribution		117,941	54,710	54,710	117,941	54,710
Lease Revenue - Canon Video Conferencing	**	23,787	0	1,497	23,787	1,497
Lease Revenue - CRNP	**	226,063	0	226,063	226,063	226,063
Recoveries		125,434	0	11,972	125,434	11,972
Sales of Service	***	698,030	128,500	615,511	698,030	615,511
<b>TOTAL OTHER REVENUE</b>		<b>2,151,715</b>	<b>255,310</b>	<b>1,352,680</b>	<b>2,151,715</b>	<b>1,352,680</b>

\* Aerial Photography Revenue refer to note 7.

\*\* Lease Revenue refer to note 20.

\*\*\* Includes revenue of \$150K from Land Information New Zealand refer to note 7.

### Note 3: Financial Income

NOTE 3: FINANCE INCOME	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Interest Revenue	*	28,030	1,000	34,047	28,030	34,047
<b>TOTAL FINANCE INCOME</b>		<b>28,030</b>	<b>1,000</b>	<b>34,047</b>	<b>28,030</b>	<b>34,047</b>

\* Bank interest on Aerial Photography account.

### Note 4: Depreciation and Amortisation Expense

NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Intangibles	*	226	0	576	226	576
Plant and Equipment	**	1,018	0	329	1,018	329
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>1,244</b>	<b>0</b>	<b>905</b>	<b>1,244</b>	<b>905</b>

\* Intangibles refer to note 12.

\*\* Plant and Equipment refer to note 13.

## Note 5: Personnel Cost

NOTE 5: PERSONNEL COST	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Salary and Wages		243,201	245,000	226,322	243,201	226,322
Superannuation	*	2,506	0	1,665	2,506	1,665
Direct Personnel Overheads	**	16,703	1,854	6,845	16,703	6,845
<b>TOTAL PERSONNEL COST</b>		<b>262,410</b>	<b>246,854</b>	<b>234,832</b>	<b>262,410</b>	<b>234,832</b>

\* Superannuation includes employer contributions to Kiwisaver.

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

## Note 6: Finance Cost

NOTE 6: FINANCE COST	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Interest on Borrowings	*	19,461	3,090	19,230	19,461	19,230
<b>TOTAL FINANCE COST</b>		<b>19,461</b>	<b>3,090</b>	<b>19,230</b>	<b>19,461</b>	<b>19,230</b>

\* Interest on Tauranga City Council loan refer to note 17.

## Note 7: Other Expenses

NOTE 7: OTHER EXPENSES	Notes	BOP LASS Ltd			Consolidated	
		2011/12 Actual	2011/12 Budget	2010/11 Actual	2011/12 Actual	2010/11 Actual
Aerial Photography	*	872,460	0	396,810	872,460	396,810
Aerial Photography Copyright	**	120,000	0	0	120,000	0
Administration Expenses		12,964	28,377	18,793	12,964	19,271
Audit Fees	***	13,820	8,899	16,325	13,820	16,325
Consultancy		46,257	6,000	6,203	46,257	6,203
Lease Expenses - Canon	****	17,963	0	1,497	184,629	1,497
Lease Expenses - CRNP	****	184,629	0	181,711	17,963	181,711
Other Operating Expenditure		75,930	5,150	9,860	75,930	9,318
Service Costs		560,815	0	519,150	560,815	519,150
<b>TOTAL OTHER EXPENSES</b>		<b>1,904,838</b>	<b>48,426</b>	<b>1,150,349</b>	<b>1,904,838</b>	<b>1,150,284</b>

\* BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. As BOPLASS Ltd is acting as the agent on behalf of the councils this hasn't been budgeted but it will be in the future.

\*\* First half of the copyright buy out fee for aerial photography from NZ Aerial Mapping Limited which is offset from revenue from Land Information New Zealand.

\*\*\* Audit Fees of \$7,970 have been accrued for the 2011/12 year for BOPLASS Ltd.

\*\*\*\* agent on behalf of the councils this hasn't been budgeted but it will be in the future.

## Note 8: Taxation Expenses

NOTE 8: TAXATION EXPENSE	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Current Tax Expense		0	0	0	0
Prior Period Adjustment		0	0	0	(200)
<b>TAXATION EXPENSE</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(200)</b>
Operational Surplus/(Deficit) before Taxation*		(8,208)	(18,589)	(8,208)	(18,524)
Tax calculation @ 28% (2011 rate at 30%)		(2,298)	(5,577)	(2,298)	(5,557)
Plus/(Less) Taxation effect of:					
Depreciation Adjustment		(473)	1	(473)	1
Non-deductible Expenditure		281,911	135,549	281,911	135,692
Non-taxable income/(expenditure)		(280,070)	(135,456)	(280,070)	(135,619)
Prior Period Adjustment		0	(1,118)	0	(1,318)
Tax loss Offset		0	0	0	0
Tax Loss not recognised		2,786	0	2,786	0
Tax Loss not recognised previously		0	6,541	0	6,541
Temporary Differences not recognised		(1,856)	60	(1,856)	60
Tax Rate adjustment		0	0	0	0
<b>TOTAL TAXATION EXPENSE</b>		<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(200)</b>
<b>IMPUTATION CREDIT ACCOUNT</b>					
Imputation credits available for subsequent periods		0	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Tax losses of \$31,755 (2011: \$21,802) are available to carry forward and offset against any future taxable income.

## Note 9: Cash and Cash Equivalents

NOTE 9: CASH AND CASH EQUIVALENTS	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Cash at Bank		957,225	1,187,234	957,225	1,187,234
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>957,225</b>	<b>1,187,234</b>	<b>957,225</b>	<b>1,187,234</b>

## Note 10: Debtors and Other Receivables

NOTE 10: DEBTORS AND OTHER RECEIVABLES	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Accrued Income		5,052	11,024	5,052	11,024
Debtors - Aerial Photography		51,099	97,750	51,099	97,750
Debtors - Other		264,552	55,573	264,552	55,573
Goods and Services Tax		5,217	0	5,217	0
Withholding Tax		20,722	11,472	20,722	11,472
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>		<b>346,642</b>	<b>175,820</b>	<b>346,642</b>	<b>175,820</b>

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

The status of receivables as at 30 June 2012 and 2011 are detailed below:

	BOP LASS Ltd 2011/12		
	Gross	Impaired	Net
<b>DEBTORS AND OTHER RECEIVABLES</b>			
Not Past due	268,575	0	268,575
Past due 1-60 days	0	0	0
Past due 61-90 days	75,767	0	75,767
Past due > 90 days	2,300	0	2,300
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>346,642</b>	<b>0</b>	<b>346,642</b>

	BOP LASS Ltd 2010/11		
	Gross	Impaired	Net
<b>DEBTORS AND OTHER RECEIVABLES</b>			
Not Past due	68,963	0	68,963
Past due 1-60 days	100,535	0	100,535
Past due 61-90 days	696	0	696
Past due > 90 days	5,625	0	5,625
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>175,820</b>	<b>0</b>	<b>175,820</b>

	Consolidated 2011/12		
	Gross	Impaired	Net
<b>DEBTORS AND OTHER RECEIVABLES</b>			
Not Past due	268,575	0	268,575
Past due 1-60 days	0	0	0
Past due 61-90 days	75,767	0	75,767
Past due > 90 days	2,300	0	2,300
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>346,642</b>	<b>0</b>	<b>346,642</b>

	Consolidated 2010/11		
	Gross	Impaired	Net
<b>DEBTORS AND OTHER RECEIVABLES</b>			
Not Past due	68,963	0	68,963
Past due 1-60 days	100,535	0	100,535
Past due 61-90 days	696	0	696
Past due > 90 days	5,625	0	5,625
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>175,820</b>	<b>0</b>	<b>175,820</b>

## Note 11: Prepayments

NOTE 11: PREPAYMENTS	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Under 1 Year	*	69,477	113,889	69,477	113,889
1-2 years	**	0	45,384	0	45,384
<b>TOTAL PREPAYMENTS</b>		<b>69,477</b>	<b>159,273</b>	<b>69,477</b>	<b>159,273</b>
Less Current Portion of Prepayments		69,477	113,889	69,477	113,889
<b>TOTAL NON-CURRENT PREPAYMENTS</b>		<b>0</b>	<b>45,384</b>	<b>0</b>	<b>45,384</b>

\* Majority of this relates to advance payments that relate to the operating lease for the Council Regional Network Platform refer to note 20.

\*\* All of this relates to advance payments that relate to the operating lease for the Council Regional Network Platform refer to note 20.

## Note 12: Intangible Assets

NOTE 12: INTANGIBLE ASSETS	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>Computer Software Cost</b>					
Cost at beginning of Year		3,622	3,622	3,622	3,622
Current Year Additions		0	0	0	0
Current Year Disposals		0	0	0	0
<b>Cost Balance at Year End</b>		<b>3,622</b>	<b>3,622</b>	<b>3,622</b>	<b>3,622</b>
<b>Accumulated Amortisation and Impairment</b>					
Cost at beginning of Year		3,245	2,669	3,245	2,669
Amortisation Expense		226	576	226	576
Impairment Losses		0	0	0	0
<b>Accumulated Amortisation and Impairment Balance at Year End</b>		<b>3,471</b>	<b>3,245</b>	<b>3,471</b>	<b>3,245</b>
<b>Carrying Amounts</b>					
Cost at beginning of Year		377	953	377	953
<b>Carrying Amount at Year End</b>		<b>151</b>	<b>377</b>	<b>151</b>	<b>377</b>

Computer software was purchased from independent external suppliers. This has been amortised over its life (4 years).

No impairment losses have been recognised for intangible assets.

## Note 13: Plant and Equipment

NOTE 13: PLANT AND EQUIPMENT	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>Office and Computer Equipment</b>					
<b>Cost</b>					
Cost at beginning of Year		2,489	0	2,489	0
Current Year Additions		0	2,489	0	2,489
Current Year Disposals		0	0	0	0
<b>Cost Balance at Year End</b>		<b>2,489</b>	<b>2,489</b>	<b>2,489</b>	<b>2,489</b>
<b>Accumulated Depreciation and Impairment</b>					
Cost at beginning of Year		329	0	329	0
Depreciation Expense		1,018	329	1,018	329
Impairment Losses		0	0	0	0
<b>Accumulated Depreciation and Impairment Balance at Year End</b>		<b>1,347</b>	<b>329</b>	<b>1,347</b>	<b>329</b>
<b>Carrying Amounts</b>					
Cost at beginning of Year		2,160	0	2,160	0
<b>Carrying Amount at Year End</b>		<b>1,142</b>	<b>2,160</b>	<b>1,142</b>	<b>2,160</b>

Office equipment has been depreciated over its life (5 years).  
Computer equipment has been depreciated over its life (4 years).

## Note 14: Creditors and Other Payables

NOTE 14: CREDITORS AND OTHER PAYABLES	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Accruals - Other Expenses	*	19,396	24,932	19,396	24,932
Creditors		129,308	27,078	129,308	27,078
Goods and Services Tax Paid		0	12,822	0	12,822
Retentions		89,314	39,680	89,314	39,680
<b>TOTAL CREDITORS AND OTHER PAYABLES</b>		<b>238,018</b>	<b>104,512</b>	<b>238,018</b>	<b>104,512</b>

Creditors and other payables 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.

\* Accruals - Other Expenses relates to Audit Fees of \$7,820, Interest payment of \$1,521, Salaries of \$5,208 and other miscellaneous costs of \$4,697 that have been accrued for the 2011/12 financial year.

## Note 15: Employee Benefit Liabilities

NOTE 15: EMPLOYEE BENEFIT LIABILITIES	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Accrued Pay		3,014	5,233	3,014	5,233
Annual Leave		1,404	8,033	1,404	8,033
<b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>		<b>4,418</b>	<b>13,266</b>	<b>4,418</b>	<b>13,266</b>
<b>Comprising of:</b>					
Employee Benefit Liabilities - Current Portion		4,418	13,266	4,418	13,266
Employee Benefit Liabilities - Non-current Portion		0	0	0	0
<b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>		<b>4,418</b>	<b>13,266</b>	<b>4,418</b>	<b>13,266</b>

## Note 16: Income in Advance

NOTE 16: INCOME IN ADVANCE	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Income in Advance	*	910,195	1,242,243	910,195	1,242,243
<b>TOTAL INCOME IN ADVANCE</b>		<b>910,195</b>	<b>1,242,243</b>	<b>910,195</b>	<b>1,242,243</b>

\* Income in advance that relates to 2012/13 financial year. \$692,480 relates to aerial photography; \$25,000 relates to Bay of Plenty Regional Council contribution to the rates project; \$76,101 relates to GIS web mapping; \$46,614 relates to Geospatial Web solution and \$70,000 relates to Bay of Plenty Regional Council contribution for implementation of Objective EDRMS.

## Note 17: Borrowings

NOTE 17: BORROWINGS	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Maturing in Under 1 Year		296,213	230,842	296,213	230,842
Maturing in 1-2 years		0	0	0	0
Maturing in 2-3 years		0	0	0	0
Maturing in 3-4 years		0	0	0	0
Maturing in 4-5 years		0	0	0	0
Maturing in 5+ years		0	0	0	0
<b>TOTAL BORROWINGS</b>		<b>296,213</b>	<b>230,842</b>	<b>296,213</b>	<b>230,842</b>
Less Current Portion of Borrowings		296,213	230,842	296,213	230,842
<b>TOTAL NON-CURRENT BORROWINGS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

BOPLASS Ltd has a reciprocal borrowing arrangement with Tauranga City Council which allows for the borrowing of funds and placement of excess funds. The current loan balance as at 30 June 2012 is \$296,213. Interest is accrued during each interest period. Tauranga City Council is also a related party refer to note 21.

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

## Note 18: Equity

NOTE 18: EQUITY	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
<b>Share Capital</b>					
Balance at beginning of Year		9,000	9,000	9,000	9,000
Fully Paid up Shares		0	0	0	0
<b>Balance at Year End</b>		<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
<b>Retained Earnings</b>					
Balance at beginning of Year		(74,999)	(56,410)	(74,999)	(56,675)
Surplus/(Deficit) after Taxation		(8,208)	(18,589)	(8,208)	(18,324)
<b>Balance at Year End</b>		<b>(83,207)</b>	<b>(74,999)</b>	<b>(83,207)</b>	<b>(74,999)</b>

**Share Capital** - As at 30 June 2012, share capital comprised of nine Ordinary Shares. All issued shares are fully paid and have no par value.

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 proposed by the Company.

## Note 19: Reconciliation of net surplus/(deficit) after tax to net cashflow from Operating Activities

NOTE 19: RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Net Surplus/(Deficit) After Tax from Statement of Comprehensive Income		(8,208)	(18,589)	(8,208)	(18,324)
<b>Add/(Less) Non-cash Items</b>					
Depreciation and Amortisation		1,244	905	1,244	905
<b>Add/(Less) Movement in Working Capital</b>					
Decrease/(Increase) in Debtors and Other Receivables		(75,808)	754,517	(75,808)	754,517
Increase/(Decrease) in Creditors and Other Payables		(203,759)	481,944	(203,759)	477,760
Increase/(Decrease) in Employee Benefit Liabilities		(8,848)	1,276	(8,848)	1,276
<b>Add/(Less) Movement in Non-current Assets</b>					
Decrease/(Increase) in Investments		0	0	0	0
<b>Add/(Less) Movement in Non-current Liabilities</b>					
Decrease/(Increase) in Liabilities		0	0	0	0
<b>NET CASHFLOWS FROM OPERATING ACTIVITIES</b>		<b>(295,379)</b>	<b>1,220,054</b>	<b>(295,379)</b>	<b>1,216,134</b>



## Note 20: Statement of Commitments

### Operating Leases as Lessee

BOPLASS Ltd has leased an ultrafast broadband network to enable the establishment of a Council Regional Network Platform. 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.

BOPLASS Ltd has entered into a operating lease with Canon for the supply of hardware for the management of video conference connectivity on the fibre network the agreement is for a period of three years.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Not later than one year		230,616	230,616	230,616	230,616
Later than one year and not later than five years		36,432	248,832	36,432	248,832
Later than five years		0	0	0	0
<b>TOTAL OPERATING LEASES AS LESSEE</b>		<b>267,048</b>	<b>479,448</b>	<b>267,048</b>	<b>479,448</b>

The lease expense of \$184,629 for the Council Regional Network Platform is recognised in the Statement of Comprehensive Income and the remainder of the lease payments are recognised as a prepayment in the Statement of Financial Position.

Participating councils are invoiced by BOPLASS Ltd on a monthly basis over the period of the lease to recover the costs for the lease of the Council Regional Network Platform. The monthly 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.

The lease expense of \$17,963 for the Canon lease is recognised in the Statement of Comprehensive Income.

Reimbursement of the Canon lease costs is apportioned amongst the participating councils. The lease invoicing started in the 2011 financial year.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd		Consolidated	
		2011/12 Actual	2010/11 Actual	2011/12 Actual	2010/11 Actual
Not later than one year		230,616	230,616	230,616	230,616
Later than one year and not later than five years		36,432	248,832	36,432	248,832
Later than five years		0	0	0	0
<b>TOTAL OPERATING LEASES AS LESSOR</b>		<b>267,048</b>	<b>479,448</b>	<b>267,048</b>	<b>479,448</b>

## Note 21: Related Party Transactions

### Bay Broadband Ltd

Subsidiary company Bay Broadband Ltd was formed to manage its involvement with broadband infrastructure facilitation and development. Bay Broadband Ltd has now ceased trading as a result of the change in government policy relating to the provision of regional broadband which has excluded the company from this process.

BAY BROADBAND LTD	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b>		
Grants Paid to Bay Broadband Ltd	0	542
<b>Payments to BOP LASS Ltd:</b>		
Operational Costs	0	0

### Tauranga City Council

TAURANGA CITY COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b>		
Loan Repayment	465,557	260,401
Loan Interest	19,461	19,230
Other Operational Costs	852	6,625
Support Costs	15,000	10,000
	500,870	296,257
<b>Payments to BOP LASS Ltd:</b>		
Loan	530,928	173,243
Services provided*	187,387	313,572
	718,315	486,815

\* At 30 June 2011 the amount of \$24,614 incl GST is included in debtors.

\* At 30 June 2012 the amount of \$135,474 incl GST is included in debtors.

BOPLASS Ltd paid Tauranga City Council for support costs during the financial year to 30 June 2012. This covers IT support and an accommodation charge for BOPLASS staff based at Tauranga City Council.

Tauranga City Council provided accounting services to BOPLASS Ltd during the financial year to 30 June 2012 free of charge. An estimated value of the accounting services provided for the year is \$12,000.

## Bay of Plenty Regional Council

BAY OF PLENTY REGIONAL COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	47,908	0
<b>Payments to BOP LASS Ltd:</b> Services provided*	248,996	524,213

\* At 30 June 2011 the amount of \$17,567 incl GST is included in debtors.

\* At 30 June 2012 the amount of \$105,221 incl GST is included in debtors.

## Gisborne District Council

GISBORNE DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	0	0
<b>Payments to BOP LASS Ltd:</b> Services provided*	390,708	91,955

\* At 30 June 2012 the amount of \$12,328 incl GST is included in debtors.

## Kawerau District Council

KAWERAU DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	0	692
<b>Payments to BOP LASS Ltd:</b> Services provided*	18,386	15,913

\* At 30 June 2011 the amount of \$5,625 incl GST is included in debtors.

## Opotiki District Council

OPOTIKI DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	0	0
<b>Payments to BOP LASS Ltd:</b> Services provided*	20,912	21,111

\* At 30 June 2012 the amount of \$3,305 incl GST is included in debtors.

## Rotorua District Council

ROTORUA DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	2,515	1,865
<b>Payments to BOP LASS Ltd:</b> Services provided*	165,160	420,982

\* At 30 June 2011 the amount of \$101,232 incl GST is included in debtors.

\* At 30 June 2012 the amount of \$41,257 incl GST is included in debtors.

## Taupo District Council

TAUPO DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	723	0
<b>Payments to BOP LASS Ltd:</b> Services provided*	105,765	68,672

\* At 30 June 2011 the amount of \$2,403 incl GST is included in debtors.

## Western Bay of Plenty District Council

WESTERN BAY OF PLENTY DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	8,614	3,282
<b>Payments to BOP LASS Ltd:</b> Services provided*	118,356	148,762

\* At 30 June 2011 the amount of \$941 incl GST is included in debtors.

\* At 30 June 2012 the amount of \$6,611 incl GST is included in debtors.

## Whakatane District Council

WHAKATANE DISTRICT COUNCIL	BOP LASS Ltd	
	2011/12 Actual	2010/11 Actual
<b>Payments from BOP LASS Ltd:</b> Other Operational Costs	0	0
<b>Payments to BOP LASS Ltd:</b> Services provided*	104,945	156,593

\* At 30 June 2011 the amount of \$941 incl GST is included in debtors.

\* At 30 June 2012 the amount of \$11,455 incl GST is included in debtors.



### VIDEO CONFERENCING

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



## **Note 22: Events Occurring After Balance Date Council**

No events have occurred since balance date for BOPLASS Ltd.

## **Note 23: Statement of Performance Against Statement of Intent**

Refer to separate Statement of Intent and Performance on page 6.

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 shareholders and not creditors.

The calculation of equity ratio is (19.52).

## **Note 24: Going Concern**

The company has negative equity and is reliant on the continued support of the shareholders. The shareholders provided a letter of support dated 28 September 2012 confirming that over the next twelve months they will support the company by meeting any obligations/liabilities that the company is unable to meet.

## **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 however the subsidiary company Bay Broadband Ltd formed to manage its involvement with broadband infrastructure facilitation and development has ceased trading as a change in government policy relating to the provision of regional broadband has excluded the company from the process. Bay Broadband was removed from the New Zealand Companies Register 13 June 2012.

#### **EMPLOYEE BENEFITS**

BOPLASS Ltd had one employee paid between \$100,000 and \$110,000 during the year. BOPLASS Ltd had one employee paid between \$90,000 and \$100,000 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:

Western Bay of Plenty District Council	Glenn Snelgrove	14 January 2008 Chairman until 6 July 2012
Bay of Plenty Regional Council	Mary-Anne Macleod	23 June 2011 Chair from 6 July 2012
Kawerau District Council	Russell George	14 January 2008
Rotorua District Council	Peter Guerin	14 January 2008
Tauranga City Council	Ken Paterson	11 July 2011 Passed away 18 June 2012
Whakatane District Council	Diane Turner	14 January 2008 Resigned 26 September 2011
	Martin Grenfell	26 September 2011
Taupo District Council	Rob Williams	14 January 2008
Gisborne District Council	Lindsay McKenzie	14 August 2009 Resigned 13 February 2012
	Judy Campbell	26 April 2012
Opotiki District Council	Aileen Lawrie	10 August 2010

## **INTEREST REGISTER**

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

## **DIRECTORS REMUNERATION**


No remuneration has been paid to the Directors.

## **DONATIONS**

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


## **AUDIT FEES**

The actual audit fees for the financial year are \$13,820. The amount of \$7,970 has been accrued for audit fees for BOPLASS Ltd and this is what is shown in the Statement of Comprehensive 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.



The graphic features a bar chart with five bars of increasing height, colored yellow, orange, red, pink, and teal. To the left, three silhouettes of people are shown interacting with the bars. To the right, a hand is shown placing a teal block on top of the tallest bar.