

# English Language Partners New Zealand Trust

## Financial statements 2019

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*The 2019 Annual report is available at [www.englishlanguage.org.nz/annual-report](http://www.englishlanguage.org.nz/annual-report)*

# English Language Partners New Zealand Trust

## Directory

### Board of Trustees

Chair	David Bromell
Deputy Chair	Karunakar Sadasiva Shenoy
Trustee	Anne Alkema
Trustee	Catherine Neill
Trustee	Gurbrinder Aulakh
Trustee	Jane von Dadelszen
Trustee	Kararaina Scally-Irvine
Trustee	Thi (Sophie) Quynh Nga Ngo

Chief Executive Nicola Sutton

Registered office Level 7, Ranchhod Tower  
39 The Terrace  
Wellington 6011  
New Zealand

Nature of business Providing English language services to New Zealanders.

Charities Services Registration number CC51013

# English Language Partners New Zealand Trust

## Statement of Comprehensive Revenue and Expenses For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
<b>Revenue from non-exchange transactions</b>			
Grants - Tertiary Education Commission	8	8,946,043	8,211,785
Grants - Community Organisation Grant Scheme (COGS)		9,908	42,835
Grants - Lottery		350,612	390,617
Grants - Other		435,637	371,531
Donations, Fundraising and Bequests		9,788	11,418
		<u>9,751,988</u>	<u>9,028,186</u>
<b>Revenue from exchange transactions</b>			
English Language Group fees		151,259	160,114
English for Migrants		1,242,515	1,191,649
Interest revenue		236,269	259,404
Other operating revenue		145,283	145,090
		<u>1,775,326</u>	<u>1,756,257</u>
<b>Total revenue</b>		<u>11,527,314</u>	<u>10,784,443</u>
<b>Expenses</b>			
Strategic projects		159,877	146,757
Governance		26,079	41,836
Employee related costs		8,762,534	8,304,912
Communication and marketing		186,294	147,615
Programmes		693,897	607,866
Fundraising		470	706
Depreciation and amortisation	11 & 12	183,156	125,748
Administration expenses	5	1,371,505	1,256,460
Gain/(Loss) on revaluation of property and equipment		3,933	3,069
		<u>11,387,745</u>	<u>10,634,969</u>
<b>Total expenses</b>		<u>11,387,745</u>	<u>10,634,969</u>
<b>Total surplus for the year</b>		<u>139,569</u>	<u>149,474</u>
Other comprehensive revenue and expenses		-	-
<b>Total comprehensive revenue and expenses for the year</b>		<u>139,569</u>	<u>149,474</u>

These financial statements should be read in conjunction with the notes to the financial statements.

## English Language Partners New Zealand Trust

### Statement of Changes in Net Assets For the year ended 31 December 2019

	Accumulated comprehensive revenue and expenses	Strategic Development Fund	General Reserves	Workplace Reserve	Total Equity
Opening balance 1 January 2019	4,450,829	709,331	1,427,411	29,869	6,617,440
Surplus/(Deficit) for the year	139,569	-	-	-	139,569
Other comprehensive revenue	-	-	-	-	-
Transfers	(159,100)	262,937	(103,837)	-	-
<b>Closing equity 31 December 2019</b>	<b>4,431,298</b>	<b>972,268</b>	<b>1,323,574</b>	<b>29,869</b>	<b>6,757,009</b>
Opening balance 1 January 2018	4,244,202	642,017	1,551,878	29,869	6,467,966
Surplus/(Deficit) for the year	149,474	-	-	-	149,474
Other comprehensive revenue	-	-	-	-	-
Transfers	57,153	67,314	(124,467)	-	-
<b>Closing equity 31 December 2018</b>	<b>4,450,829</b>	<b>709,331</b>	<b>1,427,411</b>	<b>29,869</b>	<b>6,617,440</b>

These financial statements should be read in conjunction with the notes to the financial statements.

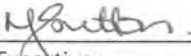
# English Language Partners New Zealand Trust

## Statement of Financial Position As at 31 December 2019

	Notes	31 December 2019 \$	31 December 2018 \$
<b>Current assets</b>			
Cash and cash equivalents	9	372,812	594,764
Short term investments		6,950,000	5,850,000
Receivables from exchange transactions	10	62,921	126,152
Prepayments		107,443	96,037
		<u>7,493,176</u>	<u>6,666,953</u>
<b>Non-current assets</b>			
Long term investments		-	600,000
Property and equipment	11	392,643	436,961
Intangible assets	12	325,387	376,050
		<u>718,030</u>	<u>1,413,011</u>
<b>Total assets</b>		<u>8,211,206</u>	<u>8,079,964</u>
<b>Current liabilities</b>			
Payables under exchange transactions	13	258,291	207,557
Employee entitlements		246,269	262,077
Goods and services tax payable		272,012	239,453
Revenue in advance from exchange transactions		487,958	517,095
Payables from non exchange transactions	14	173,363	215,582
		<u>1,437,893</u>	<u>1,441,764</u>
<b>Non-current liabilities</b>			
Payables under exchange transactions		16,304	20,760
		<u>16,304</u>	<u>20,760</u>
<b>Total liabilities</b>		<u>1,454,197</u>	<u>1,462,524</u>
<b>Net assets</b>		<u>6,757,009</u>	<u>6,617,440</u>
<b>Equity</b>			
Accumulated comprehensive revenue and expenses		4,431,298	4,450,829
Strategic development fund		972,268	709,331
General reserve		1,323,574	1,427,411
Workplace reserve		29,869	29,869
<b>Total net assets attributable to the owners of the controlling entity</b>		<u>6,757,009</u>	<u>6,617,440</u>

These financial statements should be read in conjunction with the notes to the financial statements.

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 16 March 2020.

  
Chief Executive:

  
Chairperson:



# English Language Partners New Zealand Trust

## Cash Flow Statement

For the year ended 31 December 2019

	Notes	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Receipts from Tertiary Education Commission		11,740,019	10,837,140
Receipts from Grants		779,068	794,412
Receipts from donations and fundraising		9,920	11,588
Other income		290,466	307,655
		<u>12,819,473</u>	<u>11,950,795</u>
<i>Payments</i>			
Payments to suppliers		(4,912,931)	(4,879,024)
Payments to employees		(7,711,281)	(7,411,083)
		<u>(12,624,212)</u>	<u>(12,290,107)</u>
<b>Net cash flows from operating activities</b>		<u>195,261</u>	<u>(339,312)</u>
<b>Cash flows from investing activities</b>			
<i>Receipts</i>			
Receipts from withdrawal of term deposits		5,850,000	4,950,000
Interest received		239,222	322,900
<i>Payments</i>			
Purchase of property and equipment		(107,107)	(272,516)
Purchase of intangible assets		(49,328)	(347,385)
Investments in term deposits		(6,350,000)	(4,450,000)
		<u>(417,213)</u>	<u>202,999</u>
<b>Net cash flows from investing activities</b>		<u>(417,213)</u>	<u>202,999</u>
Net increase/ (decrease) in cash and cash equivalents		(221,952)	(136,313)
Cash and cash equivalents at 1 January		<u>594,764</u>	<u>731,077</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u>372,812</u></u>	<u><u>594,764</u></u>

These financial statements should be read in conjunction with the notes to the financial statements.

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### 1 Reporting entity

The reporting entity is English Language Partners New Zealand Trust (the "Trust"). The Trust is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust.

### 2 Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions, except for PBE IPSAS 1, Presentation of Financial Statements paragraph 116.1 and 116.2.

These financial statements are prepared under the assumption that the Trust will continue to operate as a going concern in the future.

### 3 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to the year presented in these financial statements.

#### 3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost.

#### 3.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

#### 3.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### Revenue from non-exchange transactions

#### *Donations*

Donations are recognised as revenue upon receipt and include donations from the general public and donations received for specific programmes or services.

#### *Grant Revenue*

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when it is received unless there are specific conditions attached that require repayment. In this case, Grant revenue is recognised when the specific conditions are met.

#### *Bequest*

Bequest income is recognised when received unless a specific obligation exists to return the funds or pay them to another party where funds are not spent in accordance with its specific condition.

### Revenue from exchange transactions

#### *English Language Group fees*

Students attending English Language Groups (ELGs) pay a fee each term as a contribution towards the running costs of the group. Revenue is recognised at the time learners receive the service.

#### *English for Migrants*

Revenue for English for Migrants consists of revenue for English lessons delivered to students. Revenue is recognised as lessons are given by tutors or when a contract is closed. Revenue for Group English for Migrant lessons is recognised at the end of each term.

#### *Interest revenue*

Interest revenue is recognised when investments mature or as interest from investments accrues, using the effective interest method.

#### *Other operating revenue*

Other operating revenue is all other revenue received. It consists of training and consultancy fees, business initiative receipts, rental income and other sundry receipts. Other income is recognised upon receipt or invoice, whichever occurs earlier.

### **3.4 Financial instruments**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### Financial Asset

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through revenue and expenses, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified loans and receivables. The Trust's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, long term investments and receivables from exchange transactions.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

### Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, long term investments and receivables from exchange transactions fall into this category of financial instruments.

### Impairment of financial assets

The Trust assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### Financial liabilities

The Trust's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, and deferred revenue.

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

### **3.5 Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.6 Short term investments**

Short term investments comprise of term deposits which have an original maturity term of greater than three months and mature within twelve months of balance date.

### **3.7 Long term investments**

Long term investments are term deposits which have a maturity term of greater than twelve months from balance date.

### **3.8 Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line (SL) basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Leasehold improvements	2 - 11 years SL
- Furniture and Fittings	10 years SL
- Office equipment	10 years SL
- Computer equipment	4 - 10 years SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted in the current year if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

### **3.9 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

The amortisation periods and the amortisation methods for intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Trust does not hold any intangible assets that have an indefinite life.

Intangible assets comprise software licences and software development costs. The costs for the development of the student management software (SMS) have been capitalised and disclosed as an intangible asset in the statement of financial position.

The amortisation periods for the Trust's intangible assets are as follows:

· Software Licences	3 years SL
· Student Management Software (SMS)	10 years SL

### 3.10 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

### 3.11 Employee benefits

Liabilities for wages, salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

### 3.12 Income Tax

Due to its charitable status, the Trust is exempt from income tax.

### 3.13 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

### 3.14 Equity

Equity is the community's interest in the Trust, measured as the difference between total assets and total liabilities.

Equity is made up of the following components:

#### Accumulated comprehensive revenue and expenses (Financial Reserves)

These are earmarked to a Centre or National Office and are required for the day to day operation of the organisation. The Trust aims to hold sufficient reserve funds to meet six months of operating expenditure.

#### General Reserves

These are any reserves earmarked to a Centre beyond the accumulated comprehensive revenue and expenses.

#### Strategic Development Fund

These are reserves not tagged to a Centre or National Office that are available for new strategic initiatives.

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### Workplace Reserve

This money was a donation received from the Workbase Education Trust on the wind up of their organisation in 2016. The funds are tagged for workplace and language activities.

### 4 Significant accounting judgements, estimates and assumptions

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Estimates and assumptions

No significant accounting estimates or assumptions have been made in the preparation of these financial statements.

#### Judgements

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

#### Operating lease commitments

The Trust has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of leased assets, that it does not retain all the significant risks and rewards of ownership of these leased assets and accounts for the contracts as operating leases.

### 5 Components of net surplus

Surplus before tax includes the following specific expenses:

	2019	2018
	\$	\$
<b>Administration Expenses</b>		
Audit	33,993	35,620
Functions and events	20,766	15,666
Insurance	38,275	36,278
IT related expenditure	123,943	143,694
Legal fees	67,194	5,662
Office supplies and administration	218,208	237,095
Power and gas	44,375	42,773
Rent and rates	565,279	491,113
Repairs and maintenance	54,729	45,569
Sharefest expenditure	63,853	73,026
Telephone	65,776	62,343
Travel and accommodation	75,114	67,621
	<b>1,371,505</b>	<b>1,256,460</b>

### 6 Auditor's remuneration

Grant Thornton New Zealand Audit Partnership provided non-audit services to the Trust in relation to the Cyber Security Assessment. The total amount of fees including GST were \$1,725. (2018 \$Nil).



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### 7 Donated services

We are fortunate to attract considerable support for our work in the form of free services, discounts, donations in kind and in particular the assistance of many volunteers. We acknowledge all this support with much appreciation.

### 8 Revenue from non-exchange transactions - Tertiary Education Commission Funding

	2019	2018
	\$	\$
Adult and Community Education (ACE) pool	2,775,949	2,539,136
less SAC repayment provision 2019	(38,000)	-
Workplace literacy – employee	1,547,775	1,397,775
less Workplace literacy - employee repayment provision 2018	-	119,555
Intensive literacy and numeracy (ILN ESOL)	3,954,319	3,519,319
Student Achievement Component (SAC) Funding	280,000	210,000
Immigration levy (previously called Migrant levy)	426,000	426,000
	<b>8,946,043</b>	<b>8,211,785</b>

### 9 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2019	2018
	\$	\$
Cash at bank	372,812	594,764
<b>Total cash and cash equivalents</b>	<b>372,812</b>	<b>594,764</b>

### 10 Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	2019	2018
	\$	\$
Trade receivables	51,002	111,720
Sundry debtors	883	443
Accrued interest	11,036	13,989
<b>Total receivables from exchange transactions</b>	<b>62,921</b>	<b>126,152</b>

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### 11 Property and equipment

31-Dec-19	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	99,361	175,173	481,543	84,626	840,703
Accumulated depreciation	(29,346)	(67,983)	(313,263)	(37,468)	(448,060)
Net book value	70,015	107,190	168,280	47,158	392,643

31-Dec-18	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	108,966	164,142	446,472	79,909	799,489
Accumulated depreciation	(22,840)	(54,294)	(245,486)	(39,908)	(362,528)
Net book value	86,126	109,848	200,986	40,001	436,961

Reconciliation of the carrying amount at the beginning and end of the period:

31-Dec-19	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Opening balance	86,126	109,848	200,986	40,001	436,961
Additions	-	11,597	66,966	13,546	92,109
Disposals	-	-	(3,430)	(504)	(3,934)
Depreciation	(16,111)	(14,255)	(96,242)	(5,885)	(132,493)
Closing balance	70,015	107,190	168,280	47,158	392,643

### 12 Intangible Assets

	Software 2019	Software 2018
	\$	\$
Cost	431,558	431,558
Accumulated amortisation	(106,171)	(55,508)
Net book value	325,387	376,050

Reconciliation of the carrying amount at the beginning and end of the period:

	Software 2019
	\$
Opening balance	376,050
Additions	-
Amortisation	(50,663)
Closing balance	325,387



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### 13 Payables from exchange transactions

Payables from exchange transactions include the following components:

	2019	2018
	\$	\$
Credit cards	16,086	11,993
Trade creditors	134,463	134,224
Other provisions and payables	5,687	3,090
Current lease incentives	4,348	4,348
Accruals	97,707	53,902
<b>Total payables from exchange transactions</b>	<b>258,291</b>	<b>207,557</b>

### 14 Payables from non exchange transactions

	2019	2018
	\$	\$
TEC repayment provision	38,000	-
Grants received in advance - Private Trusts, Councils & Other	51,363	110,970
Grants received in advance - Lottery	84,000	104,612
	<b>173,363</b>	<b>215,582</b>

### 15 Related party transactions

#### Remuneration and compensation provided to close family members of key management personnel

Related Party	Description of the Transaction	2019 Value of transactions	2018 Value of transactions
		\$	\$
Mark Sutton (CE Spouse)	Contracting: IT support, advice and equipment purchases	257,553	308,961
		<b>257,553</b>	<b>308,961</b>

During the reporting period, total remuneration and compensation including GST of \$257,553 (2018: \$308,961) was provided by the Trust to contractors who are close family members of key management personnel. Amounts outstanding and payable at year end were \$9,844 (2018:\$14,996).

#### Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees and Chief Executive, which constitutes the governing body of the Trust. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2019	2018
Total Key Management Personnel payments	203,412	209,892
Number of persons	2	6

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2019

### 16 Leases

The future non-cancellable minimum lease payments of operating leases at reporting date are detailed in the table below:

	2019	2018
	\$	\$
Not later than one year	473,855	463,095
Later than one year and no later than five years	582,470	704,049
Later than five years	-	69,288
	<b>1,056,325</b>	<b>1,236,432</b>

The Trust has entered into a number of material operating leases for properties and photocopiers.

During the reporting period, total expenditure under lease commitments for properties and photocopiers was \$573,201 (2018:\$524,129) .

### 17 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2019	2018
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	372,812	594,764
Short term investments	6,950,000	5,850,000
Receivables from exchange transactions	62,921	126,152
Long term investments	-	600,000
	<b>7,385,733</b>	<b>7,170,916</b>

### Financial liabilities

Trade and other creditors (GST & PAYE exclusive)	160,584	153,655
Non-current trade and other creditors	16,304	20,760
Employee entitlements	246,268	262,076
Accruals *	90,925	50,483
TEC repayment provision	38,000	-
Grants received in advance (conditions attached per Note 3.3)	623,321	732,677
	<b>1,175,402</b>	<b>1,219,651</b>

\* (excludes PAYE - 2019: \$6,782, 2018: \$3,420)

### 18 Capital commitments

There were no capital commitments at the reporting date. (2018: \$Nil).

### 19 Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date (2018: None).

### 20 Events after the reporting date

The Board of Trustees and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the English Language Partners New Zealand Trust (2018: None).



## English Language Partners New Zealand Trust

### Notes to the financial statements

For the year ended 31 December 2019

#### 21 Bequests received

Bequest income of \$849.20 was received. This bequest, from Carolyn Williamson, was for the Southland centre. No stipulations were included in the Will concerning how the bequest should be dispersed (2018: \$Nil).

#### 22 Funding received in 2019

We greatly value the funding support we receive from the **Tertiary Education Commission**.

We would also like to acknowledge the following trusts, foundations, city councils and other organisations for awarding valuable funding support to our centres this financial year:

Albany House Community Board, Albert Daniel Hally Trust, Auckland City Council, Community Organisation Grants Scheme (COGS), Community Waikato, Dunedin City Council, East & Central Community Trust, Foundation North, Geyser Foundation, Hastings District Council, Hawkes Bay Foundation, Helen Graham Charitable Trust, Horowhenua District Council, Hutt City Council, Hutt Mana Charitable Trust, Invercargill Licensing Trust (ILT) Foundation, John Illott Charitable Trust, Len Reynolds Trust, Lottery Grants Board, New Plymouth District Council, Napier City Council, New Zealand Federation of Graduate Women, Nikau Foundation, Norah Howell Trust, One Foundation, Presbyterian Synod of Otago & Southland, Pub Charity, Puketāpapa Local Board, Rātā Foundation, Rotorua Energy Charitable Trust, Sargood Bequest, SkyCity Hamilton Community Trust, Tasman District Council, The Southern Trust, The Trusts Community Foundation, Thomas George Macarthy Trust, Tindall Foundation, Trust House Foundation, Trust Waikato, United Way, Waiora Community Trust, Waipa District Council, Wellington City Council, Wellington Community Trust, Whanganui Community Foundation, Whanganui District Council

## Independent Auditor's Report

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### To the Trustees of English Language Partners New Zealand Trust

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of English Language Partners New Zealand Trust (the "Trust") on pages 2 to 18 which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Public Sector Accounting Standards (Not For Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Trust in the area of other advisory assignments. The firm has no other interest in the Trust.

#### Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not For Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance on behalf of the entity are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the Audit of the Financial Statements

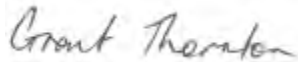
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

#### Restriction on use of our report

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

#### Grant Thornton New Zealand Audit Partnership



Wellington  
16 March 2020