

English Language Partners New Zealand Trust

Financial statements 2017

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The 2017 Annual report is available at www.englishlanguage.org.nz/annual-report

English Language Partners New Zealand Trust

Directory

Board of Trustees

Chair	Gurbrinder Aulakh
Deputy Chair	Catherine Neill
Trustee	Anne Alkema
Trustee	David Bromell
Trustee	Gillian Brookes
Trustee	Lloyd Davies
Trustee	Amit Prasad
Trustee	Praful Rambhai
Trustee	Kara Scally-Irvine

Chief Executive	Nicola Sutton
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Registered office	192 Tinakori Road, Thorndon Wellington 6011 New Zealand
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Nature of business	Providing English language services to New Zealanders.
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Charities Services Registration number	CC51013
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English Language Partners New Zealand Trust

Statement of Comprehensive Revenue and Expenses For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue from non-exchange transactions			
Grants - Tertiary Education Commission	8	8,409,408	7,693,121
Grants - Lottery		327,146	339,689
Grants - Other		514,753	524,920
Donations, Fundraising and Bequests		57,353	70,601
		<u>9,308,660</u>	<u>8,628,331</u>
Revenue from exchange transactions			
Conference registration		-	1,074
English Language Group fees		166,773	159,245
English for Migrants		863,154	627,592
Interest revenue		250,040	225,593
Other operating revenue		132,950	123,208
		<u>1,412,917</u>	<u>1,136,712</u>
Total revenue		<u>10,721,577</u>	<u>9,765,043</u>
Expenses			
Strategic projects		320,308	231,871
Governance		37,546	35,735
Employee related costs		7,840,434	6,976,463
Communication and marketing		210,645	185,031
Programmes		566,472	492,779
Fundraising		858	2,806
Depreciation and amortisation	11 & 12	111,516	83,904
Administration expenses	5	1,243,057	1,093,393
Gain/(Loss) on revaluation of property and equipment		1,172	1,974
		<u>10,332,008</u>	<u>9,103,956</u>
Total expenses		<u>10,332,008</u>	<u>9,103,956</u>
Total surplus for the year		<u>389,569</u>	<u>661,087</u>
Other comprehensive revenue and expenses		-	-
Total comprehensive revenue and expenses for the year		<u><u>389,569</u></u>	<u><u>661,087</u></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 2017

	Accumulated comprehensive revenue and expenses	Strategic Development Fund	General Reserves	Workplace Reserve	Total Equity
Opening balance 1 January 2017	3,994,226	603,647	1,433,967	46,557	6,078,397
Surplus/(Deficit) for the year	389,569	-	-	-	389,569
Other comprehensive revenue	-	-	-	-	-
Transfers	(139,593)	38,370	117,911	(16,688)	-
Closing equity 31 December 2017	4,244,202	642,017	1,551,878	29,869	6,467,966
Opening balance 1 January 2016	3,323,321	484,131	1,609,858	-	5,417,310
Surplus/(Deficit) for the year	661,087	-	-	-	661,087
Other comprehensive revenue	-	-	-	-	-
Transfers	9,818	119,516	(175,891)	46,557	-
Closing equity 31 December 2016	3,994,226	603,647	1,433,967	46,557	6,078,397

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

English Language Partners New Zealand Trust

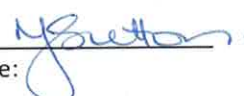
Statement of Financial Position


As at 31 December 2017

	Notes	31 December 2017 \$	31 December 2016 \$
Current assets			
Cash and cash equivalents	9	731,077	871,664
Short term investments		4,950,000	6,350,000
Receivables from exchange transactions	10	184,356	131,318
Prepayments		54,382	49,525
		<u>5,919,815</u>	<u>7,402,507</u>
Non-current assets			
Long term investments		2,000,000	-
Property and equipment	11	307,396	284,090
Intangible assets	12	31,919	51,393
		<u>2,339,315</u>	<u>335,483</u>
Total assets		<u>8,259,130</u>	<u>7,737,990</u>
Current liabilities			
Payables under exchange transactions	13	364,576	391,884
Employee entitlements		252,110	234,770
Goods and services tax payable		250,125	232,950
Revenue in advance from exchange transactions		465,069	341,671
Payables from non exchange transactions	14	459,284	458,318
Total liabilities		<u>1,791,164</u>	<u>1,659,593</u>
Net assets		<u>6,467,966</u>	<u>6,078,397</u>
Equity			
Accumulated comprehensive revenue and expenses		4,244,202	3,994,226
Strategic development fund		642,017	603,647
General reserve		1,551,878	1,433,967
Workplace reserve		29,869	46,557
Total net assets attributable to the owners of the controlling entity		<u>6,467,966</u>	<u>6,078,397</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 9 March 2018.

Chief Executive: 


Chairperson:



English Language Partners New Zealand Trust

Cash Flow Statement

For the year ended 31 December 2017

	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from Tertiary Education Commission		10,695,596	9,081,806
Receipts from Grants		952,293	1,864,585
Receipts from donations and fundraising		12,638	71,245
Other income		371,844	314,805
		<u>12,032,371</u>	<u>11,332,441</u>
<i>Payments</i>			
Payments to suppliers		(4,855,274)	(4,066,645)
Payments to employees		(6,834,744)	(6,309,518)
		<u>(11,690,018)</u>	<u>(10,376,163)</u>
Net cash flows from operating activities		<u>342,353</u>	<u>956,278</u>
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property and equipment		1,367	90
Receipts from withdrawal of term deposits		6,350,000	4,650,000
Interest received		250,122	200,851
<i>Payments</i>			
Purchase of property and equipment		(134,429)	(229,416)
Investments in term deposits		(6,950,000)	(6,450,000)
		<u>(482,940)</u>	<u>(1,828,475)</u>
Net cash flows from investing activities		<u>(482,940)</u>	<u>(1,828,475)</u>
Net increase/ (decrease) in cash and cash equivalents		(140,587)	(872,197)
Cash and cash equivalents at 1 January		871,664	1,743,861
Cash and cash equivalents at 31 December		<u>731,077</u>	<u>871,664</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 2017

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 2017

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

Conference Registrations

Entrance fees for functions and events are recorded as revenue when the function or event takes place.

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.

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 2017

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 2017

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.

The amortisation periods and the amortisation methods for intangibles 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.

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

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.

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

- Software 3 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.

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.

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

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:

	2017	2016
	\$	\$
Administration Expenses		
Audit	32,173	37,760
Conference expenditure	52,362	70,470
Functions and events	23,331	18,181
Insurance	30,209	22,543
IT related expenditure	138,663	106,830
Legal fees	32,820	35,787
Office supplies and administration	249,953	166,221
Power and gas	34,780	27,701
Rent and rates	434,806	407,385
Repairs and maintenance	65,284	56,376
Telephone	63,253	60,595
Travel and accommodation	85,423	83,544
	1,243,057	1,093,393

6 Auditor's remuneration

Grant Thornton New Zealand Audit Partnership provided non-audit services to the Trust in relation to a reserve review. The total amount of fees were \$4,000.

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

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 Funding

	2017	2016
	\$	\$
Adult and Community Education (ACE) pool	2,788,873	2,788,873
less ACE pool repayment provision 2016	(45,633)	(204,102)
Workplace literacy – employee	1,536,000	1,491,100
less Workplace literacy - employee repayment provision 2017	(132,082)	-
Intensive literacy and numeracy (ILN ESOL)	3,626,250	2,831,250
ILN ESOL one-off payment for Syrian refugees	-	360,000
Student Achievement Component (SAC) Funding	210,000	-
Migrant levy	426,000	426,000
	8,409,408	7,693,121

9 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2017	2016
	\$	\$
Cash at bank	731,077	871,664
Total cash and cash equivalents	731,077	871,664

10 Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	2017	2016
	\$	\$
Trade receivables	54,026	53,519
Sundry debtors	2,270	232
Accrued interest	128,060	77,567
Total receivables from exchange transactions	184,356	131,318

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

11 Property and equipment

31-Dec-17	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	21,826	143,557	362,478	79,704	607,565
Accumulated depreciation	(13,469)	(53,747)	(193,057)	(39,896)	(300,169)
Net book value	8,357	89,810	169,421	39,808	307,396

31-Dec-16	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	20,212	85,730	326,292	59,983	492,217
Accumulated depreciation	(5,756)	(40,499)	(126,480)	(35,392)	(208,127)
Net book value	14,456	45,231	199,812	24,591	284,090

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

31-Dec-17	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Opening balance	14,456	45,231	199,812	24,591	284,090
Additions	1,614	58,362	36,798	19,746	116,520
Disposals	-	(535)	(612)	(25)	(1,172)
Depreciation	(7,713)	(13,248)	(66,577)	(4,504)	(92,042)
Closing balance	8,357	89,810	169,421	39,808	307,396

12 Intangible Assets

	Software 2017	Software 2016
	\$	\$
Cost	89,966	89,966
Accumulated amortisation	(58,047)	(38,573)
Net book value	31,919	51,393

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

	Software 2017
	\$
Opening balance	51,393
Additions	-
Amortisation	(19,474)
Closing balance	31,919

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

13 Payables from exchange transactions

Payables from exchange transactions include the following components:

	2017	2016
	\$	\$
Credit cards	20,989	15,320
Trade creditors	137,727	185,335
Other provisions and payables	3,361	9,196
Accruals	202,499	182,033
Total payables from exchange transactions	364,576	391,884

14 Payables from non exchange transactions

	2017	2016
	\$	\$
TEC repayment provision	132,082	204,102
Grants received in advance - Private Trusts, Councils & Other	162,973	130,861
Grants received in advance - Lottery	164,229	123,355
	459,284	458,318

15 Related party transactions

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

Related Party	Description of the Transaction	2017 Value of transactions	2016 Value of transactions
		\$	\$
Mark Sutton (CE Spouse)	Contracting: IT support, advice and equipment purchases	164,141	308,342
		164,141	308,342

During the reporting period, total remuneration and compensation including GST of \$164,141 (2016: \$308,342) was provided by the Trust to contractors who are close family members of key management personnel. Amounts outstanding and payable at year end were \$10,933 (2016:\$30,006).

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, Chief Executive, Operations Managers and the Finance and Systems Manager, 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:

	2017	2016
Total remuneration	516,349	400,754
Number of persons	4	3
Total honoraria and other payments	21,527	12,270
Number of persons	5	3

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

16 Leases

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

	2017	2016
	\$	\$
Not later than one year	371,664	345,016
Later than one year and no later than five years	303,597	356,063
	675,261	701,079

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 \$475,897 (2016:\$410,471) .

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:

	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	731,077	871,664
Short term investments	4,950,000	6,350,000
Receivables from exchange transactions	184,356	131,318
Long term investments	2,000,000	-
	7,865,433	7,352,982
Financial liabilities		
Trade and other creditors (GST & PAYE exclusive)	162,077	209,851
Employee entitlements	252,110	234,770
Accruals *	169,651	152,525
TEC repayment provision	132,082	204,102
Grants received in advance (conditions attached per Note 3.3)	792,271	595,887
	1,508,191	1,397,135

* (excludes PAYE - 2017: \$32,849, 2016: \$29,508)

18 Capital commitments

The Trust is developing a new Student Management System (SMS) in 2018. Tribal Education Limited are charging the Trust on a time and materials basis and this is estimated to be in the range of \$135,430 to \$162,516 (2016: None).

19 Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date (2016: 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 (2016: None).

English Language Partners New Zealand Trust

Notes to the financial statements

For the year ended 31 December 2017

21 Bequests received

Bequest income of \$45,124 was received in 2017. This bequest, from Carolyn Williamson, was for the Southland centre. No stipulations were included in the Will concerning how the bequest should be dispersed (2016: None).

22 Funding received in 2017

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:

Altrusa International, Auckland Council, Auckland Community Foundation, Community Organisation Grants Scheme (COGS), Community Trust of Southland, Foundation North, Hamilton City Council, Hamilton Multicultural Service Trust, Helen Graham Trust, Horowhenua District Council, Hutt City Council, John Ilott Charitable Trust, Lion Foundation, Lottery Grants Board, Mana Community Grants Foundation, Ministry of Social Development (WINZ), Nelson City Council, New Plymouth District Council, Nikau Foundation, Norah Howell Charitable Trust, NZ Federation of Graduate Women, Pelorus Trust, Plunket, Pub Charity, Rata Foundation, Rotorua Energy Charitable Trust, Sky City Auckland Community Trust, Sky City Hamilton Community Trust, Southern Trust, Synod of Otago, The Charleston Trust, Thomas George Macarthy Trust, Tindall Foundation, Trust Waikato, United Way, Waiora Community Trust, Waipa District Council, Wanganui Community Foundation, Wellington City Council, Wellington Community Trust

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 16 which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive revenue and expenses, statement of changes in net assets and cash flow statement 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 2017 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)). 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 assurance services. 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 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/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>.

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of English Language Partners New Zealand Trust for the year ended 31 December 2017 included on English Language Partners New Zealand Trust's website. The Trust is responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. 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 related audit report for the year ended 31 December 2017 to confirm the information included in the audited financial statements presented on this website.

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 the Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership

Grant Thornton

B Smith
Partner
Wellington

9 March 2018