

# English Language Partners New Zealand Trust

## Financial Statements 2022

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*The 2022 Annual report is available at*  
<https://www.englishlanguage.org.nz/hub/publications/annual-report/>

# English Language Partners New Zealand Trust

## Directory

### Board of Trustees

Chair	Karunakar Sadasiva Shenoy
Deputy Chair	Jane von Dadelszen
Trustee	David Bromell
Trustee	Kararaina Scally-Irvine
Trustee	Li Ling Ho
Trustee	Mark Bryan
Trustee	Susan Warren
Trustee	Robert Lay
Trustee	Sherrie Lee

Chief Executive	Rachel O'Connor
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Registered office	Level 7, Ranchhod Tower 39 The Terrace 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 2022

	Notes	2022 \$	2021 \$
<b>Revenue from non-exchange transactions</b>			
Grants - Tertiary Education Commission	8	10,165,764	9,941,824
Grants - Lottery		232,246	361,354
Grants - Other		285,748	425,489
Donations, Fundraising and Bequests		3,404	4,431
		<u>10,687,162</u>	<u>10,733,098</u>
<b>Revenue from exchange transactions</b>			
English Language Group fees		15,375	39,120
Pre-purchased English Language Tuition		538,432	825,330
Interest revenue		197,837	78,751
Business Contracts		82,162	61,829
Other operating revenue		<u>65,306</u>	<u>37,340</u>
		<u>899,112</u>	<u>1,042,370</u>
<b>Total revenue</b>		<u>11,586,274</u>	<u>11,775,468</u>
<b>Expenses</b>			
Strategic projects		42,234	64,301
Governance		26,426	23,807
Employee related costs		8,984,529	9,237,587
Communication and marketing		147,278	141,500
Programmes		444,571	500,561
Depreciation and amortisation	12 & 13	199,460	202,141
Administration expenses	5	1,277,729	1,284,533
Loss on disposal of property and equipment		8,658	6,774
COVID-19 support for learners		10,174	6,522
		<u>11,141,059</u>	<u>11,467,726</u>
<b>Total expenses</b>		<u>11,141,059</u>	<u>11,467,726</u>
<b>Total surplus for the year</b>		<u>445,215</u>	<u>307,743</u>
Other comprehensive revenue and expenses		-	-
<b>Total comprehensive revenue and expenses for the year</b>		<u>445,215</u>	<u>307,743</u>

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

# English Language Partners New Zealand Trust

## Cash Flow Statement

For the year ended 31 December 2022

	2022 \$	2021 \$
<b>Cash flows from operating activities</b>		
<i>Receipts</i>		
Receipts from Tertiary Education Commission	12,118,313	12,476,334
Receipts from Grants	607,658	713,576
Receipts from donations and fundraising	3,404	4,559
Other income	150,452	180,586
	<u>12,879,827</u>	<u>13,375,055</u>
<i>Payments</i>		
Payments to suppliers	(4,153,945)	(4,444,537)
Payments to employees	(8,442,987)	(8,338,129)
	<u>(12,596,932)</u>	<u>(12,782,666)</u>
<b>Net cash flows from operating activities</b>	<u>282,895</u>	<u>592,389</u>
<b>Cash flows from investing activities</b>		
<i>Receipts</i>		
Receipts from withdrawal of term deposits	7,700,000	9,950,000
Interest received	194,514	74,988
<i>Payments</i>		
Purchase of property and equipment	(59,741)	(139,053)
Investments in term deposits	(7,950,000)	(9,950,000)
	<u>(115,227)</u>	<u>(64,065)</u>
<b>Net cash flows from investing activities</b>	<u>(115,227)</u>	<u>(64,065)</u>
Net increase/ (decrease) in cash and cash equivalents	167,668	528,324
Cash and cash equivalents at 1 January	905,092	376,768
<b>Cash and cash equivalents at 31 December</b>	<u><u>1,072,760</u></u>	<u><u>905,092</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 2022

	Accumulated Surpluses \$	Strategic Development Fund \$	General Reserves \$	Workplace Reserve \$	Total Equity \$
Opening balance 1 January 2022	4,469,515	1,545,566	1,339,979	79,732	7,434,792
Surplus/(Deficit) for the year	445,215	-	-	-	445,215
Other comprehensive revenue	-	-	-	-	-
Transfers	(337,331)	191,298	189,767	(43,734)	-
<b>Closing equity 31 December 2022</b>	<b>4,577,399</b>	<b>1,736,864</b>	<b>1,529,746</b>	<b>35,998</b>	<b>7,880,007</b>
Opening balance 1 January 2021	4,233,616	1,536,520	1,270,838	86,075	7,127,049
Surplus/(Deficit) for the year	307,743	-	-	-	307,743
Other comprehensive revenue	-	-	-	-	-
Transfers	(71,844)	9,046	69,141	(6,343)	-
<b>Closing equity 31 December 2021</b>	<b>4,469,515</b>	<b>1,545,566</b>	<b>1,339,979</b>	<b>79,732</b>	<b>7,434,792</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 2022

	Notes	31 December 2022 \$	31 December 2021 \$
<b>Current assets</b>			
Cash and cash equivalents	9	1,072,760	905,092
Short term investments		7,200,000	4,950,000
Receivables from exchange transactions	10	87,250	20,982
Receivables from non-exchange transactions	11	-	71,000
Prepayments		70,296	109,623
		<u>8,430,306</u>	<u>6,056,697</u>
<b>Non-current assets</b>			
Long term investments		500,000	2,500,000
Property and equipment	12	391,958	511,973
Intangible assets	13	216,924	253,078
		<u>1,108,882</u>	<u>3,265,051</u>
<b>Total assets</b>		<u>9,539,188</u>	<u>9,321,748</u>
<b>Current liabilities</b>			
Payables under exchange transactions	14	291,429	261,417
Payables from non exchange transactions	15	364,708	473,556
Employee entitlements		286,235	305,507
Goods and services tax payable		311,209	347,816
Revenue in advance from exchange transactions		402,339	491,051
		<u>1,655,920</u>	<u>1,879,347</u>
<b>Non-current liabilities</b>			
Payables under exchange transactions		3,261	7,609
		<u>3,261</u>	<u>7,609</u>
<b>Total liabilities</b>		<u>1,659,181</u>	<u>1,886,956</u>
<b>Net assets</b>		<u>7,880,007</u>	<u>7,434,792</u>
<b>Equity</b>			
Accumulated Surpluses		4,577,399	4,469,515
Strategic development fund		1,736,864	1,545,566
General reserve		1,529,746	1,339,979
Workplace reserve		35,998	79,732
<b>Total net assets attributable to the owners of the controlling entity</b>		<u>7,880,007</u>	<u>7,434,792</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 17 March 2023.



Chief Executive:



Trust Chairperson:



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 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 2022

### **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.

#### *Pre-purchased English Language Tuition (PELT)*

Revenue for PELT 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 PELT lesson 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.

#### *Business Contracts*

Companies and other organizations purchase English Tuition for their staff and/or students. Revenue is recognised at the end of the contract.

#### *Other operating revenue*

Other operating revenue is all other revenue received. It consists of training and consultancy fees, business contract income, 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 2022

### **Financial assets**

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 2022

### **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 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.

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

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 Surpluses (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 surpluses.

#### 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 of \$86,075 that was received from the Industry Training Federation on the wind up of their organisation in 2020. 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 2022

### 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 includes the following specific expenses:

	2022	2021
	\$	\$
<b>Administration Expenses</b>		
Audit	53,190	38,237
Functions and events	11,122	14,026
Insurance	28,403	37,197
IT related expenditure	137,364	125,831
Legal fees	39,270	59,506
Office supplies and administration	179,408	218,659
Power and gas	37,946	39,441
Rent and rates	607,541	583,421
Repairs and maintenance	65,198	60,534
Sharefest expenditure	14,443	860
Telephone	56,682	70,499
Travel and accommodation	47,162	36,322
	<b>1,277,729</b>	<b>1,284,533</b>

### 6 Auditor's remuneration

Grant Thornton New Zealand Audit Limited did not provide any non-audit services to the Trust in 2022. (2021 \$0).

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 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

	2022	2021
	\$	\$
Adult and Community Education (ACE) Pool	3,727,740	3,541,623
Student Achievement Component (SAC) Funding	125,599	124,110
SAC repayment provision 2022	(19,681)	(25,649)
Intensive Literacy and Numeracy (ILN ESOL)	4,297,573	4,311,025
ILN repayment provision 2022	(8,755)	(107,811)
Workplace Literacy – employee	1,820,375	1,666,004
Immigration Levy (previously called Migrant Levy)	213,000	426,000
TEC Hardship Fund *	9,913	6,522
	<b>10,165,764</b>	<b>9,941,824</b>

\*Funding from the TEC to support learners experiencing financial hardship due to COVID-19, \$9,913 (2021: \$6,522) spent.

### 9 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2022	2021
	\$	\$
Cash at bank	1,072,760	905,092
<b>Total cash and cash equivalents</b>	<b>1,072,760</b>	<b>905,092</b>

### 10 Receivables from exchange transactions

Receivables from exchange transactions include the following components:

	2022	2021
	\$	\$
Trade receivables	72,434	9,708
Sundry debtors	239	20
Accrued interest	14,577	11,254
<b>Total receivables from exchange transactions</b>	<b>87,250</b>	<b>20,982</b>

### 11 Receivables from non-exchange transactions

Receivables from non-exchange transactions include the following components:

	2022	2021
	\$	\$
Sundry debtors	-	71,000
<b>Total receivables from non-exchange transactions</b>	<b>-</b>	<b>71,000</b>

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 12 Property and equipment

31-Dec-22	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	106,834	243,772	589,900	91,797	1,032,303
Accumulated depreciation	(75,015)	(119,256)	(393,470)	(52,604)	(640,345)
<b>Net book value</b>	<b>31,819</b>	<b>124,516</b>	<b>196,430</b>	<b>39,193</b>	<b>391,958</b>

31-Dec-21	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Cost	104,334	246,272	590,954	93,821	1,035,381
Accumulated depreciation	(59,202)	(100,078)	(317,959)	(46,169)	(523,408)
<b>Net book value</b>	<b>45,132</b>	<b>146,194</b>	<b>272,995</b>	<b>47,652</b>	<b>511,973</b>

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

31-Dec-22	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$
Opening balance	45,132	146,194	272,995	47,652	511,973
Additions	2,500	2,757	46,692	-	51,949
Disposals	-	(2,367)	(5,920)	(371)	(8,658)
Depreciation	(15,813)	(22,068)	(117,337)	(8,088)	(163,306)
<b>Closing balance</b>	<b>31,819</b>	<b>124,516</b>	<b>196,430</b>	<b>39,193</b>	<b>391,958</b>

### 13 Intangible Assets

	Software 2022	Software 2021
	\$	\$
Cost	431,558	431,558
Disposals	(12,830)	-
Accumulated amortisation	(201,804)	(178,480)
<b>Net book value</b>	<b>216,924</b>	<b>253,078</b>

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

	Software 2022
	\$
Opening balance	253,078
Additions	-
Amortisation	(36,154)
<b>Closing balance</b>	<b>216,924</b>

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 14 Payables from exchange transactions

Payables from exchange transactions include the following components:

	2022	2021
	\$	\$
Credit cards	17,685	13,951
Trade creditors	73,177	70,912
Other provisions and payables	49,023	42,484
Current lease Incentives	4,348	4,348
Accruals	147,196	129,722
<b>Total payables from exchange transactions</b>	<b>291,429</b>	<b>261,417</b>

### 15 Payables from non exchange transactions

	2022	2021
	\$	\$
TEC repayment provision	28,435	133,460
TEC hardship funds in advance	-	9,969
Grants received in advance - Private Trusts, Councils & Other	86,273	61,457
Grants received in advance - Lottery	250,000	232,246
Other provisions	-	36,424
	<b>364,708</b>	<b>473,556</b>

### 16 Leases

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

	2022	2021
	\$	\$
Not later than one year	536,680	577,337
Later than one year and no later than five years	563,486	745,313
Later than five years	-	-
	<b>1,100,166</b>	<b>1,322,650</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 \$620,126 (2021:\$584,542).

### 17 Capital commitments

There were no capital commitments at the reporting date. (2021: \$Nil).

### 18 Contingent assets and liabilities

There are no contingent assets or liabilities at the reporting date (2021: \$Nil).

# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 19 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:

	2022	2021
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	1,072,760	905,092
Short term investments	7,200,000	4,950,000
Receivables from exchange transactions	87,250	20,982
Receivables from non-exchange transactions	-	71,000
Long term investments	500,000	2,500,000
	<b>8,860,010</b>	<b>8,447,074</b>
<b>Financial liabilities</b>		
Trade and other creditors (GST & PAYE exclusive)	144,233	131,695
Non-current trade and other creditors	3,261	7,609
Employee entitlements	286,235	305,507
Accruals	147,196	166,146
TEC repayment provision	28,435	133,460
Funding received in advance (conditions attached per Note 3.3)	738,613	794,724
	<b>1,347,973</b>	<b>1,539,141</b>

### 20 COVID-19

On 11 March 2020, the World Health Organisation declared the novel coronavirus (COVID-19) outbreak as a global pandemic. The New Zealand Government (the government) implemented a range of public health and social measures to prevent and contain the transmission of COVID-19 which included restrictions on people movements.

The Trust was not classified as an essential service and closed its physical locations for the duration of alert levels 3 and 4 (i.e. the lockdown period). The Trust responded to the lockdown by moving its delivery mode for the lockdown period to a virtual model allowing it to continue to provide education solutions to most learners. As a result, the impact on service delivery targets were minimised.

Given the Trust had already secured TEC funding for FY2020, which did not alter as a result of COVID-19 related events, the Trust did not apply for any COVID-19 related grant relief funding that was available from the government, should income decline by more than 30%.

NZ had further lockdowns in FY2021, including an extensive lockdown period in Auckland. By offering virtual delivery in addition to its face-to-face classes, the Trust achieved 98.7% delivery on its TEC contract. The Trust undertook a COVID-19 risk assessment and moved to being a fully vaccinated site for its staff, which became effective in early FY2022.

In FY2022 the NZ borders re-opened. New refugee and migrant learners arrived in NZ and started attending our classes. We continued to offer a mix of face-to-face and virtual delivery to meet the needs of our learners. The Trust achieved 99.7% delivery on its TEC contract.

Given the above, COVID-19 did not have a significant adverse financial impact on the Trust in respect of FY2020, FY2021 or FY2022. With matters relating to the pandemic still evolving, the Trust expects there will continue to be an impact going forward, the effect of which is unable to be quantified at this time. The Trust will continue to monitor and adapt to manage the changing environment.



# English Language Partners New Zealand Trust

## Notes to the financial statements

For the year ended 31 December 2022

### 21 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 (2021: None).

### 22 Funding received in 2022

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

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:

Acorn Foundation, Aotearoa Gaming Trust, Auckland Council, Catalytic Foundation, Dunedin City Council, Eastern & Central Community Trust, Four Winds Foundation, Hasting District Council, Hawke's Bay Foundation, Hutt City Council, Kapiti Coast District Council, Lottery Grants Board, Napier City Council, Nelson City Council, New Plymouth District Council, New Zealand Federation of Graduate Women, Nikau Foundation, Pub Charity Limited, Rātā Foundation, Rotorua Trust, Synod of Otago and Southland, Taupo District Council, Thomas George Macarthy Trust, Trust House Foundation, Trust Waikato, Wellington City Council, Wellington Community Fund.

### 23 Related Party Transactions

#### 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:

	2022	2021
Total Key Management Personnel payments*	\$205,109	\$218,383
Number of FTE's	2	2

\* In 2022, David Bromell, a Trustee on our Board, was acting CE on a part time basis between 26 May and 12 September.

# English Language Partners New Zealand Trust

## Statement of Service Performance

For the year ended 31 December 2022



### Our Values

#### Diversity

We are welcoming

#### Respect

We care, listen and respond

#### Partnership

We work together for success

#### Excellence

We value our work and aim high

### Our Purpose:

We help people learn English to settle, work and succeed.

We teach English to people from refugee and migrant backgrounds, providing excellent English language education in context for everyday life and work.



### VISION / LONG TERM OUTCOME

Former refugees and migrants settle well and succeed in Aotearoa New Zealand

Our vision is a cohesive society where our learners can settle well and achieve their goals. This includes feeling safe, a sense of belonging and being able to participate in and contribute to all aspects of life.

### STRATEGIC GOALS / INTERMEDIATE OUTCOMES

1. Value, respect and advocate for what our learners bring and contribute to Aotearoa New Zealand

2. Help more people learn English language skills for everyday life

3. Teach English that helps our learners get jobs and succeed at work

### OUTPUTS

ELP staff participate in networks, partnerships and sectors

Information and advice is available to learners

ELP meets quality and external requirements

English lessons are delivered and learners attend

Learners identify and achieve their learning goal



# English Language Partners New Zealand Trust

## Statement of Service Performance

For the year ended 31 December 2022



### Outputs that contribute to our Intermediate Outcomes

#### INTERMEDIATE OUTCOME 1: VALUE, RESPECT AND ADVOCATE FOR WHAT OUR LEARNERS BRING AND CONTRIBUTE TO AOTEAROA NEW ZEALAND

##### Areas of Focus:

1.1) Help our learners understand challenges and opportunities of living and working in a multicultural society founded on Te Tiriti o Waitangi, recognising the unique culture and place of Māori as Tangata Whenua in how we work

1.2) Ensure learner voice is heard, amplified and represented in all we do

1.3) Raise awareness of how former refugees and migrants contribute to our society and economy, and collaborate with others to address barriers to settlement

Output	Indicator	Actual 2022	Target 2022	Actual 2021	Target 2021
Information and advice is available to learners	Number of learners that achieve social outcomes <sup>1</sup>	4,702	4,615	4,615	4,554
ELP staff participate in networks, partnerships and sectors	Media advocacy (Page users) <sup>2</sup>	88,592	100,000	101,278	100,000
ELP meets quality requirements	Number of hours of specialist advisory feedback (EAG) <sup>3</sup>	44	48	45	42
	Evidence of learner voice seen in number of learner feedback and responses rate	10,629 81% response rate	10,371 80% response rate	10,371 80% response rate	6,892 76% response rate

<sup>1</sup>Success of learner settlement is reflected in the number of learners achieving a social outcome. For example, Learner A said she has increased her ability to respond and explain symptoms to her doctor at GP appointments. Learner B said she can confidently communicate with work colleagues both informally and formally. Learner C said she is able to initiate conversations with strangers.

<sup>2</sup>Page users are unique individuals who visit our website.

<sup>3</sup>Ethnic Advisory Group. The EAG is a voice at a national level. The group informs and advises national office on current issues for



# English Language Partners New Zealand Trust

## Statement of Service Performance

For the year ended 31 December 2022



### INTERMEDIATE OUTCOME 2: HELP MORE PEOPLE LEARN ENGLISH LANGUAGE SKILLS FOR EVERYDAY LIFE

#### Areas of Focus:

2.1) Grow awareness of ELP and reach more people through celebrating our learners' language and settlement success stories.

2.2) Enhance the quality of ELP delivery to meet the changing needs of our learners and enable effective settlement.

Output	Indicator	Actual 2022	Target 2022	Actual 2021	Target 2021
English lessons are delivered and learners attend	Number of learners with 1+ enrolments	6,665	6,401	6,401	6,781
	Number of hours delivered (TEC Contract: ACE) <sup>1</sup>	237,762	189,150	232,045	181,584
	Number of hours attended (TEC Contracts: WLN, ILN ESOL) <sup>2</sup>	242,887	242,119	241,190	243,695
	Number of learners funded (Immigration New Zealand Contract: Immigration Levy)	334	334	668	668
	Learners are satisfied with their study (satisfaction rate)	99%	95%	100%	95%
ELP meets quality and external requirements	ELP maintains NZQA PTE <sup>3</sup> registration and NZQA Category 1 or 2	Achieved	Achieved	Achieved	Achieved
ELP staff participate in networks, partnerships and sectors	Media advocacy (stories published)	26	30	59	30

<sup>1</sup> Adult and Community Education Fund.

<sup>2</sup> Workplace Literacy and Numeracy Fund, Intensive Literacy and Numeracy - ESOL

<sup>3</sup> Private Training Establishment.



# English Language Partners New Zealand Trust

## Statement of Service Performance

For the year ended 31 December 2022



### INTERMEDIATE OUTCOME 3: TEACH ENGLISH THAT HELPS OUR LEARNERS GET JOBS AND SUCCEED AT WORK

#### Areas of Focus:

- 3.1) Support learners to secure paid work and to progress and succeed at work
- 3.2) Build relationships with employers, focussed on providing work-related English language support for their current and potential employees
- 3.3) Partner with tertiary education providers and contribute our specialist expertise in English language education.

Output	Indicator	Actual 2022	Target 2022	Actual 2021	Target 2021
Learners identify and achieve their learning goal	Number of learners that achieve employment outcomes <sup>1</sup>	1,509	1,435	1,435	1,371
	Number of hours attended by learners on English for Work courses <sup>2</sup>	32,290	36,520	36,520	30,505
English lessons are delivered and learners attend	Number of learners on English for Work courses	1,138	1,059	1,059	895

<sup>1</sup>Success of learner settlement is reflected in the number of learners achieving an employment outcome. For example, learner A said he can write clear, concise emails to clients. Learner B has successfully applied for a new job at an aged care facility and has been given more responsibilities. Learner C said she is now confident in talking to her boss due to increased vocabulary.

<sup>2</sup>This includes contracts with Employers and the TEC.



## Independent Auditor's Report

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

#### Opinion

We have audited the general purpose financial report of English Language Partners New Zealand Trust (the "Trust"), which comprise:

- a. the financial statements set out on pages 2 to 16, which comprise the statement financial position as at 31 December 2022, 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; and
- b. the service performance information set out on pages 17 to 20.

In our opinion the accompanying general purpose financial report present fairly, in all material respects:

- a. the financial position of the Trust as at 31 December 2022 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 31 December 2022 in accordance with the Trust's service performance criteria

in accordance with Public Benefit Entity Standard issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) 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 General Purpose Financial Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

#### Trustees' Responsibilities for the General Purpose Financial Report

The Trustees are responsible on behalf of the Trust for:

- a. the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- b. service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- c. such internal control as the Trustees determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, the Trustees are responsible on behalf of the Trust 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 General Purpose Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information 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) and ISAE (NZ) 3000 (Revised) 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 this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

#### **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 Limited**



**Z Zuber**

**Director**

**Wellington**

**17 March 2023**