

**VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE
SCHOOL (PARTNERSHIP SCHOOL)**

Financial Statements

For the 15 months ended 31 December 2014

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

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VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**MEMBERS OF THE TRUST BOARD
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

Name	Position	How Position on Board was gained	Term expired/expires
Alwyn Poole	Co-opted	Co-opted 16 September 2013	N/A
Karen Poole	Co-opted	Co-opted 16 September 2013	N/A
Anna Ready	Co-opted	Co-opted 16 September 2013	N/A
Lindsay Faris	Co-opted	Co-opted 16 September 2013	N/A
Michael Sapolu	Co-opted	Co-opted 16 September 2013	N/A

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

STATEMENT OF RESPONSIBILITY
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014

The Trust Board has pleasure in presenting the annual report of Villa Education Trust - South Auckland Middle School (the Trust), incorporating the financial statements and the auditor's report, for the 15 months ended 31 December 2014.


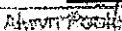
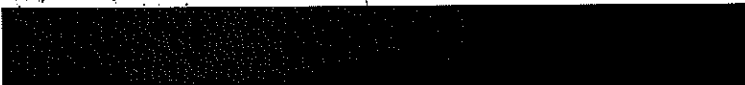
The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Trust's financial reporting.

In the opinion of the Board and management, the financial statements for 15 months ended 31 December 2014 fairly reflect the financial position and operations of the school.

The Trust's financial statements are authorised for issue by the Board.

On behalf of the Villa Education Trust

 s 9(2)(a) OIA


Karen Poole

Dated 4 June 2015

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Villa Education Trust – South Auckland Middle School (Partnership School)

Report on the Financial Statements

We have audited the financial statements of Villa Education Trust – South Auckland Middle School (Partnership School) on pages 5 to 15 which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and the statement of movements in equity for the 15 month period then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

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

We make it happen!

Opinion on Financial Position and Financial Performance

In our opinion the financial statements on pages 5 to 15:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Villa Education Trust – South Auckland Middle School (Partnership School) as at 31 December 2014 and its comprehensive income for the period ended on that date.

Report on Other Legal and Regulatory Requirements.

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by Villa Education Trust – South Auckland Middle School (Partnership School) as far as appears from an examination of those records.

DFK Oswin Griffiths Carlton
DFK Oswin Griffiths Carlton
Chartered Accountants
4 June 2015
Auckland, New Zealand

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

	Notes	2014 (15 Months)
		\$
Income		
Government grants	2	2,465,694
Local fundraising	3	2,566
Other revenue		1,907
Interest		2,557
Gain on sale of asset		74
		<u>2,472,798</u>
Expenditure		
Other income expenditure	4	10,773
Learning resources	5	877,441
Administration	6	639,261
Property	7	180,101
Depreciation	8	101,383
		<u>1,808,959</u>
Net Surplus		<u>663,839</u>
Total Comprehensive Income		<u>663,839</u>

The accompanying notes form part of these financial statements.

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**STATEMENT OF CHANGES IN EQUITY
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

	Notes	2014 (15 Months)
General Funds at the start of the period		-
Total comprehensive income		663,839
General Funds at the end of the period		<u>663,839</u>


The accompanying notes form part of these financial statements.

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

STATEMENT OF FINANCIAL POSITION
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014

	Notes	2014 (15 Months) \$
General Funds		
Accumulated Surplus		<u>663,839</u>
Total General Funds		<u>663,839</u>
Represented by:		
Current Assets		
Trade and other receivables	9	<u>55,003</u>
Advance - Villa Education Trust		<u>241,741</u>
		<u>296,744</u>
Current Liabilities		
Trade and other payables	11	<u>28,523</u>
		<u>28,523</u>
Working Capital Surplus		<u>268,221</u>
Non-current Assets		
Property, plant and equipment	10	<u>395,618</u>
		<u>395,618</u>
Net Assets		<u>663,839</u>

On behalf of the Villa Education Trust

 s 9(2)(a) OIA

Alwyn Poole



Karen Poole

Dated 4 June 2015

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

1 Statement of Significant Accounting Policies

a) Reporting Entity

Villa Education Trust - South Auckland Middle School is a division of Villa Education Trust (the Trust), a Charitable Trust established under the Charitable Trusts Act 1957. The Trust became a sponsor of a Partnership School on 16 September 2013 established under the Education Act 1989. The period covered in these financial statements is for the 15 months period ended 31 December 2014.

The Trust Board is of the view the Trust is a not-for-profit entity for financial reporting purposes.

b) Basis of Preparation

Financial reporting standards applied

The Education Act 1989 requires the Trust, as a sponsor of a Partnership school, to prepare financial statements in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). The financial statements have been prepared in accordance with NZ GAAP, applying New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to not-for-profit entities that qualify for differential reporting.

Differential reporting

The Trust qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions available under the Framework have been applied.

Measurement base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation currency

These financial statements are presented in New Zealand dollars.

Specific accounting policies

The accounting policies used in the preparation of these financial statements are set out below. The policies have been consistently applied to all the periods presented.

Changes in Accounting Policies

There have been no change to accounting policies

c) Income Recognition

Government grants

Operational grants are recorded as income as received. Other grants are recorded as income as received unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Donations

Donations, gifts and bequests are recorded as income when their receipt is formally acknowledged by the School.

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

Interest Income

Interest income on cash and cash equivalents and investments is recorded as income in the period it is earned.

d) Trade and Other Receivables

Trade and other receivables are initially recorded at fair value and subsequently recorded at the amount the Trust realistically expects to receive. A provision for impairment of trade and other receivables is established where there is objective evidence the Trust will not be able to collect all amounts due according to the original terms of the debt.

e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a diminishing value basis on all tangible fixed assets at rates calculated to allocate the assets cost less estimated residual value over their estimated lives.

f) Trade and Payables

Trade and other payables represents liabilities for goods and services provided to the Trust prior to the end of the financial period which are unpaid. Trade and other payables are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

g) Income Received in Advance

Income received in advance relates to grants received from the government where there are unfulfilled obligations for the Trust to provide facilities and services in the future. The grant is recorded as revenue as the obligations are fulfilled.

h) Leases

The Trust leases certain land and buildings.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

i) Employee Entitlements

Salary Accruals

Salary accruals mainly reflect annual leave owing to teachers and ancillary staff and are recognised in respect of employees' services to balance date and are measured at the amounts expected to be paid when the liabilities are settled.

Leave Accruals

No provision is required to be recognised for sick leave for any teachers.

For non-teaching staff, the Trust is required to report a liability in dollar terms for the relevant leave types, where this information is readily available. Any liability is reported in the school's trade and other payables note to the Financial Statements.

j) Financial Assets and Liabilities

The Trust's financial assets comprise cash and cash equivalents, trade and other receivables. All of these financial assets are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The Trust's financial liabilities comprise trade and other payables and income received in advance. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

k) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

l) Comparative Figures

There are no comparative figures since the school commenced in September 2013

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

2 Government Grants

	2014 (15 Months) \$
Setup and property funding grant	1,034,120
Education department funding	<u>1,431,574</u>
	<u>2,465,694</u>

3 Local Fundraising

Local funds raised within the School's community are made up of:	2014 (15 Months) \$
Income	
Donations	<u>2,566</u>
	<u>2,566</u>

4 Other Income/Expenditure

	2014 (15 Months) \$
Income	
Expenditure	
Advertising	<u>10,773</u>
	<u>10,773</u>

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

5 Learning Resources	2014 (15 Months) \$
Art consumables	4,240
Curriculum resources	89,072
Class excursions	6,354
Classroom resources	283
Classroom supplies	4,972
Computer consumables	8,503
External tests & examinations	5,281
Extra-curricular activities	117,907
Employee benefits - salaries	574,159
Music consumables	2,659
Resource/attached teacher costs	1,164
Science consumable	8,846
Staff development	729
Technology consumable	13,209
Uniform	40,063
	<u>877,441</u>
6 Administration	
Accounting fees	11,844
Audit fee	3,000
ACC	352
Cleaning	16,011
Contractors	64,437
Communication	7,311
Consumables and postage	33,420
Donation	450
Employee benefits - salaries	187,321
Insurance	8,057
Motor vehicle lease	19,226
Management fees	260,000
Other	13,414
Prizegiving	2,573
Subscription	21
Trust board expenses	663
Motor vehicle expenses	11,161
	<u>639,261</u>

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

7 Property

**2014
(15 Months)
\$**

Rent	156,500
Utilities	12,598
Grounds maintenance	3,322
Repairs and maintenance	7,681
	<u>180,101</u>

8 Depreciation

**2014
(15 Months)
\$**

Leasehold Improvements	29,367
Furniture and equipment	13,800
Computer equipment	58,216
	<u>101,383</u>

9 Trade and Other Receivables

**2014
(15 Months)
\$**

Accrued income	-
Prepayments	55,603
	<u>55,603</u>

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014

10 Property, Plant and Equipment

	Cost	Accumulated Depreciation	Net Book Value
2014	\$	\$	\$
Leasehold improvements	306,171	(29,367)	276,804
Plant and equipment	56,578	(11,744)	44,834
Computer equipment	121,453	(58,142)	63,311
Office equipment	12,725	(2,056)	10,669
	<u>496,927</u>	<u>(101,309)</u>	<u>395,618</u>

	2014 Actual \$(15 Months)
Net book value reconciliation	
Net book value at start of period	-
Less: Depreciation charge for the period	(101,383)
Add: Asset acquisition at cost	496,927
Profit on sales	74
Net book value at period end	<u>395,618</u>

11 Trade and Other Payables

	2014 (15 Months) \$
Creditors	-
Accrued expenses	28,523
GST liability	-
	<u>28,523</u>

The carrying value of payables approximates their fair value.

VILLA EDUCATION TRUST - SOUTH AUCKLAND MIDDLE SCHOOL (PARTNERSHIP SCHOOL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2014**

12 Related Party Transactions

The Partnership School and Villa Education Trust share a common bank account. Villa Education Trust provides services to the Partnership School. An administration charge of \$260,000 was charged by Villa Education Trust to the Partnership School for managing the school.

13 Contingencies

There are no contingent liabilities and non contingent assets as at 31 December 2014.

14 Commitments

	2014 (15 months) \$
Operating Lease Commitments	
Less than 1 year	150,000
1 - 2 years	300,000
2 - 5 years	<u>450,000</u>