

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

Financial Statements

For the year ended 31 December 2015

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

**MEMBERS OF THE TRUST BOARD
FOR THE YEAR ENDED 31 DECEMBER 2015**

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
Lindsay Faris	Co-opted	Co-opted 16 September 2013	N/A
Michael Sapolu	Co-opted	Co-opted 16 September 2013	N/A
Cameron Astill	Co-opted	Co-opted 16 March 2015	N/A
Hayley Parsons	Co-opted	Co-opted 07 September 2015	N/A

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

**STATEMENT OF RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

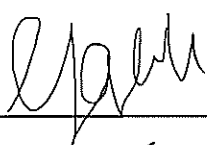
The Trust Board has pleasure in presenting the annual report of Villa Education Trust - South Auckland Middle School (the Trust), incorporating the financial statements and the auditor's report, for the year ended 31 December 2015.

The Board accepts responsibility for the preparation of the 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 the financial year fairly reflect the financial position and operations of the school.

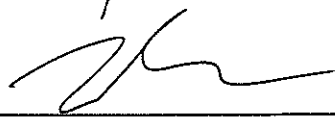
The Trust's 2015 financial statements are authorised for issue by the Board.



Cameron Astill

30/04/16

Date



Karen Poole

30/04/16

Date

Dated

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 2015, the statement of financial performance and the statement of changes in equity for the year 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 auditor's 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 provide business advisory services to the Trust, these services have not impaired our independence as auditor of 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; and
- give a true and fair view of the financial position of Villa Education Trust – South Auckland Middle School (Partnership School) as at 31 December 2015 and its financial performance for the year ended on that date.

DFK Oswin Griffiths Carlton
DFK Oswin Griffiths Carlton
Chartered Accountants
30 April 2016
Auckland, New Zealand

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 -\$	2014 (15 months) \$
Income			
South Auckland Van Service	2	15,883	
Government grants	3	1,536,016	2,465,694
Local fundraising	4	2,907	2,566
Other Revenue		4,000	1,907
Interest		-	2,557
Gain on sale of asset		-	74
		<u>1,558,806</u>	<u>2,472,798</u>
Expenditure			
Learning resources	5	869,846	877,441
Administration	6	403,906	650,034
Property	7	194,776	180,101
Depreciation	8	74,294	101,383
		<u>1,542,822</u>	<u>1,808,959</u>
Net Surplus		<u>15,984</u>	<u>663,839</u>
Total Comprehensive Income		<u>15,984</u>	<u>663,839</u>

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 (15 Months) \$
General Funds at the start of the year		663,839	-
Total comprehensive income		15,984	663,839
General Funds at the end of the year		<u>679,823</u>	<u>663,839</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
General Funds			
Accumulated Surplus		679,823	663,839
Total General Funds		<u>679,823</u>	<u>663,839</u>
Represented by:			
Current Assets			
Trade and other receivables	9	7,712	55,603
Villa Education Trust (Balance Account)		353,077	241,141
		<u>360,789</u>	<u>296,744</u>
Current Liabilities			
Trade and other payables	11	33,764	28,523
		<u>33,764</u>	<u>28,523</u>
Working Capital Surplus		327,025	268,221
Non-current Assets			
Property, plant and equipment	10	352,798	395,618
		<u>352,798</u>	<u>395,618</u>
Net Assets		<u>679,823</u>	<u>663,839</u>

On behalf of the Villa Education Trust

Cameron Astill

Karen Poole

Dated

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 ('NZGAAP'). 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.

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 YEAR ENDED 31 DECEMBER 2015

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) 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.

f) 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.

g) Employee Entitlements

Leave Accruals

No provision is required to be recognised for sick leave for any teachers, irrespective of whether a school is above its teaching entitlement as in practice most teacher sick leave is grant funded by the Ministry.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

h) Financial Assets and Liabilities

The Trust's financial assets comprise cash and cash equivalents and 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. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

i) 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 South Auckland Van Service

	2015	2014 (15 Months)
	\$	\$
South Auckland Van Service	<u>15,883</u>	<u>-</u>
	15,883	-

3 Government Grants

	2015	2014 (15 Months)
	\$	\$
Setup and Property Funding Grant	-	1,034,120
Education Department Funding	<u>1,536,016</u>	<u>1,431,574</u>
	1,536,016	2,465,694

4 Local Fundraising

	2015	2014 (15 Months)
	\$	\$
Local funds raised within the School's community are made up of:		
Income		
Donations	<u>2,907</u>	<u>2,566</u>
	2,907	2,566

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5 Learning Resources

	2015	2014 (15 Months)
	\$	\$
Art Consumables	3,389	4,240
Camp	722	-
Curriculum Resources	42,891	89,072
Class Excursions	24,699	6,354
Classroom Resources	3,071	283
Classroom Supplies	2,480	4,972
IT Support	17,660	8,503
External Tests & Examinations	-	5,281
Employee benefits - salaries	584,883	574,159
Kitchen Consumables	871	-
Music Consumables	-	2,659
Resource/attached teacher costs	-	1,164
Science Consumable	909	8,846
Sport Consumable	142,230	117,907
Staff development	3,050	729
Technology Consumable	6,974	13,209
Uniforms	36,017	40,063
	<u>869,846</u>	<u>877,441</u>

6 Administration

Accounting fees	3,775	11,844
Advertising	4,179	10,773
Audit Fee	12,600	3,000
ACC	-	352
Cleaning	17,328	16,011
Contractors	-	64,437
Communication	3,066	7,311
Consumables and Postage	30,533	33,420
Donation	129	450
Employee benefits - salaries	156,909	187,321
Insurance	3,438	8,057
Motor Vehicle Lease	17,920	19,226
Motor Vehicle Expenses	9,889	11,161
Management fees	140,000	260,000
Other	1,641	13,414
Prizegiving	1,302	2,573
Subscription	800	21
Security	397	-
Trust Board expenses	-	663
	<u>403,906</u>	<u>650,034</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7 Property

	2015	2014 (15 Months)
	\$	\$
Rent	150,000	156,500
Utilities	29,981	12,598
Grounds Maintenance	7,055	3,322
Repairs and maintenance	7,740	7,681
	<u>194,776</u>	<u>180,101</u>

8 Depreciation

	2014	2014 (15 Months)
	\$	\$
Leasehold Improvements	27,680	29,367
Furniture and equipment	12,507	13,800
Information and communication technology	34,107	58,216
	<u>74,294</u>	<u>101,383</u>

9 Trade and Other Receivables

	2015	2014 (15 Months)
	\$	\$
Prepayments	<u>7,712</u>	<u>55,603</u>
	7,712	55,603

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10 Property, Plant and Equipment

	Cost	Accumulated Depreciation	Net Book Value
2015	\$	\$	\$
Leasehold Improvements	306,171	(57,047)	249,124
Plant and Equipment	58,162	(22,351)	35,811
Computer Equipment	151,343	(92,248)	59,095
Office Equipment	12,725	(3,957)	8,768
	<u>528,401</u>	<u>(175,603)</u>	<u>352,798</u>
2014	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
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 Furniture	12,725	(2,056)	10,669
	<u>496,927</u>	<u>(101,309)</u>	<u>395,618</u>
		2015	2014
		\$	(15 Months) \$
Net book value reconciliation			
Net book value at start of period		395,618	-
Less: Depreciation charge for the period		(74,294)	(101,383)
Add: Asset acquisition at cost		31,474	496,927
Profit on Sales		-	74
Net book value at period end		<u>352,798</u>	<u>395,618</u>

11 Trade and Other Payables

	2015	2014
	\$	(15 Months) \$
Accruals	<u>33,764</u>	<u>28,523</u>
	33,764	28,523

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 YEAR ENDED 31 DECEMBER 2015**

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 \$140,000 was charged by Villa Education Trust to the Partnership School for managing the school.

13 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2015 (2014: NIL).

14 Commitments

	2015	2014
		(15 Months)
	\$	\$
Operating Lease Commitments		
Less than 1 year	150,000	150,000
1 - 2 years	150,000	300,000
2 - 5 years	-	-
	<u>300,000</u>	<u>450,000</u>