

Performance Report

Pacific Peoples Advancement Trust
For the year ended 31 December 2017

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Entity Information

Pacific Peoples Advancement Trust For the year ended 31 December 2017

Legal Name of Entity

Pacific Peoples Advancement Trust

Entity Type and Legal Basis

Registered Charity

Registration Number

CC43097

Entity's Purpose or Mission

Pacific Peoples Advancement Trust (PPAT) is Pasifika organisation focused on raising aspirations and achievement of Pasifika youth through social and economic development programmes and projects. PPAT has acted as an umbrella organisation that has subcontracted Pasifika providers to fulfil contracts/projects and has also provided directly for contracts and projects. 100 percent of contracts and projects undertaken by PPAT have been specifically designed and delivered to enhance, support achievement for Pasifika youth and communities.

Entity Structure

Pacific Advance Senior School is administered by Pacific Peoples Advancement Trust (PPAT). The PPAT board brings together the collective work and experience of Auckland based Pacific education, youth and social services organisations. We have a passion for re engaging Pacific youth and our skills and experience complement each other's efforts to improve outcomes for Pacific communities.

La'Auli Savae Michael Jones MZNM	Chairman
Hamish Crooks	Trustee
Pauline Winter	Trustee

Main Sources of Entity's Cash and Resources

> Grants from Ministry of Education.

Main Methods Used by Entity to Raise Funds

Pacific Peoples Advancement Trust receives funding from Ministry of Education for the operating expenses for Pacific Advance Senior School.

Physical Address

Admin, 42 Atkinson Ave, Otahuhu, Auckland, Otahuhu, New Zealand, 1062

Postal Address

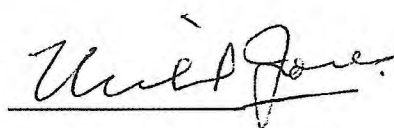
P.O. Box 22420, Otahuhu, Auckland, Otahuhu, New Zealand, 1062

Approval of Financial Report

Pacific Peoples Advancement Trust For the year ended 31 December 2017

The Trustees are pleased to present the approved financial report including the historical financial statements of Pacific Peoples Advancement Trust for the year ended 31 December 2017.

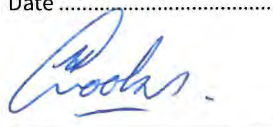
APPROVED

A handwritten signature in black ink, appearing to read 'La'auli Savae Michael Jones', written over a horizontal line.

La'auli Savae Michael Jones MNZM

Chairman

Date 14th May 2018

A handwritten signature in blue ink, appearing to read 'Hamish Crooks', written over a horizontal line.

Hamish Crooks

Trustee

Date 14th May 2018

Statement of Service Performance

Pacific Peoples Advancement Trust For the year ended 31 December 2017

Description of Entity's Outcomes

Pacific Peoples Advancement Trust is currently contracted by the Ministry of Education to establish and operate Pacific Advance Secondary School, PASS as a Partnership School.

Pacific Advance Secondary School (PASS) is a partnership school based in Otahuhu and aims to provide a learning pathway option for students, who have struggled to fulfill their learning potential in mainstream settings. For Pasifika, by Pasifika and determined by Pasifika, PASS was founded in 2014. The school is guided by the collective efforts as a community to improve Pacific students' educational outcomes.

PASS provides a Pasifika teaching and learning framework within a culturally responsive school environment built on Pasifika values and worldview. Underpinning PASS's commitment to optimising student's educational outcomes is the provision of proven academic mentoring and pastoral care models developed for the unique learning needs and realities of Pasifika youth growing up in contemporary Aotearoa New Zealand, in particular within the Auckland context.

	2017	2016
Description and Quantification of the Entity's Outputs		
Number of students enrolled	99	90

Statement of Financial Performance

Pacific Peoples Advancement Trust For the year ended 31 December 2017

	NOTES	2017	2016
Revenue			
Donations, fundraising and other similar revenue	1	2,260,967	2,268,996
Revenue from providing goods or services	1	-	6,295
Interest, dividends and other investment revenue	1	1,756	5,994
Other revenue	1	98,322	187,851
Total Revenue		2,361,045	2,469,136
Expenses			
Volunteer and employee related costs	2	1,008,817	903,595
Costs related to providing goods or service	2	460,522	385,865
Other expenses	2	739,172	673,506
Total Expenses		2,208,511	1,962,965
Surplus/(Deficit) for the Year		152,534	506,171

The above statement of financial performance should be read in conjunction with the accompanying notes to the performance report and the Independent Auditors report

Statement of Financial Position

Pacific Peoples Advancement Trust

As at 31 December 2017

	NOTES	31 DEC 2017	31 DEC 2016
Assets			
Current Assets			
Bank accounts and cash	3	1,424,243	2,031,821
Total Current Assets		1,424,243	2,031,821
Non-Current Assets			
Property, Plant and Equipment	5	371,666	326,801
Total Non-Current Assets		371,666	326,801
Total Assets		1,795,909	2,358,622
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	36,010	51,436
Employee costs payable	4	146,739	100,438
Unused donations and grants with conditions	4	580,646	1,212,487
Other current liabilities	4	(78,215)	36,067
Total Current Liabilities		685,181	1,400,427
Total Liabilities		685,181	1,400,427
Total Assets less Total Liabilities (Net Assets)		1,110,728	958,195
Accumulated Funds			
Accumulated surpluses or (deficits)	6	1,110,728	958,195
Total Accumulated Funds		1,110,728	958,195

The above statement of financial position should be read in conjunction with the accompanying notes to the performance report and the Independent Auditors report

Statement of Cash Flows

Pacific Peoples Advancement Trust For the year ended 31 December 2017

	2017	2016
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	2,514,797	2,683,400
Receipts from providing goods or services	-	7,239
Interest, dividends and other investment receipts	1,756	5,530
Cash receipts from other operating activities	(1,218,409)	(310,174)
GST	(190,647)	(255,703)
Payments to suppliers and employees	(1,553,036)	(1,343,896)
Total Cash Flows from Operating Activities	(445,538)	786,396
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(162,040)	(178,853)
Total Cash Flows from Investing and Financing Activities	(162,040)	(178,853)
Net Increase/(Decrease) in Cash	(607,578)	607,543
Bank Accounts and Cash		
Opening cash	2,031,821	1,424,277
Main Account	(607,578)	607,543
Closing cash	1,424,243	2,031,821
Net change in cash for period	(607,578)	607,543

The above statement of cash flows should be read in conjunction with the accompanying notes to the performance report and the Independent Auditors report

Statement of Accounting Policies

Pacific Peoples Advancement Trust For the year ended 31 December 2017

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Pacific Peoples Advancement Trust is a registered charity (CC43097) under the Charities Act 2005 and therefore exempt from New Zealand income tax.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Property Plant and Equipment

All property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses. Property plant and equipment acquired with immaterial amount are not capitalised, they are recorded as an expense in the statement of financial performance. Gains and losses on disposals are determined by comparing the proceeds received with carrying amounts. The gains or losses arising from the disposal of an item of property, plant and equipment is recognised in the statement of financial performance.

Depreciation

All classes of property, plant and equipment (except land) are depreciated over their estimated useful life on a straight line basis. Depreciation of all assets is reported in the statement of financial performance. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate:

Depreciation rates used for each class of asset are as follows:

Leasehold Improvements	6 SL - 7 SL
Computer Equipment	60% DV
Furniture and Fittings	15% - 20% DV
Plant and Equipment	40% - 50% DV, 6 SL

Funding Income and Donations

Donations are recognised as revenue upon receipt. Ministry of Education Funding is recognised on utilisation.

Operating Expenses

Operating Expenses are recognised in profit and loss upon utilisation of the services or at the date of their origin.

Receivables and payables

Receivables are stated at their net realisable value. Payables represent liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. These amount are unsecured and are usually paid within 30 days of recognition.

Notes to the Performance Report

Pacific Peoples Advancement Trust For the year ended 31 December 2017

	2017	2016
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
School Donations	25,737	43,336
Other school Funding	44,661	43,161
Partnership School Funding - PASS	2,190,569	2,182,500
Total Donations, fundraising and other similar revenue	2,260,967	2,268,996
Revenue from providing goods or services		
PPAT Service Charges	-	6,295
Total Revenue from providing goods or services	-	6,295
Interest, dividends and other investment revenue		
Interest Received	1,756	5,994
Total Interest, dividends and other investment revenue	1,756	5,994
Other revenue		
Other Revenue	98,322	187,851
Total Other revenue	98,322	187,851
	2017	2016
2. Analysis of Expenses		
Volunteer and employee related costs		
ACC Levies	3,297	3,353
PAYE Expense	285,043	254,992
Salaries and Wages	720,477	645,250
Total Volunteer and employee related costs	1,008,817	903,595
Costs related to providing goods or services		
Caretaking/Cleaning and Consumables	52,469	27,929
Catering Expense	121,020	91,651
Curriculum Development	-	265
Extra Curricular	38,890	34,712
General Expenses	4,342	124
Information & Communication Technology	47,499	27,257
Learning resources	9,924	5,358
Office Expenses	9,948	13,639
Staff Professional Development	2,373	5,084
Student Related Expense	156,241	159,273
Teaching Related Expenses	17,815	20,572
Total Costs related to providing goods or services	460,522	385,865
Other expenses		
Accounting Expense	7,160	18,638
Advertising	18,825	10,338

Bank Fees	43	-
Communications Expense	22,712	4,672
Depreciation	117,175	89,253
Governance Expenses	2,800	256
Governance Fees	74	3,249
Insurance	-	10,424
Light, Power, Heating	18,807	18,478
Motor Vehicle Expenses	32,529	30,384
Printing & Stationery	16,854	11,106
Property Expense	908	294
Property Leases and Rent	409,623	366,622
Recruitment Expense	10,077	-
Reimbursement Expenses	-	11,781
Repairs and Maintenance	16,499	12,497
Security	6,834	2,136
Service Providers, contractors & Consultants	43,362	47,337
Special Projects	957	22,547
Staff & Meeting Expense	1,554	1,715
Telephone & Internet	12,379	11,780
Total Other expenses	739,172	673,506

2017 2016

3. Analysis of Assets

Bank accounts and cash

Main Account	1,424,243	2,031,821
Total Bank accounts and cash	1,424,243	2,031,821

2017 2016

4. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	36,010	51,436
Total Creditors and accrued expenses	36,010	51,436

Employee costs payable

Annual Leave Accruals	146,739	100,438
Total Employee costs payable	146,739	100,438

Unused donations and grants with conditions

Income in Advance	580,646	669,461
Income in Advance - Operational	-	543,027
Total Unused donations and grants with conditions	580,646	1,212,487

Other current liabilities

GST	(78,214)	36,067
Suspense	-	-
Total Other current liabilities	(78,215)	36,067

	2017	2016
5. Property, Plant and Equipment		
Leasehold Improvements		
Leasehold Improvements	299,846	211,032
Accumulated depreciation - Leasehold Improvements	(96,400)	(42,807)
Total Leasehold Improvements	203,447	168,225
Computer Equipment		
Computer Equipment owned	75,941	73,767
Accumulated depreciation - Computer Equipment	(35,545)	(31,411)
Total Computer Equipment	40,396	42,355
Furniture and Fittings		
Furniture and Fittings owned	150,723	117,815
Accumulated depreciation - Furniture and Fittings	(45,274)	(29,049)
Total Furniture and Fittings	105,448	88,766
Plant and Equipment		
Plant and Equipment	131,255	93,111
Accumulated depreciation - Plant and Equipment	(108,880)	(65,656)
Total Plant and Equipment	22,375	27,455
Total Property, Plant and Equipment	371,666	326,801
	2017	2016

6. Accumulated Funds

Accumulated Funds		
Opening Balance	958,195	532,952
Accumulated surpluses or (deficits)	152,534	425,242
Total Accumulated Funds	1,110,728	958,195
Total Accumulated Funds	1,110,728	958,195

7. Commitments

There are no commitments as at 31 December 2017 (Last year - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2017 (Last year - nil).

9. Related Party Disclosure

Maliena Jones is employed by the Trust as the General Manager for Pacific Advance Senior School and was paid a salary during the year. Maliena is a related to La'auli Savae Michael Jones, who is the Chairman of Pacific Peoples Advancement Trust.

10. Events After the Balance Date

Pacific Peoples Advancement Trust has submitted its application for a Designated Special Character school on 07th May 2018. The school will operate under a new legal entity once the Ministry of Education approves the application. The assets of the Pacific Peoples Advancement Trust will be transferred to the newly formed entity upon the approval from the Ministry of Education. The likely changes are yet to be determined, any changes will be considered in the 2018 financial year or later.

11. Prior Period Error

From the audit of the 2017 performance report, the following unrecorded errors were identified in the 2016 performance report.

The leave balances for the year ended 31 December 2016 was understated by \$65,168. This is now identified and corrected in the comparative balances in the 31 December 2016 performance report.

Particulars	2017	2016 Restated	2016 Audited
Leave Accrual Balances	146,739	100,438	35,270
Accumulated Funds	1,110,728	958,194	1,023,362

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Pacific Peoples Advancement Trust

Opinion

We have audited the accompanying performance report of Pacific Peoples Advancement Trust on pages 3 to 14, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2017, the statement of financial position as at 31 December 2017, the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report on pages 3 to 14 presents fairly, in all material respects:
 - the entity information for the year ended 31 December 2017;
 - the service performance for the year then ended; and
 - the financial position of Pacific Peoples Advancement Trust as at 31 December 2017, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Pacific Peoples Advancement 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.

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

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Performance Report

The Trustees are responsible on behalf of the entity for:

(a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(b) the preparation and fair presentation of the performance report which comprises:

- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows,

statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

(c) for such internal control as the Trustees determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the entity for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Joel Ram T/A D'Mello Chartered Accountants Limited

Auckland

14 May 2018