Creating BETTER Together

Tai Poutini Polytechnic
NEW ZEALAND

ANNUAL REPORT

2018

NetHui & Jade Exhibition cover images: Greymouth Star

Contents

He Mihi

He mihi tēnei ki ka tini mate o te motu, mai i te Muriwhenua ki te Murihiku, rātou katoa,
kua karangahia e Tahu Kumea e Tahu Whakairo ki te pō nui, tukuna, rātou kia okioki
rā i te moeka roa. E pōua mā, e tāua mā, haere atu rā, moe mai rā. Kāti rā, rātou, ki a rātou,
tātou te huka ora ki a tātou, tēnā anō tātou katoa.
“He aha te mea nui o te ao?
He tangata! He tangata! He tangata!”
“What is the most important thing in the world?
It is People! It is People! It is People!”

Purpose of Report

This Annual Report has been produced to fulfil two main functions:

To meet the requirements of the Public Finance Act 1989, Education Act 1989, and Crown Entities Act 2004 by providing annual financial statements and non-financial information for significant activities; and

To provide information to Tai Poutini Polytechnic’s (TPP) stakeholders about its performance against financial and service performance indicators; and in compliance with Tertiary Outcomes Framework reporting and associated performance reporting commitments.

This Annual Report has both accountability and information functions. It is related to a number of other documents including the 2015-2017 Investment Plan.

Tai Poutini Polytechnic Overview

MESSAGE FROM THE CHIEF EXECUTIVE AND CROWN MANAGER

In 2018 we took a hard look at the way we work and made changes that will set us up for the future of tertiary education on the West Coast.

There has been a lot to do in recent times to ensure quality, sustainable education provision that meets the needs of our local employers and helps our people get into real jobs that support the economic development of the region. We've put a spotlight on our processes, creating efficiencies and improving procedures and planning with the result of a more streamlined system that puts the emphasis on delivery of quality education outcomes. We've also taken steps to reduce our spending, finding savings in the way we run day-to-day activities, cutting services or activities that weren't supporting our long-term goals and seeking out partnerships and opportunities for sharing support and delivery services.

All this has been done under the watchful eye of our Crown Manager and Government funding agencies. We were fortunate to receive funding support from the Government in February 2018, which allowed the Polytechnic to keep operating while plans to develop a new model for tertiary education were progressed. Along with this funding support came stringent targets, goals and reporting requirements. We are pleased to report that, throughout the year, we continually met our targets for improvement and have been able to report solid progress to Government. The year culminated with the review of our EER rating as we seek to improve our quality processes, reporting and delivery to meet higher standards.

This Annual Report 2018 overview shows some of the great work carried out by staff, with the support of our community and industry partners. Of particular importance was the development of a future-focused document – Living and Learning on the West Coast – which explored the challenges and opportunities to delivery of tertiary education in the West Coast region and presented potential options for the future. This was an incredibly useful exercise to help us prepare for change and it meant we were well-placed to take part in the Government review of the wider tertiary sector.

We are confident that we have put in the hard work that will prepare us for a new future. We don't yet know exactly what the future will hold, but we worked closely with Government in the latter half of 2018 on its review of the national tertiary training sector and we know that change is coming in 2019.

Throughout these changes and developments, our attention has remained clearly focused on the reason we are here – offering training that meets the needs of our local industries, helps get West Coasters into real jobs and supports the economic development of the region.

We would both like to take this opportunity to thank those who have contributed to our good work in 2018. Our staff have gone above and beyond to keep delivering the training our students and community need; our local community partners, industry and West Coast stakeholders have been supportive and encouraging throughout the year; and we have benefitted from the ongoing support of Government.

We are proud of our achievements in 2018 and are now looking forward to2019.

Alex Cabrera
Chief Executive

Murray Strong
Crown Manager

4,500
FULL- AND PART-TIME STUDENTS

902
EFTS

182
STAFF

46
+ PROGRAMMES

$7m
IN REVENUE

Who We Are

Based on the South Island's stunning West Coast, Tai Poutini Polytechnic provides quality tertiary education focused on meeting the needs of regional employers and local residents. We also play a strong role in the local community, getting behind events and activities that promote our people and our region and supporting the economic development of the West Coast. Our popular programmes are delivered from campuses on the Coast and in other NZ locations. They include tourism and hospitality, outdoor education, agriculture, civil and mining, business, carving, building, automotive, scaffolding, emergency services and ski patrol.

In 2018 we embedded a new motto: we are Creating Better Together. To us, that means we work closely with all our partners to create better job prospects, better opportunities and better outcomes for students and industry.

Why We're Here

TPP delivers quality vocational training that meets the needs of the West Coast region. We are focused on tertiary education that meets the skills needs of local employers, helps get local people into real jobs and supports the economic development of the West Coast.

We also have an important role to support the wider community, and we work with groups and individuals to get behind activities and initiatives that are good for the West Coast.

The West Coast is a stunning place to live and visit, but its relatively low population and geographic isolation create some challenges for the delivery of tertiary education. TPP is very aware of the strategic and financial challenges it faces and, with the support of Government, we've been working to address them.

We're especially proud of our work in these areas:

Coast Connect

TPP has been developing an exciting new web app that aims to change the way job seekers, industry and educational Polytechnics connect and interact with each other by removing barriers and creating better opportunities, better prospects and better outcomes.

Coast Connect is a new web-based app that aims to link job seekers with training options to help get them into local jobs. The app offers a fresh approach to training and job-seeking opportunities, with some great potential to help local people fill local jobs.

The ground work was laid in 2018, including technical development and testing with students and stakeholders, and we're set to launch in early 2019.

Getting behind Coasters

As one of the largest organisations on the Coast, we have a role to play to support our community and get behind social enterprise schemes – people looking to do good in the region. To do this, we've been involved in a range of activities and events in 2018 including:

- Net Hui – we hosted the national roadshow to get people talking about all things internet related on the West Coast.
- Big Day Out – we helped the local police recognise great kids in our community.
- Maori Job Squad – we partnered with Ngai Tahu and The Māori Job Squad – Tokona te Raki, to bring a careers event to Greymouth in August.
- Project house – the proceeds from the auction of our 2018 student-built house were gifted to Rotary for the outdoor area of the new children's ward at Grey Base Hospital.
- Building for our community – TPP students, under the guidance of our tutors, built benches for the new children's ward.
- Techweek'18 – TPP hosted and promoted a range of events right across the region as part of Techweek'18.

Meeting our Goals

One of our biggest jobs in 2018 was to ensure we met the various targets and goals the Government required when it provided funding support. We're proud to say we achieved these across all areas. This included:

Minister's strategic imperatives - everything we do is:

- effective, sustainable and of high quality
- appropriate to the needs of students and employers
- contributes to the economic development of the West Coast

Government capital injection fund - eight targets and three actions cover:

- working for the good of students and employers on the West Coast
- cost cutting and creating efficiencies
- improving quality, including our EER rating
- making our structure fit-for-purpose
- working with other providers
- more robust internal systems and processes
- alignment with the needs of West Coast employers and students

NZQA Action Plan - nine objectives aim to:

- introduce more robust internal systems and processes around self-assessment, capability, monitoring, data collection and compliance.
- bring a new approach to academic standards
- focus on the role of learning support services
- strengthen stakeholder and community engagement
- understand the outcomes for our graduates

Creating BETTER Together

Tai Poutini Polytechnic West Coast NEW ZEALAND

2018 Highlights

GETTING INTO SHAPE

2018 saw completion of structural changes to set TPP up for the future

PUTTING PEOPLE FIRST

We got involved in the 2018 West Coast Business Opinion Survey to help identify regional training and skills gaps

MAKING EVERY CENT COUNT

We've cut operating expenses

FOCUSING ON WHAT MATTERS

NZQA and TEC report satisfaction with TPP progress against quality targets

PUTTING PEOPLE FIRST

We're creating a new app that will help local job seekers find training options and connect with local employers

LIFTING OUR GAME

We've built collaborative partnerships with Southern Institute of Technology, the Open Polytechnic and Te Wānanga o Aotearoa

PUTTING PEOPLE FIRST

We've created a partnership with the Department of Conservation to train staff and new recruits

Looking to the Future

TPP completed a restructure in late 2018, to set the Polytechnic up for the future. The new structure is streamlined, bringing functions together to better reflect a new working environment. A new Leadership Team has been created, with clearer responsibilities and functions. The aim is make the Polytechnic more efficient and focused on outcomes for our students and regional employers.

Organisation Structure

TPP Governance

Legal Status

TPP is a Polytechnic established under the Education Act 1989. It is governed by a Council. The Council has a significant leadership role particularly in setting institutional directions and strategy. Under the Education Act 1989 this role manifests itself in Council responsibility for the following functions:

- Appointing a Chief Executive;
- Long term planning for overall viability;
- Investment Plan development for negotiation with the Tertiary Education Commission (TEC); and
- Ensuring that TPP is managed in accordance with its Investment Plan.

Murray Strong was appointed as Crown Manager of Tai Poutini Polytechnic with effect from 12 December 2016. This is in accordance with section 222C of the Education Act 1989.

This appointment states that:

- The Crown Manager will work cooperatively with the council and will, where appropriate, engage with third party stakeholders; and
- The council will retain its primary duty of care as a person conducting a business or undertaking, under the Health and Safety at Work Act 2015, above and beyond all functions, duties and powers of the Crown Manager.

The Crown Manager is responsible for the following functions:

- All matters relating to the employment of the Chief Executive (though TPP remain the employer for contractual and legislative purposes);
- Preparation of TPP's proposed investment plan (though tertiary provision activities on the West Coast which will be prepared by the council in consultation with the Crown Manager);
- Ensure that TPP is managed in accordance with the overall 2015-2016 investment plan;
- Determine, subject to the State Sector Act 1988, TPP's policies in relation to its financial management, financial reporting, financial strategy, including reviewing existing budgets and preparing future budgets and undertake planning relating to TPP's long-term strategic direction.

Duties of the Council

The primary duty of the Council during the period of Crown Management, as detailed above, is responsibility as a person conducting a business or undertaking, under the Health and Safety at Work Act 2015.

The Council members are drawn from people highly experienced in the education sector and its governance, together with members who represent the West Coast region. The Council members are:

Appointed by the Minister of Tertiary Education

Mr Kevin Stratful	26 May 2016 to 30 April 2020
Ms Raelyn Lourie	1 July 2016 to 30 April 2020
Mr Andrew Robb (Chair)	15 December 2016 to 30 April 2020
Mr Andy England	1 May 2017 to 30 April 2019

Appointed by the TPP Council

Four positions currently vacant

Table 1: Attendance of Council Members at TPP Council Meetings

Name	Meetings eligible to attend	Actual number attended
England, Andy	5	4
Robb, Andrew	5	5
Lourie, Raelyn	5	5
Stratful, Kevin	5	4

Committees of the Council

Academic Board

The Council is required to establish and maintain an Academic Board in accordance with Section 182 of the Education Act 1989 to:

a. Advise the Council on matters relating to courses of study or training, awards, and any other academic matters; and
b. Exercise powers delegated to it by the Council.

It is chaired by the Chief Executive.

Directory

Table 2: Management Team as at 31 December 2018

Name	Position
Alex Cabrera	Chief Executive
Peter Bayliss	Director - Academic and Quality
Samuel Blight	Director - Strategy
Alyson Bone	Chief Financial Officer
Mequa Hourston	Leader - Engagement (effective 1 December 2018)
Blair Keily	Chief Information Officer
David Mason	Te Kaiwhakahaere o Mātauranga Māori
Vanessa Rankin	Academic Registrar
Bankers	ASB Bank
Auditors	Audit New Zealand (on behalf of the Controller & Auditor - General)
Solicitors	Hannan and Seddon Lawyers, PO Box 8 Greymouth

Statement of Responsibility

Under section 155 of the Crown Entities Act 2004, we hereby certify that:

1. We have been responsible for the preparation of these financial statements, the Statement of Service Performance and the judgement used therein;
2. We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
3. We are of the opinion that these financial statements and the Statement of Service Performance fairly reflect the financial position and operations of this institution for the year ended 31 December 2018.

Murray Strong
Crown Manager [1]

Alex Cabrera
Chief Executive

[1] Crown Manager of Tai Poutini Polytechnic as at 31 Decemeber 2018

Independent Auditor's Report

To the readers of Tai Poutini Polytechnic and group's financial statements and statement of service performance for the year ended 31 December 2018

The Auditor-General is the auditor of Tai Poutini Polytechnic (the Polytechnic) and group. The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Polytechnic and group on his behalf.

We have audited:

- the financial statements of the Polytechnic and group on pages 21 to 52, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Polytechnic and group on pages 16 to 19.

Qualified opinion on the financial statements

In our opinion, except for the matters described in the *Basis for our qualified opinion* section of our report, the financial statements of the Polytechnic and group on pages 21 to 52, which are prepared on a disestablishment basis:

- present fairly, in all material respects:
  - its financial position as at 31 December 2018; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Unmodified opinion on the statement of service performance

In our opinion, the statement of service performance of the Polytechnic and group on pages 16 to 19 presents fairly, in all material respects, the Polytechnic and group's service performance achievements measured against the proposed outcomes described in the group's approved budget for the year ended 31 December 2018.

Our audit was completed on 28 July 2021. This is the date at which our qualified opinion is expressed.

The basis for our qualified opinion is explained below, and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Tai Poutini Polytechnic Limited (the Company) and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our qualified opinion on the financial statements and unmodified opinion on the statement of service performance

Funding overclaimed: 2010 – 2015

An investigation by the Tertiary Education Commission (TEC) in 2017 found that the Polytechnic had overclaimed its SAC Funding in the years' 2010 to 2015 by a total of $18,464,921 (GST-exclusive). The Polytechnic had included the amounts overclaimed as revenue in the relevant years and therefore those years' revenues and results were overstated. If revenue had been recognised at the correct amounts, then equity in the comparative year would be lower by $18,464,921 as at 31 December 2017. Further, the total funding overclaimed was a debt due to TEC at 31 December 2017 that should have been recognised as a liability in the comparative year financial statements.

In 2018, the TEC decided not to seek recovery of any of the amount overclaimed. As TEC made this decision to forgive the debt of $18,464,921 during the 2018 financial year, the forgiveness should have been accounted for as a capital injection in the statement of changes in equity for the year ended 31 December 2018. Instead, the Polytechnic did not adjust the prior year financial statements for the effect of the overstated revenue, nor did it recognise a debt to TEC at the prior year balance dates.

Delivery to fewer students than funded for: 2016

In addition, in 2018 TEC also decided not to seek recovery of $3,115,449 (GST-exclusive) which arose from the Polytechnic having delivered courses to fewer students than it was funded for in 2016. This amount was correctly recorded as a revenue in advance liability as at 31 December 2016.

The Polytechnic decided to recognise the effect of TEC's decision in the comparative year financial statements by transferring the amount from revenue in advance to equity as part of the capital injection in the statement of changes in equity for the year ended 31 December 2017. The correct accounting treatment would have been for the Polytechnic to continue to record a liability in the comparative year financial statements and derecognise the liability as a capital injection in the statement of changes in equity for the year ended 31 December 2018 when TEC made the decision.

The cumulative effect of the above accounting treatment is:

- a liability to TEC is understated by $21,580,370 in the Polytechnic and group's statement of financial position as at 31 December 2017 and consequently equity at that date is overstated by an equivalent amount; and
- capital injections are understated by $21,580,370 in the Polytechnic and group's statement of changes in equity for the year ended 31 December 2018.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Emphasis of matters

Without further modifying our opinion, we draw your attention to the following disclosures:

The financial statements have been appropriately prepared on a disestablishment basis

The accounting policy (Note 1) on page 24 of the financial statements outlines that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Polytechnic ceased as an entity and its assets and liabilities were transferred to the Company on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

Ongoing financial difficulties

Notes 20 and 21 on pages 49 to 51 outlines the Polytechnic's financial performance difficulties. The Company obtained a letter of support from its shareholder, Te Pūkenga, that it will provide financial support to the Polytechnic to ensure it can pay its liabilities as and when they fall due.

Impact of Covid-19

Note 21 on page 51 to the financial statements, which explains the impact of the Covid-19 pandemic on the Polytechnic.

The Polytechnic did not report within its statutory reporting deadline

Note 22 on page 52 of the financial statements outlines that the Polytechnic did not comply with the Education Act 1989 requirements to provide audited financial statements and a statement of service performance within four months of 31 December 2018.

Responsibilities of the Board for the financial statements and the statement of service performance

The preparation of the financial statements and statement of service performance for the Polytechnic and group is the responsibility of the Board of the Company.

The Board is responsible on behalf of the Polytechnic and group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is also responsible on behalf of the Polytechnic and group for preparing a statement of service performance that is fairly presented.

Up until 31 March 2020, the Council of the Polytechnic and group was responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. From 1 April 2020, the Board took over these responsibilities to enable completion of the financial statements and statement of service performance.

In preparing the financial statements and the statement of service performance, the Board is responsible on behalf of the Polytechnic and group for assessing the Polytechnic and group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Polytechnic and group or to cease operations, or has no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004, Education Act 1989, and the Education (Vocational Education and Training Reform) Amendment Act 2020.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Polytechnic and group's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, 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.

- We 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 Polytechnic and group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the disestablishment basis of accounting by the Board.

- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board 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.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 3 to 9 and 53, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Polytechnic and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Polytechnic or any of its subsidiaries.

Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Service Performance

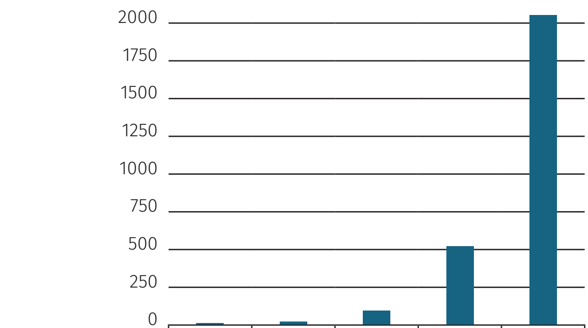
Student Satisfaction

Tutor Evaluation

A total of 2,799 students, both full and part-time, are represented in the rating below. The Academic Board target was for students to rate the quality of teaching on TPP programmes and/or courses as at least of 4.0. The 2018 Mean Average is 4.7.

2018 Mean Average: 4.7
Method: How would you rate the overall quality of teaching of this tutor? Rated from 1-5 (1=dissatisfied; 5=very satisfied).

Graph 1: 2018 Tutor Evaluation Satisfaction Survey Ratings



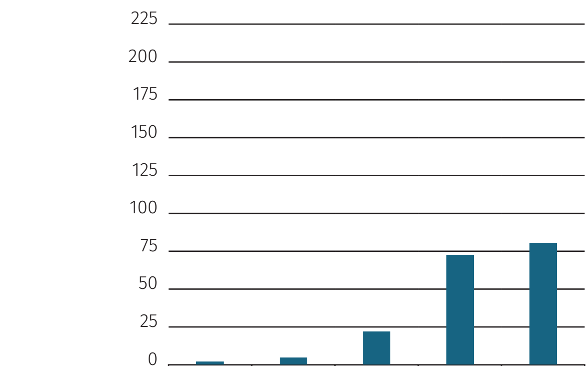
	1	2	3	4	5
No of Responses	11	16	81	521	2170

Programme Satisfaction

A total of 176 students from mainstream programmes are represented in the ratings below. It should be noted that the percentage of full-time students represented is affected by student withdrawal, absent students, distance students or those who have left for work experience/employment prior to part 3 of the survey being rolled out. The Academic Board target was for students to rate the delivery of TPP programmes and/or courses as at least of 4.0. The 2018 Mean Average is 4.23.

2018 Mean Average: 4.23
Method: Overall how satisfied were you with your student experience at Tai Poutini Polytechnic? Rated from 1-5 (1 = very dissatisfied 5 = very satisfied).

Graph 2: 2018 Programme Satisfaction Survey Ratings



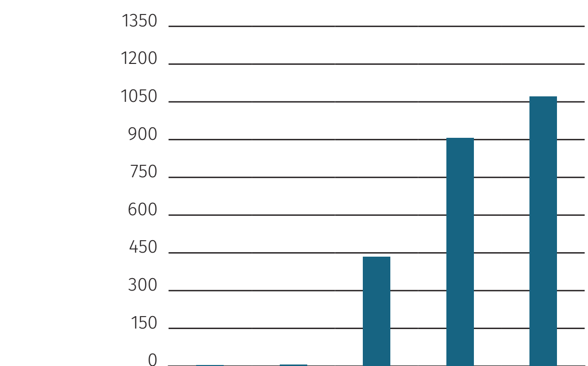
	1	2	3	4	5
No of Responses	4	5	17	70	80

Short Course Programme Satisfaction

A total of 2,420 short course students are represented in the rating. The Academic Board target was for students to rate the delivery of TPP programmes and/or courses as at least 4.0. The 2018 Mean Average is 4.1.

2018 Mean Average: 4.1
Method: To what degree do you feel you have achieved the learning outcomes of this course? Rated from 1-5 (1=dissatisfied; 5=very satisfied)

Graph 3: Short Course Programme and Learning Satisfaction Survey Ratings



	1	2	3	4	5
No of Responses	6	14	423	904	1073

Student Destination

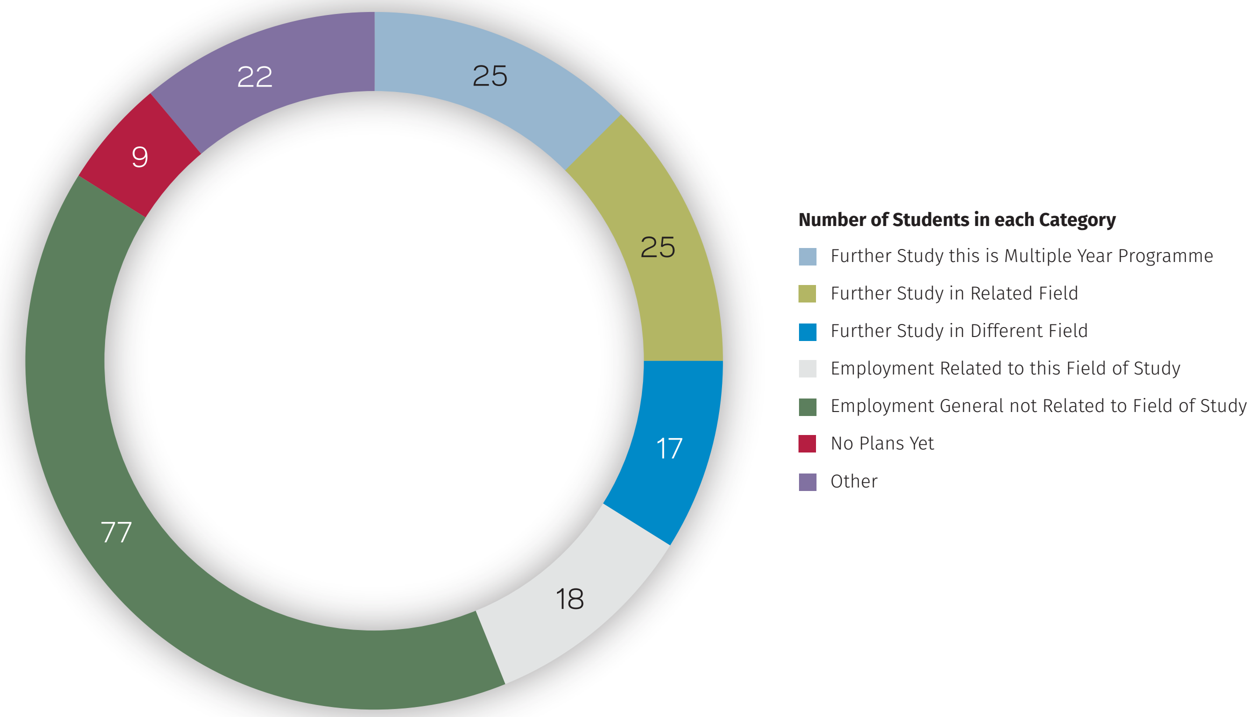
(Intended destination from End of Year Student Satisfaction Survey for 2018 Students).

A total of 193 students from mainstream programmes are represented in the percentages below.

The Academic Board target was to achieve a destination percentage of 80% for students moving into employment or further study.

The 2018 destination percentage for students moving into further study or employment is 83.9%.

Graph 4: Student Destination – Tai Poutini Polytechnic



Actual Student Destination

(From Graduate outcome report 2018)

98% in either work or full time study
79% in paid employment
37% in further study

Equal Employment Report

Equal Employment at Tai Poutini Polytechnic (as at 1 December 2018)

	2018	2017	2016
All Staff	**182**	**168**	**177**
Maori	9	10	14
Female	93	79	84
Pasifika	1	1	2
Maori	4.9%	6.0%	6.3%
Female	51.0%	47.0%	47.1%
Pasifika	0.55%	0.6%	0.6%

Performance Commitments

SAC Levels 1 and 2

Performance Commitments SAC Levels 1 and 2	**Group**	**2017 Target**	**2017 Data**	**2018 Target**	**2018 Data**
Course Completion *The successful course completion rate (SAC Eligible EFTS) for:*	All Students	82%	65%	82%	46%
Qualification Completion *The successful qualification completion rate (SAC Eligible EFTS) for:*	All Students	68%	53%	72%	40%
Student Retention (1) *The student retention rate (SAC Eligible student count) for:*	All Students	69%	nil	68%	nil
Student Progression *The student progression rate (SAC Eligible student count) at level 1 to 3, to a higher level*	All Students	55%	42%	57%	38%

1. Student retention rates are only measured for students enrolling in qualifications of two EFTS or more at Level 4 and above. No applicable qualifiactions were offered by the Polytechnic in 2018.

Performance Commitments: SAC Level 3 and Above

Performance Commitments SAC Levels 3 and above	Group	Level	2017 Target	2017 Data	2018 Target	2018 Data
PARTICIPATION						
The proportion of SAC Eligible EFTS who are:	Under 25	All levels	20%	45%	20%	49%
	Māori	All levels	9%	39%	9%	39%
	Pasifika	All levels	4%	14%	4%	12%
Course Completion *The successful course completion rate (SAC Eligible EFTS) for:*	All Students	Level 3 & above	74%	79%	78%	69%
		Level 4 & above	74%	79%	76%	69%
	Under 25	Level 3 & above	74%	77%	76%	79%
		Level 4 & above	74%	77%	76%	79%
	Māori	Level 3 &above	74%	75%	76%	67%
		Level 4 & above	74%	75%	74%	67%
	Pasifika	Level 3 & above	74%	70%	76%	80%
		Level 4 & above	74%	70%	74%	80%
Qualification Completion *The successful qualification completion rate (SAC Eligible EFTS) for:*	All Students	Level 3 & above	61%	59%	74%	47%
		Level 4 & above	61%	47%	70%	36%
	Under 25	Level 3 & above	61%	68%	64%	64%
		Level 4 & above	61%	66%	64%	63%
	Māori	Level 3 & above	61%	65%	70%	54%
		Level 4 & above	61%	60%	64%	52%
	Pasifika	Level 3 & above	61%	67%	64%	51%
		Level 4 & above	61%	55%	64%	41%
Student Retention [1] *The student retention rate (SAC Eligible student count) for:*	All Students	Level 3 & above	61%	51%	65%	nil
	Māori	Level 3 & above	61%	58%	65%	nil
	Pasifika	Level 3 & above	61%	69%	65%	nil
Student Progression	All Students	Level 3 & above	13%	18%	13%	30%
	Māori	Level 3 & above	13%	25%	13%	41%
	Pasifika	Level 3 & above	13%	17%	13%	32%

1. Student retention rates are only measured for students enrolling in qualifications of two EFTS or more at Level 4 and above. No applicable qualifiactions were offered by the Polytechnic in 2018.
2. As a Category 4 institution, Tai Poutini Polytechnic could not enrol international students in 2018.
3. Government policy around Level 1 and 2 funding changed during 2018 which allowed the enrolment of students onto Level 1 and 2 programmes. No targets had been set for Maori and Pasifika achievement prior to that.

Financial Statements

Statement of Comprehensive Income

Statement of Comprehensive Revenue and Expense for the Year Ended 31 December 2018

	Note	Polytechnic			Group		
		2018 Actual	2018 Budget	2017 Actual	2018 Actual	2018 Budget	2017 Actual
Revenue							
Government Grants		4,136,299	8,764,975	12,953,840	4,136,299	8,764,975	12,953,840
Tuition Fees		1,377,456	1,829,644	2,966,618	1,377,456	1,829,644	2,966,618
Interest Revenue		121,533	80,000	75,500	121,561	80,000	75,707
Other Revenue		1,329,988	1,869,000	1,584,538	1,329,988	1,869,000	1,584,538
Total Revenue	2	**6,965,276**	**12,543,619**	**17,580,496**	**6,965,304**	**12,543,619**	**17,580,703**
Expenses							
Personnel Costs	3	10,114,721	9,187,343	11,573,898	10,114,721	9,187,343	11,573,898
Depreciation, Amortisation & Impairment Expense	8,9	1,367,618	1,255,805	1,447,347	1,374,463	1,255,805	1,453,404
Other Expense	4	6,984,179	7,939,889	7,451,628	6,988,182	7,939,889	7,456,304
Total Expenses		**18,466,518**	**18,383,037**	**20,472,873**	**18,477,366**	**18,383,037**	**20,483,606**
Surplus / (Deficit) for the year from continuing operations		**(11,501,242)**	**(5,839,418)**	**(2,892,377)**	**(11,512,062)**	**(5,839,418)**	**(2,902,903)**
Discontinued operations							
Surplus / (Deficit) for the year from discontinued operations	18	(367,859)	(95,831)	91,696	(367,859)	(95,831)	91,696
Surplus / (Deficit) for the year		**(11,869,101)**	**(5,935,249)**	**(2,800,681)**	**(11,879,921)**	**(5,935,249)**	**(2,811,207)**
Surplus/Defecit Attributable to:							
Tai Poutini Polytechnic		(11,869,101)	(5,935,249)	(2,800,681)	(11,879,921)	(5,935,249)	(2,811,207)
		(11,869,101)	**(5,935,249)**	**(2,800,681)**	**(11,879,921)**	**(5,935,249)**	**(2,811,207)**
Other Comprehensive Revenue and Expense							
Total Other Comprehensive Revenue and Expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense		**(11,869,101)**	**(5,935,249)**	**(2,800,681)**	**(11,879,921)**	**(5,935,249)**	**(2,811,207)**
Total Comprehensive Revenue and Expense Attributable to:							
Tai Poutini Polytechnic		(11,869,1012)	(5,935,249)	(2,800,681)	(11,879,921)	(5,935,249)	(2,811,207)
		(11,869,101)	**(5,935,249)**	**(2,800,681)**	**(11,879,921)**	**(5,935,249)**	**(2,811,207)**

Explanations of major variations against budget are provided in note 17.

The accompanying notes form part of these financial statements.

Statement of Financial Position

Statement of Financial Position as at 31 December 2018

	Note	Polytechnic			Group		
		2018 Actual	2018 Budget	2017 Actual	2018 Actual	2018 Budget	2017 Actual
Current Assests							
Cash and Cash Equivalents	5	4,309,393	4,964,580	2,633,933	4,310,087	4,964,580	2,635,084
Debtors and Other Receivables	6	582,699	5,167,818	5,167,818	582,699	5,167,818	5,167,818
Term Deposits	7	1,228,363	203,221	203,221	1,228,363	203,221	209,375
Prepayments		100,530	255,245	255,245	100,530	255,245	255,245
Trust Investments		281,242	278,964	278,964	281,242	278,964	278,964
Assets held for sale	8	-	-	1,275,995	-	-	1,275,995
Total Current Assets		**6,502,227**	**10,869,827**	**9,815,176**	**6,502,921**	**10,869,827**	**9,822,481**
Non Current Assets							
Property, Plant and Equipment	8	12,648,160	13,686,096	13,431,949	12,651,095	13,686,096	13,438,992
Intangible Assets	9	140,070	485,481	485,481	140,070	485,481	485,481
Total Non Current Assets		**12,788,230**	**14,171,577**	**13,917,430**	**12,791,165**	**14,171,577**	**13,924,473**
Total Assets		**19,290,457**	**25,041,404**	**23,732,606**	**19,294,086**	**25,041,404**	**23,746,954**
Current Liabilities							
Creditors and Other Payables	10	1,245,574	1,021,233	538,170	1,249,158	1,021,233	541,653
Revenue Received in Advance	11	102,446	243,919	243,919	102,446	243,919	243,919
Employee Entitlements	12	438,245	786,713	786,713	438,245	786,713	786,713
Trusts and Funds		281,242	278,964	278,964	281,242	278,964	278,964
Total Current Liabilities		**2,067,507**	**2,330,829**	**1,847,766**	**2,071,091**	**2,330,829**	**1,851,249**
Non Current Liabilities							
Employee Entitlements	12	90,474	119,085	119,085	90,474	119,085	119,085
Total Non Current Liabilities		**90,474**	**119,085**	**119,085**	**90,474**	**119,085**	**119,085**
Total Liabilities		**2,157,981**	**2,449,913**	**1,966,851**	**2,161,565**	**2,449,913**	**1,970,334**
NET ASSETS		**17,132,476**	**22,591,491**	**21,765,755**	**17,132,521**	**22,591,491**	**21,776,620**
Equity							
General Funds	14	17,115,342	22,564,730	21,740,394	17,115,387	22,564,730	21,751,259
Restricted Reserves	14	17,134	26,761	25,361	17,134	26,761	25,361
Total Equity		**17,132,476**	**22,591,491**	**21,765,755**	**17,132,521**	**22,591,491**	**21,776,620**
STATEMENT OF CHANGES IN EQUITY							
Balance at 1 January		21,765,755	20,026,740	17,264,348	21,776,620	20,026,740	17,285,738
Total Comprehensive Revenue and Expense		(11,869,101)	(5,935,249)	(2,800,681)	(11,879,921)	(5,935,249)	(2,811,206)
Capital Injection		8,500,000	8,500,000	7,303,488	8,500,000	8,500,000	7,303,488
Transfer of MAINZ	18	(1,255,951)	-	-	(1,255,951)	-	-
Movement in Restricted Reserves	14	(8,227)	-	(1,400)	(8,227)	-	(1,400)
Balance at 31 December		**17,132,476**	**22,591,491**	**21,765,755**	**17,132,521**	**22,591,491**	**21,776,620**

Explanations of major variations against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Statement of Cash Flows for the year ended 31 December 2018

	Polytechnic			Group		
	2018 Actual	2018 Budget	2017 Actual	2018 Actual	2018 Budget	2017 Actual
Cash Flows from Operating Activities						
Receipts from Government Grants	8,457,686	8,764,975	12,999,953	8,457,686	8,764,975	12,999,953
Receipts from Tuition Fees	1,696,519	1,829,644	3,400,425	1,696,519	1,829,644	3,400,425
Interest Income Received	131,311	80,000	75,500	131,339	80,000	75,707
Dividend Income Received	-	-	47,794	-	-	47,794
Receipts from Other Income	1,329,988	1,869,000	2,048,693	1,329,988	1,869,000	2,048,693
Total Cash Receipts	**11,615,504**	**12,543,619**	**18,572,365**	**11,615,532**	**12,543,619**	**18,572,572**
Payments to Employees	(10,411,984)	(8,337,343)	(14,455,917)	(10,411,984)	(8,337,343)	(14,455,917)
Payments to Suppliers	(7,098,254)	(9,242,149)	(9,162,845)	(7,102,156)	(9,242,149)	(9,172,064)
Goods and Services Tax Net	333,677	366,520	(671,017)	333,677	366,520	(671,017)
Total Payments	**(17,176,561)**	**(17,212,972)**	**(24,289,779)**	**(17,180,463)**	**(17,212,972)**	**(24,298,998)**
Net Cash Flow from Operating Activities	**(5,561,057)**	**(4,669,353)**	**(5,717,414)**	**(5,564,931)**	**(4,669,353)**	**(5,726,426)**
Cash Flows from Investing Activities						
Receipts (Costs) from Property, Plant and Equipment Disposals	140,000	-	31,743	140,000	-	31,743
Receipts from Sale of Investments	-	-	-	-	-	4,293
Purchase of Property, Plant and Equipment	(284,040)	(1,500,000)	(310,800)	(286,778)	(1,500,000)	(310,800)
Purchase of Intangible Assets	(83,797)	-	(102,946)	(83,797)	-	(120,946)
Movement in Restricted Reserves	(8,226)	-	(1,400)	(8,226)	-	(1,400)
Net Purchase of Term Deposits	(1,027,420)	-	(6,832)	(1,021,265)	-	(6,832)
Net Cash Flow from Investing Activities	**(1,263,483)**	**(1,500,000)**	**(390,235)**	**(1,260,066)**	**(1,500,000)**	**(385,942)**
Cash Flows from Financing Activities						
Capital Contributions from the Crown	8,500,000	8,500,000	7,303,489	8,500,000	8,500,000	7,303,489
Net (decrease)/increase in cash and cash equivalents	**1,675,460**	**2,330,647**	**1,195,841**	**1,675,003**	**2,330,647**	**1,191,121**
Opening cash and cash equivalents	2,633,933	2,633,933	1,438,092	2,635,084	2,633,933	1,443,962
Closing cash and cash equivalents	4,309,393	4,964,580	2,633,933	4,310,087	4,964,580	2,635,083
Change in Cash	**1,675,460**	**2,330,647**	**1,195,841**	**1,675,003**	**2,330,647**	**1,191,121**
Reconciliation of surplus(deficit) to the net cash flow from operating activities						
Surplus (deficit) from Statement of Comprehensive Revenue and Expense	**(11,869,101)**	**(5,935,249)**	**(2,800,681)**	**(11,879,921)**	**(5,935,249)**	**(2,811,207)**
Add (less) non cash items						
Depreciation and amortisation	1,377,663	1,265,896	1,651,775	1,384,508	1,265,896	1,658,207
Increase (decrease) in non current employee entitlements	(28,611)		65,165	(28,611)	-	65,165
Loss (Gain) on disposal of Assets	(20,341)		(31,744)	(20,341)		(31,744)
Total non cash items	**1,328,711**	**1,265,896**	**1,685,196**	**1,335,556**	**1,265,896**	**1,691,628**
Add (less) movements in working capital items						
(Increase) decrease in debtors and other receivables	4,607,156	-	(1,010,137)	4,607,156	-	(1,010,137)
(Increase) decrease in prepayments	154,715	-	(69,487)	154,715	-	(69,487)
Increase (decrease) in creditors and other payables	707,403	-	(600,727)	707,504	-	(605,645)
Increase (decrease) in revenue received in advance	(141,473)	-	(3,101,772)	(141,473)	-	(3,101,772)
Increase (decrease) in current employee entitlements	(348,468)	-	180,194	(348,468)	-	180,194
Net Movement in Working Capital Items	**4,979,333**	**-**	**(4,601,929)**	**4,979,434**	**-**	**(4,606,847)**
Net Cash Flow from Operating Activities	**(5,561,057)**	**(4,669,353)**	**(5,717,414)**	**(5,564,931)**	**(4,669,353)**	**(5,726,426)**

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department.
The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

Explanations of major variations against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Statement of accounting policies

REPORTING ENTITY
Tai Poutini Polytechnic (the Polytechnic) is a TEI domiciled in New Zealand and is governed by the Crown Entities Act 2004 and the Education Act 1989.

The consolidated financial statements of the Group consist of Tai Poutini Polytechnic (the Polytechnic), and the West Coast Climbing Wall Trust (a 67% controlled subsidiary). Tai Poutini International Limited (a wholly owned subsidiary) and The Qatar Technical Institute LLC (a 49% subsidiary held by Tai Poutini International Ltd) are dormant non-trading entities; consequently they have no financial impact on the statements.

Tai Poutini International Limited is incorporated and domiciled in New Zealand. The Qatar Technical Institute LLC is incorporated and domiciled in Qatar.

The primary objective of the Polytechnic and Group is to provide tertiary education services for the benefit of the community rather than making a financial return. Accordingly, the Polytechnic has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.
The financial statements of the Polytechnic and Group are for the year ended 31 December 2018. The financial statements were authorised for issue by the Board of Tai Poutini Polytechnic Limited on 28 July 2021.

BASIS OF PREPARATION
The financial statements have been prepared on a disestablishment basis as the Polytechnic ceased as an entity and its assets and liabilities were transferred to Tai Poutini Polytechnic Limited on 1 April 2020. For further information refer to Note 20. The accounting policies have been consistently applied throughout the accounting period.

Statement of compliance
The financial statements of the Polytechnic and Group have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE accounting standards.

Presentation currency and rounding
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Standards issued and not yet effective and not early adopted
There are no standards issued and not yet effective that are relevant to the Polytechnic and Group.

SIGNIFICANT ACCOUNTING POLICIES
Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific area are outlined below.

Basis of consolidation
The purchase method is used to prepare the Group financial statements, which involves adding together like items of assets, liabilities, equity, revenue, expenses and cash flows on a line-by-line basis. All significant intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

Foreign currency transactions
Foreign currency transactions are translated into NZ$ (the functional currency) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Goods and services tax
All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.
The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax
The Polytechnic and Group are exempt from income tax. Accordingly, no provision has been made for income tax.

Budget figures
The budget figures are those approved by the Crown Manager at the start of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions
In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of

future events that are believed to be reasonable under the circumstances. No estimates or assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Management has exercised the following critical judgements in applying accounting policies:

- Distinction between revenue and capital contributions – refer to note 2
- Crown-owned land and buildings – refer to note 8

Prior Period Error

In the current year, the Polytechnic has identified errors in the 2017 financial statements relating to ommitted disclosures. The errors have been corrected for by the restatement of comparative disclosures as set out below.

Disclosure of Crown Manager Remuneration

In the 2017 financial statements, the Polytechnic did not separately disclose remuneration paid to the Crown Manager. This should have been included in Note 3 (Personnel Costs) and Note 15 (Key Management Personnel Remuneration).

The amount paid for the time of the Crown Manager for the 2017 year was $197,600.

2. Revenue

Accounting Policy

Revenue is measured at the fair value of consideration received or receivable.
The specific accounting policies for significant revenue items are explained below:

SAC funding

SAC funding is the Polytechnic's main source of operational funding from the Tertiary Education Commission (TEC). The Polytechnic considers SAC funding to be non-exchange and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course.

Student tuition fee

Student tuition fee is recognised as a non-exchange transaction. There is a condition attached that requires performance or return of fee, that condition is extinguished when the withdrawal date for a course (10% of the course duration) has passed, at which point revenue is recognised.

Revenue recognised but not yet delivered

As noted above, domestic revenue is treated as non-exchange. Being accounted for under PBE IPSAS 23, all domestic student fee and government funding revenue must be recognised in full as soon as the withdrawal with refund period has passed. This means that if a student enrols towards the end of a financial year, all of the revenue for the student has to be accrued into the year of enrolment while the delivery costs will be split over that year and the following year. Due to the nature of the flexible start dates for some students, the number of students studying over the financial year end can (and does) change from year to year. These changes result in the variances in revenue recognition. The Polytechnic considers these variances to be timing in nature and not reflective of the underlying financial performance for the year.

International tuition fee

Tuition fee received from an International student is recognised as an exchange transaction. Revenue is recognised as delivery is performed. Fee received for courses occurring in the following year are retained as fees in advance.

Government grants

Government grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received and recognised as revenue when the conditions of the grant are satisfied.

Accommodation revenue

Revenue from the provision of accommodation is recognised as invoiced. Rental is invoiced monthly in advance.

Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

Critical judgements in applying accounting policies

Distinction between revenue and capital contributions

Most Crown funding received is operational in nature and is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, the Polytechnic and Group accounts for the funding as a capital contribution directly in equity.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
SAC Funding	7,586,129	11,855,587	7,586,129	11,855,587
MOE Revenue recognised, not yet delivered	(3,449,830)	1,081,502	(3,449,830)	1,081,502
Grants	-	16,751	-	16,751
Total Revenue from Government Grants	**4,136,299**	**12,953,840**	**4,136,299**	**12,953,840**
Tuition Fees from Domestic Students	1,242,967	2,728,468	1,242,967	2,728,468
Total Revenue from Non Exchange Contracts	**5,379,266**	**15,682,308**	**5,379,266**	**15,682,308**
Tuition Fees from International Students	124,506	159,623	124,506	159,623
Interest Revenue	121,533	75,500	121,561	75,707
Accommodation Revenue	259,746	270,442	259,746	270,442
Gain (loss) on Sale of Assets	20,341	31,743	20,341	31,743
Dividends	-	47,794	-	47,794
Student Services Levy	9,983	78,527	9,983	78,527
Other Revenue	1,049,901	1,234,559	1,049,901	1,234,559
Total Revenue from Exchange contracts	**1,586,010**	**1,898,188**	**1,586,038**	**1,898,395**
Total Revenue	**6,965,276**	**17,580,496**	**6,965,304**	**17,580,703**

3. Personnel Costs

Accounting Policy

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver, the Government Superannuation Fund and other defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
Academic Salaries	3,751,575	4,539,267	3,751,575	4,539,267
General Salaries	5,699,857	5,961,218	5,699,857	5,961,218
Defined Contribution	235,120	275,203	235,120	275,203
Non Payroll Personnel	428,169	798,210	428,169	798,210
Total Personnel Costs	**10,114,721**	**11,573,898**	**10,114,721**	**11,573,898**

Personnel costs include $1,689k of payments relating to the transformation of the Polytechnic (2017: $416k). These costs are not considered a recurring expense and are inclusive of the severance payments noted below.

During the year, the Poytechnic made severance payments of $733k.

Council and Crown Manager Remuneration

		Polytechnic 2018 $	Polytechnic 2018 $	Polytechnic 2017 $	Polytechnic 2017 $
		Fees	Expenses	Fees	Expenses
A. England	Council Member	17,186		8,119	
R. Lourie	Council Member	15,408	1,337	16,000	2,525
G. McNally	Council Member	-	-	4,494	85
C. Rea	Council Member	-	-	4,741	-
A. Robb	Council Member	29,960	1,756	28,337	-
K. Stratful (Payment remitted to KRS Consulting)	Council Member	15,408	-	15,407	412
G. Wall	Council Member	-	-	6,667	408
Murray Strong	Crown Manager	170,300	4,859	197,600	8,225
		248,262	**7,952**	**281,365**	**11,655**

Refer to Note 1: The 2017 financial statements did not separately disclose the remuneration of the Crown Manager. The comparative in the above table has been restated to include this disclosure.

4. Other Expenses

Accounting Policy

Scholarships

Scholarships awarded by the Polytechnic that reduce the amount of the tuition fees payable by the student are accounted for as an expense and not offset against student tuition fee income.

	Polytechnic		Group	
	2018 Actual	**2017 Actual**	**2018 Actual**	**2017 Actual**
Advertising	193,651	306,617	193,651	306,617
Audit Fees -Fees to Audit NZ for the Audit of current year financial statements	113,543	110,544	117,083	113,987
Course Related Costs	429,329	853,434	429,329	853,434
Foreign exchange net losses	5,314	112	5,314	112
Impairment and write off of Receivables	141,163	57,773	141,163	57,773
Information Technology	315,017	333,766	315,017	333,766
Insurance	122,882	137,039	122,882	137,039
Office Costs	51,903	101,009	51,903	101,009
Operating Leases	663,939	432,771	664,358	432,771
Other Occupancy Costs	623,668	882,315	623,668	882,315
Repairs & Maintenance	489,257	469,858	489,257	469,858
Travel	753,214	968,202	753,214	968,202
Transformation Costs	2,039,350	1,749,320	2,039,350	1,749,320
Other Operating Expenses	1,041,949	1,048,868	1,041,993	1,050,101
Total Other Expenses	**6,984,179**	**7,451,628**	**6,988,182**	**7,456,304**

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Operating leases as lessee

Non-cancellable operating leases as lessee

Tai Poutini Polytechnic leases property, plant and equipment in the normal course of business. The majority of these leases are non-cancellable. The future aggregate minimum lease payments are as follows:

	Polytechnic		Group	
Lease payments are as follows:	**2018**	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Not later than 1 year	567,656	671,414	567,656	671,414
Later than one year and not later than 5 years	1,036,022	1,521,670	1,036,022	1,521,670
Later than 5 years	1,506,423	1,478,055	1,506,423	1,478,055
	3,110,101	**3,671,139**	**3,110,101**	**3,671,139**

In the case of Mawhera land leases, in Greymouth, the Polytechnic has right of lease renewal for a further 21 year term.
There are no restrictions placed on the Polytechnic and Group by any of the leasing agreements.

In the 2017 financial statements, the Polytechnic's disclosure of its Operating Lease Commitments in Note 4 was incorrect. Several leases held by the Polytechnic are structured with an initial expiry date, followed by a specified number of renewal periods in which the lessee can choose to extend the term of the lease ("right to renewal"), up to a specified final lease expiry date. Continuing the lease beyond the initial expiry date is at the discretion of the Polytechnic. Therefore, the maximum commitment should be calculated based on the next expiry date, rather than the final expiry date of the lease. In 2017, the lease commitment calculation was based on the final expiry date of the lease.

Restating 2017 reduced leases: not later than 1 year by $138,673; later than 1 year and not later than five by $718,335; later than five years by $2,518,822.

The West Coast Climbing Wall Trust has no operating lease commitments. Therefore, the adjustments above are applicable to both the Polytechnic and Group disclosures.

5. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
Cash at Bank	1,230,246	549,578	1,230,940	550,729
Call Deposits	2,042,054	1,076,687	2,042,054	1,076,687
Term Deposits	1,037,093	1,007,668	1,037,093	1,007,668
Total Cash and Cash Equivalents	**4,309,393**	**2,633,933**	**4,310,087**	**2,635,084**

The carrying value of cash at bank, call deposits and term deposits with maturities less than three months approximates their fair value.

6. Receivables

Accounting Policy

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
Receivables				
Student Fee Receivables	363,474	1,197,191	363,474	1,197,191
Less: Provision for Impairment	(89,202)	(215,000)	(89,202)	(215,000)
Net Student Fee Receivables	**274,272**	**982,191**	**274,272**	**982,191**
Other Receivables				
Other Debtors and Receivables	50,773	553,684	50,773	553,684
GST Receivable	75,541	-	75,541	-
MOE Earned Revenue not yet received	182,113	3,631,943	182,113	3,631,943
Total Debtors and Other Receivables	**582,699**	**5,167,818**	**582,699**	**5,167,818**

Student fees are due before a course commences or due upon enrolment if the course has already begun. Domestic students can arrange to pay by instalments in certain circumstances.

Student fees are non-interest bearing, thus their carrying value approximates their fair value.

Other receivables are non-interest bearing and are generally settled on 30 day terms. Therefore, the carrying value of other receivables approximates their fair value.

Impairment

The ageing profile of receivables at year end is detailed below.

	2018			2017		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Polytechnic and Group						
Not Past Due	41,402		41,402	31,784		31,784
Past Due 31-60 days	59,035		59,035	377,876		377,876
Past Due 61-90 days	26,185		26,185	120,114		120,114
Past Due Over 90 days	236,852	(89,202)	147,650	667,417	(215,000)	452,417
Credit Balances	-		-	-		-
Total	**363,474**	**(89,202)**	**4274,272**	**1,197,191**	**(215,000)**	**982,191**

All receivables greater than 30 days in age are considered to be past due.

7. Other Financial Assets

Accounting Policy

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Polytechnic and Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purposes of measurement:

- loans and receivables; and
- fair value through other comprehensive income.

Classification of the financial asset depends on the purpose for which the instruments were acquired.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial Assets at fair value through surplus or deficit

The Polytechnic and Group does not have any assets designated as being at fair value through surplus or deficit.

Impairment of financial assets

At each balance date, the Polytechnic and Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit.

Loans and receivables (including cash and cash equivalents and debtors and other receivables)

Impairment of a loan or a receivable is established when there is objective evidence that the Polytechnic and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written - off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
Financial Assets - Current				
Term Deposits Non Cash	1,228,363	203,221	1,228,363	209,375
Total Other Financial Assets	**1,228,363**	**203,221**	**1,228,363**	**209,375**

8. Property, Plant and Equipment

Accounting Policy

The measurement bases used for determining the gross carrying amount for each class of assets is as follows:

Land is measured at cost.

All other asset classes are stated at cost less accumulated depreciation and any accumulated impairment in value.

All assets are primarily held for the purpose of providing education and related activities. Costs incurred subsequent to initial acquisition are capitalised only when it probable that future economic benefits or service potential associated with the item will flow to the Polytechnic and the cost of the item can be measured reliably.

Current assets held for sale

Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of the subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Work in progress is recognised at cost less impairment and is not depreciated. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Class of assets	Rate
Buildings	2%-20% per annum
Plant and equipment	2%-33% per annum
Motor vehicles	20% per annum
Heavy Vehicles	10% per annum
Library	20% per annum
Computers	33% per annum
Computer Servers	10%-20% per annum
Audio Equipment	20% per annum
Furniture and Fittings	10%-20% per annum

Impairment

The carrying values of property, plant and equipment, other than those whose future economic benefits are not directly related to their ability to generate net cash, are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Restrictions on Title

Under the Education Act 1989, the Polytechnic is required to obtain consent from the Secretary for Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a TEI may dispose of plant and equipment without seeking consent from the Secretary of Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website.

Note 8. Polytechnic

Movements for each class of property, plant, and equipment for the Polytechnic are as follows:

Polytechnic 2017	Cost/ valuation 1/1/17	Accumulated depreciation and impairment charges 1/1/17	Carrying amount 1/1/17	Current year additions	Current year disposals	Current year impairment charges	Reclassification Transfer	Current year depreciation	Accum Dep'n on Disposals	Revaluation surplus	Cost/ revaluation 31/12/17	Accumulated depreciation and impairment charges 31/12/17	Carrying amount 31/12/17
Land	1,358,027	-	1,358,027	-	-	-	-	-	-	-	1,358,027	-	1,358,027
Buildings - TPP	15,689,875	(5,018,190)	10,671,685	455,316	(2,609,779)	-	-	(455,184)	1,927,769	-	13,535,412	(3,545,605)	9,989,807
Buildings - Crown	1,468,000	(745,044)	722,956	-	-	-	-	(67,714)	-	-	1,468,000	(812,758)	655,242
Furniture and Fittings	938,116	(714,388)	223,728	21,525	(294,219)	-	-	(77,303)	221,339	-	665,422	(570,352)	95,070
Plant & Equipment	3,845,396	(2,853,749)	991,647	93,383	(250,139)	-	-	(250,094)	180,470	-	3,688,640	(2,923,373)	765,267
Computers	4,422,657	(3,674,656)	748,001	15,226	(2,252,198)	-	-	(319,687)	2,034,439	-	2,185,685	(1,959,904)	225,781
Audio Equipment	2,059,884	(1,855,172)	204,712	5,610	(1,845,782)	-	-	(69,525)	1,707,956	-	219,712	(216,741)	2,971
Outdoor Rec Equipment	231,746	(186,419)	45,327	39,619	(17,207)	-	-	(34,649)	16,491	-	254,158	(204,577)	49,581
Library	387,957	(328,653)	59,304	8,744	(74,114)	-	-	(22,186)	42,671	-	322,587	(308,168)	14,419
Vehicles	2,235,208	(1,849,157)	386,051	5,000	(100,253)	-	-	(115,266)	100,252	-	2,139,955	(1,864,171)	275,784
Assets in Course of Construction - Buildings TPP	388,144	-	388,144		(388,144)	-	-	-	-	-	-	-	-
Assets in Course of Construction - Computers	9,169	-	9,169		(9,169)	-	-	-	-	-	-	-	-
Total Polytechnic	**33,034,179**	**(17,225,428)**	**15,808,751**	**644,423**	**(7,841,004)**	**-**	**-**	**(1,411,608)**	**6,231,387**	**-**	**25,837,598**	**(12,405,649)**	**13,431,949**

Polytechnic 2018	Cost/ valuation 1/1/18	Accumulated depreciation and impairment charges 1/1/18	Carrying amount 1/1/18	Current year additions	Current year disposals	Current year impairment charges	Reclassification Transfer	Current year depreciation	Accum Dep'n on Disposals	Revaluation surplus	Cost/ revaluation 31/12/18	Accumulated depreciation and impairment charges 31/12/18	Carrying amount 31/12/18
Land	1,358,027	-	1,358,027	-	-	-	-	-	-	-	1,358,027	-	1,358,027
Buildings - TPP	13,535,412	(3,545,605)	9,989,807	27,328	(14,250)	-	-	(412,641)	3,403	-	13,548,490	(3,954,843)	9,593,647
Buildings - Crown	1,468,000	(812,758)	655,242	-	-	-	-	(67,715)	-	-	1,468,000	(880,473)	587,527
Furniture and Fittings	665,422	(570,352)	95,070	10,261	-	-	-	(40,032)	-	-	675,683	(610,384)	65,299
Plant & Equipment	3,688,640	(2,923,373)	765,267	19,158	(46,406)	-	4,358	(177,709)	22,539	-	3,665,750	(3,078,543)	587,206
Computers	2,185,685	(1,959,904)	225,781	48,422	(23,554)	-	-	(141,822)	23,554	-	2,210,553	(2,078,172)	132,382
Audio Equipment	219,712	(216,741)	2,971	-	-	-	-	(2,269)		-	219,712	(219,010)	702
Outdoor Rec Equipment	254,158	(204,577)	49,581	29,147	(7,456)	-	-	(38,090)	7,456	-	275,849	(235,211)	40,639
Library	322,587	(308,168)	14,419	2,102	-	-	-	(10,761)	-	-	324,689	(318,929)	5,760
Vehicles	2,139,955	(1,864,171)	275,784	-	(460,989)	-	(4,358)	(87,432)	406,346	-	1,674,608	(1,545,258)	129,350
Assets in Course of Construction -	-	-	-	147,622	-	-	-	-	-	-	147,622	-	147,622
Total Polytechnic	**25,837,598**	**(12,405,649)**	**13,431,949**	**284,040**	**(552,655)**	**-**	**-**	**(978,471)**	**463,297**	**-**	**25,568,983**	**(12,920,823)**	**12,648,160**

Legal ownership of land and buildings is detailed as follows:

	Land		Buildings	
	2018	2017	2018	2017
Polytechnic owned	1,358,027	1,358,027	9,593,647	9,989,807
Crown owned	-	-	587,527	655,242
Total	**1,358,027**	**1,358,027**	**10,181,174**	**10,645,049**

Restriction on property title

Greymouth leasehold properties leased from The Mawhera Corporation, provides the Lessor with first right of refusal to both parties, on sale or assignment of such leasehold properties.

Polytechnic and Group

Movements for each class of property, plant and equipment for the Polytechnic and Group are as follows:

Polytechnic & Group 2017	Cost/ valuation 1/1/17	Accumulated depreciation and impairment charges 1/1/17	Carrying amount 1/1/17	Current year additions	Current year disposals	Current year impairment charges	Reclassification Transfer	Current year depreciation	Accum Dep'n on Disposals	Revaluation Surplus	Cost/ revaluation 31/12/17	Accumulated depreciation and impairment charges 31/12/17	Carrying amount 31/12/17
Land	1,358,027	-	1,358,027	-	-	-	-		-	-	1,358,027	-	1,358,027
Buildings - TPP	15,689,875	(5,018,190)	10,671,685	455,316	(2,609,779)	-	-	(455,184)	1,927,769	-	13,535,412	(3,545,605)	9,989,807
Buildings - Crown	1,468,000	(745,044)	722,956	-	-	-	-	(67,714)	-	-	1,468,000	(812,758)	655,242
Furniture and Fittings	938,116	(714,388)	223,728	21,525	(294,219)	-	-	(77,303)	221,339	-	665,422	(570,352)	95,070
Plant & Equipment	3,845,396	(2,853,749)	991,647	93,383	(250,139)	-	-	(250,094)	180,470	-	3,688,640	(2,923,373)	765,267
Computers	4,422,657	(3,674,656)	748,001	15,226	(2,252,198)	-	-	(319,687)	2,034,439	-	2,185,685	(1,959,904)	225,781
Audio Equipment	2,059,884	(1,855,172)	204,712	5,610	(1,845,782)	-	-	(69,525)	1,707,956	-	219,712	(216,741)	2,971
Outdoor Rec Equipment	231,746	(186,419)	45,327	39,619	(17,207)	-	-	(34,649)	16,491	-	254,158	(204,577)	49,581
Library	387,957	(328,653)	59,304	8,744	(74,114)	-	-	(22,186)	42,671	-	322,587	(308,168)	14,419
Vehicles	2,235,208	(1,849,157)	386,051	5,000	(100,253)	-	-	(115,266)	100,252	-	2,139,955	(1,864,171)	275,784
Climbing Wall	87,092	(73,992)	13,100	-	-	-	-	(6,057)	-	-	87,092	(80,049)	7,043
Assets in Course of Construction - Buildings TPP	388,144	-	388,144	-	(388,144)	-	-	-	-	-	-	-	-
Assets in Course of Construction - Computers	9,169	-	9,169	-	(9,169)	-	-	-	-	-	-	-	-
Total Polytechnic & Group	**33,121,271**	**(17,299,420)**	**15,821,851**	**644,423**	**(7,841,004)**	**-**	**-**	**(1,417,665)**	**6,231,387**	**-**	**25,924,690**	**(12,485,698)**	**13,438,992**

Polytechnic & Group 2018	Cost/ valuation 1/1/18	Accumulated depreciation and impairment charges 1/1/18	Carrying amount 1/1/18	Current year additions	Current year disposals	Current year impairment charges	Reclassification Transfer	Current year depreciation	Accum Dep'n on Disposals	Revaluation Surplus	Cost/ revaluation 31/12/18	Accumulated depreciation and impairment charges 31/12/18	Carrying amount 31/12/18
Land	1,358,027	-	1,358,027	-	-	-	-		-	-	1,358,027	-	1,358,027
Buildings - TPP	13,535,412	(3,545,605)	9,989,807	27,328	(14,250)	-	-	(412,641)	3,403	-	13,548,490	(3,954,843)	9,593,647
Buildings - Crown	1,468,000	(812,758)	655,242	-	-	-	-	(67,715)	-	-	1,468,000	(880,473)	587,527
Furniture and Fittings	665,422	(570,352)	95,070	10,261	-	-	-	(40,032)	-	-	675,683	(610,384)	65,299
Plant & Equipment	3,688,640	(2,923,373)	765,267	19,158	(46,406)	-	4,358	(177,709)	22,539	-	3,665,750	(3,078,543)	587,206
Computers	2,185,685	(1,959,904)	225,781	48,422	(23,554)	-	-	(141,822)	23,554	-	2,210,554	(2,078,172)	132,382
Audio Equipment	219,712	(216,741)	2,971	-	-	-	-	(2,269)	-	-	219,712	(219,010)	702
Outdoor Rec Equipment	254,158	(204,577)	49,581	29,147	(7,456)	-	-	(38,090)	7,456	-	275,849	(235,211)	40,639
Library	322,587	(308,168)	14,419	2,102	-	-	-	(10,761)	-	-	324,689	(318,929)	5,760
Vehicles	2,139,955	(1,864,171)	275,784	-	(460,989)	-	(4,358)	(87,432)	406,346	-	1,674,608	(1,545,258)	129,350
Climbing Wall	87,092	(80,049)	7,043	2,737	-	-	-	(6,845)	-	-	89,829	(86,894)	2,935
Assets in Course of Construction -	-	-	-	147,622	-	-	-	-	-	-	147,622	-	147,622
Total Polytechnic & Group	**25,924,690**	**(12,485,698)**	**13,438,992**	**286,777**	**(552,655)**	**-**	**-**	**(985,316)**	**463,297**	**-**	**25,658,812**	**(13,007,717)**	**12,651,095**

Legal ownership of land and buildings is detailed as follows:

	Land		Buildings	
	2018	2017	2018	2017
Polytechnic owned	1,358,027	1,358,027	9,593,647	9,989,807
Crown owned	-	-	587,527	655,242
Total	**1,358,027**	**1,358,027**	**10,181,174**	**10,645,049**

Effective 31 January 2018 the business unit of the Music and Audio Institute of New Zealand (MAINZ) was sold to Southern Institute of Technology (SIT). Assets with a book value of $1.2m were transferred for consideration of $1. In the 2017 year these assets were reclassified to Assets held for sale. In the 2018 year, the loss on the disposal of these assets was recognised directly in to equity.

9. Intangible Assets

Accounting Policy

Computer Software

Computer software is separately acquired and capitalised at its cost as at the date of acquisition. After initial recognition, separately acquired intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Course Development

Costs that are directly associated with the development of new educational courses are recognised as an intangible asset to the extent that such costs are expected to be recovered. The development costs consist primarily of Consultant and Employee costs.

A summary of the policies applied to the Polytechnic and Group's intangible assets is as follows:

	Computer Software	Course Development
Useful lives	Finite: 3-5 years	Finite: 3-5 years
Method used	Straight line method	Straight line method

The amortisation period and amortisation method for each class of intangible asset having a finite life is reviewed at each financial year-end. If the expected useful life or expected pattern of consumption is different for the previous assessment, changes are made accordingly.

The carrying value of each class of intangible asset is reviewed for indicators of impairment annually. Intangible assets are tested for impairment where an indicator of impairment exists and the asset's recoverable amount is estimated. An impairment loss is recognised in the surplus or deficit, for the amount by which the asset's carrying value exceeds its recoverable amount.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is de-recognised.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable business assets purchased by the Polytechnic.
Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units that are expected to benefit from the acquisition that gave rise to goodwill.

Polytechnic and Group

Movements for each class of intangible asset are as follows:

	Software	Goodwill	Course Development	Total
Balance at 1 January 2018				
Cost	670,243	224,000	732,056	1,626,299
Accumulated amortisation and impairment	(578,952)		(561,866)	(1,140,818)
Opening carrying amount	91,291	224,000	170,190	485,481
Year ended 31 December 2018				
Additions	17,697		66,100	83,797
Disposal			(344,092)	(344,092)
Write Off		(224,000)		(224,000)
Amortisation	(72,224)		(102,681)	(174,905)
Amortisation on Disposals			313,789	313,789
Closing carrying amount	36,764		103,306	140,070
Balance at 31 December 2018				
Cost	687,940	-	454,063	1,366,003
Accumulated amortisation and impairment	(651,176)	-	(350,757)	(1,001,933)
Closing carrying amount	**36,764**	**-**	**103,306**	**140,070**
Assets in Course of Construction at 31 December 2018 - Course Development				
Total closing carrying amount	**36,764**	**-**	**103,306**	**140,070**
Balance at 1 January 2017				
Cost	706,852	224,000	757,759	1,688,611
Accumulated amortisation and impairment	(531,047)		(534,862)	(1,065,909)
Opening carrying amount	175,805	224,000	222,897	622,702
Year ended 31 December 2017				
Additions	35,297		126,869	162,166
Disposal	(71,906)		(152,572)	(224,478)
Amortisation	(104,142)		(136,026)	(240,168)
Amortisation on Disposals	56,237		109,022	165,259
Closing carrying amount	91,291	224,000	170,190	485,481
Balance at 31 December 2017				
Cost	670,243	224,000	732,056	1,626,299
Accumulated amortisation and impairment	(578,952)		(561,866)	(1,140,818)
Closing carrying amount	91,291	224,000	170,190	485,481
Assets in Course of Construction at 31 December 2017 - Course Development			-	-
Total closing carrying amount	**91,291**	**224,000**	**170,190**	**485,481**

Goodwill purchased in 2008
The Polytechnic acquired the business assets and intellectual property of Emergency Management Academy of New Zealand Limited, in November 2008 for a consideration of $109,000 comprising of tangible assets $15,000 and intangible assets $94,000 recognised as goodwill.

Goodwill was impairment tested against 2 years future discounted cash flows at 15% (2017: 15%) arising from the acquired cash generating unit and fully impaired at balance date.

Key Assumptions
The Polytechnic achieves the 2019 EFTS budget.

Determination of values assigned to key assumptions
There is no significant change to 2019 budgeted TEC funding/or target EFTS.

Discount period
Two years future maintainable free cash flow based on 2019 cash generating budget

Future cash flow growth rates
Zero

Goodwill purchased in 2009
The Polytechnic acquired the business activities of CETC a cash generating unit of the Buller High School, in December 2009 for a consideration of $130,000 comprising tangible assets $10,000 and intangible assets $120,000 recognised as goodwill.

Goodwill was impairment tested against five years future discounted cash flows at 15% (2015:15%) arising from the acquired cash generating unit and fully impaired at balance date.

Key Assumptions
The Polytechnic achieves the 2019 revenue budget.

Determination of values assigned to key assumptions
There is no significant change to 2019 budgeted funding.

Discount period
Two years future maintainable free cash flow based on 2019 cash generating budget

Future cash flow growth rates
Zero

10. Creditors and Other Payables

Accounting Policy

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
GST	-	(411,305)	-	(411,305)
Creditors	514,292	357,578	517,876	361,061
Accrued Expenses	721,937	580,103	721,937	580,103
Student Deposits	9,345	11,794	9,345	11,794
Total Creditors and Other Payables	**1,245,574**	**538,170**	**1,249,158**	**541,653**

11. Revenue Received in Advance

	Polytechnic		Group	
	2018 Actual	2017 Actual	2018 Actual	2017 Actual
Tuition Fees in Advance	102,446	147,135	102,446	147,135
MOE Funding in Advance	-	96,784	-	96,784
Total Revenue Received in Advance	**102,446**	**243,919**	**102,446**	**243,919**

12. Employee Entitlements

Accounting Policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay.
These include salaries and wages accrued up to the balance date, annual leave earned to but not yet taken at balance date and sick leave.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to Kiwisaver, the Government Superannuation Fund and other defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

	Polytechnic		Group	
	2018 Actual	**2017 Actual**	**2018 Actual**	**2017 Actual**
Current portion				
Holiday Pay	430,477	786,713	430,477	786,713
Long Service Leave	4,976	-	4,976	-
Retirement Benefits	2,792	-	2,792	-
Total current portion	**438,245**	**786,713**	**438,245**	**786,713**
Non Current Portion				
Long Service	19,453	-	19,453	-
Retirement Benefits	71,021	119,085	71,021	119,085
Total non current portion	**90,474**	**119,085**	**90,474**	**119,085**
Total Employee Entitlement	**528,719**	**905,798**	**528,719**	**905,798**
Movement in employee entitlements				
Employee entitlements at 1 January	**905,798**	**660,440**	**905,798**	**660,440**
Movement in accrued pay	(377,079)	114,948	(377,079)	114,948
Additions during the year	-	130,410	-	130,410
Employee entitlements at 31 December	**528,719**	**905,798**	**528,719**	**905,798**

Employee Entitlements

A provision is recognised for post-employment benefits payable to employees. Employees are entitled to annual leave pay, long service and retirement gratuities.

Annual leave is expected to be settled within 12 months of the Statement of Financial Position date and is measured at the current rates of pay.

Entitlements relating to long service leave and retirement gratuities have been calculated at present value of future cash flows determined on an actuarial basis.

The provision is affected by a number of assumptions including expected length of service, attrition rate and salary increase.

13. Commitments & Contingencies

Contingent Liabilities

As at 31 December 2018, the Polytechnic had contingent liabilities relating to:

(1) A performance bond required as a condition of resource consent from the West Coast Regional Council, for Alluvial Goldmining: $3,000 (2017 $3,000).

(2) Redundancy costs payable to the Southern Institute of Technology for MAINZ staff that were made redundant subsequent to the transfer of this business unit. The cost is expected to be approximately $400,000 (2017: $nil).

(3) A former employee of the Polytechnic is seeking payment for lost income, compensation for humiliation and loss of dignity, a penalty for breach of good faith, a penalty for breaching the terms of the employment agreement, and costs. An investigation meeting took place in the Employment Relations Authority on 28 February 2019 after an unsuccessful mediation. The former employee is seeking a total amount of $78,400. The decision of the Employment Relations Authority is expected by the end of April 2019.

Capital Commitments

As at 31 December 2018, the Polytechnic had a capital commitment of $73,806 in relation to building development works in Christchurch (2017: $nil).

14. Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components. The components of equity are general funds, and restricted reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Polytechnic. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

	Polytechnic		Group	
	2018 Actual	**2017 Actual**	**2018 Actual**	**2017 Actual**
EQUITY				
General Funds				
Balance at 1 January	21,740,394	17,237,587	21,751,259	17,258,978
Total Comprehensive Revenue and Expense attributable to TPP	(11,869,101)	(2,800,681)	(11,879,921)	(2,811,207)
Capital Injections	8,500,000	7,303,488	8,500,000	7,303,488
MAINZ Assets transferred to Southern Institute of Technology	(1,255,951)	-	(1,255,951)	-
Balance at 31 December	17,115,342	21,740,394	17,115,387	21,751,259
Restricted Reserves				
Balance at 1 January	25,361	26,761	25,361	26,761
Application of scholarships and trust	(8,227)	(1,400)	(8,227)	(1,400)
Balance at 31 December	17,134	25,361	17,134	25,361
Total Equity	**17,132,476**	**21,765,755**	**17,132,521**	**21,776,620**

15. Related Party Transactions

Accounting Policy

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that the Polytechnic would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

TPP previously disclosed ALL related party transactions, this has been discontinued in line with the above stated policy.

Key Management personnel compensation

	FTE	2018	FTE	2017
Short Term				
KMP Salaries and other short-term employee benefits	7	1,018,098	10	1,553,551
Councillors remuneration	4	77,962	4	83,765
Crown Manager Remuneration		170,300		197,600
		1,266,361		1,834,916
Termination Benefits		334,261		23,034
		1,600,622		**1,664,353**

Key management personnel include councillors and the senior management team.

Close family members of key management personnel are employed by Tai Poutini Polytechnic. The terms and conditions of those arrangements are no more favourable than Tai Poutini Polytechnic would have adopted if there were no relationship to key management personnel.

Refer to Note 1: The 2017 financial statements did not separately disclose the remuneration of the Crown Manager. The comparative in the above table has been restated to include this disclosure.

16. Financial Instruments Risks

The Polytechnic's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Polytechnic and Group has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

Financial instruments categories	**Polytechnic 2018**	**Polytechnic 2017**	**Group 2018**	**Group 2017**
Loans and receivables				
Cash and cash equivalents	4,309,393	2,633,933	4,310,087	2,635,084
Accounts receivable	582,699	5,167,818	582,699	5,167,818
Term deposits	1,228,363	203,221	1,228,363	209,375
Trust investments	281,242	278,964	281,242	278,964
	6,401,697	8,283,936	6,402,391	8,291,241
Investments carried at cost				
Equity investment	-	-	-	-
Other financial liabilities at amoritsed cost				
Accounts payable and accruals	1,786,265	1,568,802	1,789,849	1,572,285
Trust and funds	281,242	278,964	281,242	278,964
	2,067,507	1,847,766	2,071,091	1,851,249

Tai Poutini Polytechnic (TPP) has a series of policies to manage the risks associated with financial instruments. TPP is risk averse and seeks to minimise exposure from its treasury activities.

TPP has established Council approved investment policies which do not allow treasury transactions that are speculative in nature. The approved investment outlets for placement of cash have Standards & Poors grading of AA- and above.
The main risks arising from the Polytechnic's financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

Tai Poutini Polytechnic's exposure to market risk for changes in interest rates relates primarily to the Polytechnic's short-term deposits and its loans and advances to its subsidiary. TPP monitors the market price risk arising from all financial instruments.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest revenue based on financial instrument exposure at balance date would have increased/(decreased) equity and surplus or deficit by the amounts shown below.

This analysis assumes all other variables remain constant

Parent	Other Equity 100 bp increase	Other Equity 100 bp (decrease)	Surplus or deficit 100 bp increase	Surplus or deficit 100 bp (decrease)
2018				
Variable rate financial assets	-	-	43,075	(43,075)
2017				
Variable rate financial assets	-	-	22,876	(22,876)

Group	Other Equity 100 bp increase	Other Equity 100 bp (decrease)	Surplus or deficit 100 bp increase	Surplus or deficit 100 bp (decrease)
2018				
Variable rate financial asset	-	-	43,075	(43,075)
2017				
Variable rate financial assets	-	-	22,876	(22,876)

Liquidity risk

Liquidity risk is the risk that the Polytechnic and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and to meet its liquidity requirements the Polytechnic maintains a target level of short-term deposits that must mature within the next 12 months.

Contractual maturity analysis of financial liabilities		6 months or less	Contractual cash flow	Carrying Amount
Polytechnic				
31 December 2018	Accounts payable	1,683,819	1,683,819	1,683,819
	Trust and funds	281,242	281,242	281,242
		1,965,061	1,965,061	1,965,061
31 December 2017	Accounts payable	1,324,883	1,324,883	1,324,883
	Trust and funds	278,964	278,964	278,964
		1,603,847	1,603,847	1,603,847
Group				
31 December 2018	Accounts payable	1,687,403	1,687,403	1,687,403
	Trust and funds	281,242	281,242	281,242
		1,968,645	1,968,645	1,968,645
31 December 2017	Accounts payable	1,328,366	1,328,366	1,328,366
	Trust and funds	278,964	278,964	278,964
		1,607,330	1,607,330	1,607,330

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Polytechnic Group causing it to incur a loss. With the exception of student fees the Polytechnic Group trades only with creditworthy third parties.

Contractual maturity analysis of financial assets		Current	1 month	2 month	3 month +	Contractual Cash flows	Carrying Amount
Polytechnic							
31 December 2018	Debtors and other receivables	349,830	59,035	26,185	236,851	671,901	582,699
	Cash and term deposits	4,309,393	-	210,314	1,018,049	5,537,756	5,537,756
		4,659,223	59,035	236,499	1,254,900	6,209,657	6,120,455
31 December 2017	Debtors and other receivables	4,217,410	377,876	120,114	667,417	5,382,817	5,167,818
	Cash and term deposits	2,633,933	-	203,221	-	2,837,154	2,837,154
		6,851,343	377,876	323,335	667,417	8,219,971	8,004,972
Group							
31 December 2018	Debtors and other receivables	349,830	59,035	26,185	236,851	671,901	582,699
	Cash and term deposits	4,310,087	-	210,314	1,018,049	5,538,451	5,538,450
		4,659,917	59,035	236,499	1,254,900	6,210,351	6,121,149
31 December 2017	Debtors and other receivables	4,217,410	377,876	120,114	667,417	5,382,817	5,167,818
	Cash and term deposits	2,633,933	-	203,221	-	2,837,154	2,837,154
		6,851,343	377,876	323,335	667,417	8,219,971	8,004,972

Maximum exposure to credit risk	Polytechnic 2018	Polytechnic 2017	Group 2018	Group 2017
Cash at bank and term deposits	5,537,756	2,837,154	5,538,450	2,837,154
Debtors and other receivables	671,901	5,382,817	671,901	5,382,817
	6,209,657	**8,219,971**	**6,210,351**	**8,219,971**

Counterparties with Credit Ratings	Polytechnic 2018	Polytechnic 2017	Group 2018	Group 2017
Cash at bank and term deposits				
AA-	5,537,756	2,837,154	5,538,450	2,837,154
	5,537,756	**2,837,154**	**5,538,450**	**2,837,154**

Debtors and other Receivables before provision for bad and doubtful debts	Polytechnic 2018	Polytechnic 2017	Group 2018	Group 2017
Existing Counterparty with no defaults in past	671,901	5,382,817	671,901	5,382,817
	671,901	**5,382,817**	**67,901**	**5,382,817**

17. Major Budget Variations

Explanations for major variations from the budget figure are as follows:

Revenue

Government grants include a $3.5m reduction, being the unwind of MOE funding recognised in prior years, but relating to current year delivery.

Expenditure

Expenses have reduced $2.4m on the 2017 year, due to a reduction in staffing and course delivery. Note the 2018 year also includes $2.0m of non-recurring costs relating to the transformation and $0.2m relating to goodwill write off.

Cashflow

TPP received a Cash Injection from the MOE of $8.5m during 2018. Actual cashflows were similar to budget.

18. Discontinued Operations

On 1 January 2018, the Group entered into an agreement to dispose of their Music and Audio Institute of New Zealand ("MAINZ") faculty, which provided the Group's Music and Audio courses.

Control of the MAINZ operation was transferred to the Southern Institute of Technology ("SIT") for a nominal consideration of $1, effective 31 January 2018. The plant and equipment associated with this operation were classified as held for sale as at 31 December 2017. (Refer to Note 8.) On 31 January 2018 these assets were transferred to equity at their 31 December 2017 closing book value. Therefore the loss recognised on the disposal of the MAINZ faculty was the 31 December 2017 assets held for sale value of $1.26m.

Analysis of the profit for the year from discontinued operations

The results of the discontinued operation included in the deficit for the year are set out below. The comparative profit from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

Profit for the year from discontinued operations

	2018 Actual	2017 Actual
Income		
Government Grants	-	3,105,869
Tuition Fees	(3,128)	2,140,527
Other Income	-	16,385
	(3,128)	**5,262,781**
Expenses		
Personnel Costs	149,942	3,209,914
Depreciation and Amortisation Expense	10,045	204,428
Finance Costs	-	-
Other Expense	204,744	1,756,743
	364,731	**5,171,085**
Profit for the year from discontinued operations (attributable to Tai Poutini Polytechnic)	(367,859)	91,696
Cashflow from discontinued operations		
Net inflows from operating activities	(357,814)	296,124
Net inflow from investing activities	-	(5,610)
Net inflows from financing activities	-	-
Net cash inflows	**(357,814)**	**290,514**

19. Post Balance Date Events

There were no significant post balance date events other than those set out in notes 20 and 21 below.

20. Reform of Vocational Education and financial viability matters

Reform of Vocational Education (RoVE)

The Minister of Education announced the Government's decisions on the Reform of Vocational Education proposals on 1 August 2019, and has since enacted the Education and Training Act 2020 (the Act) giving effect to those reforms. In essence, the Act reforms the delivery of vocational education in New Zealand by creating a new Crown entity, Te Pūkenga - New Zealand Institute of Skills and Technology (Te Pūkenga) and converting all existing institutes of technology and polytechnics(ITPs) into crown entity companies as wholly owned subsidiaries of Te Pūkenga, which have taken over the operational activities of existing ITPs. The Act disestablished the Tai Poutini Polytechnic and transferred its assets and liabilities to a new company, Tai Poutini Polytechnic Limited (TPP Ltd) on 1 April 2020. The legislation provides for the subsidiaries to operate until 31 December 2022 while Te Pūkenga establishes an operating model."

As a consequence, TPP considers the disestablishment basis for preparation of the financial statements is appropriate for the year ending 31 December 2018, as the Polytechnic ceased as an entity and its assets and liabilities were transferred to Tai Poutini Polytechnic Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

Appointment of Crown Manager

Following a deficit of $1.6m in 2015, TPPs financial results continued to deteriorate. In addition, a TEC audit performed in September 2015 revealed an under-delivery of funded teaching hours at TPP. This led to a review by Deloitte in December 2015, which was widened in March 2016 to an investigation.

The investigation ultimately found significant under-delivery in a number of programmes dating back to 2010. In total, it was found that TPP owed $21.23m (excluding GST) to TEC for under-delivery.

TPP also under-delivered against its allocated funding for 2016 because it provided programmes to fewer students than it was funded for. This led to a further debt of $3.2m (excluding GST).

The council of TPP wrote to the minister on 8 November 2016 requesting that the minister consider appointing a Crown Manager to address these issues. A Crown Manager was appointed in December 2016, assuming responsibility for all matters relating to finances and the quality of programmes. Under the new Acting Chief Executive, appointed in late 2016, TPP has undertaken a number of initiatives to meet its compliance, student experience and financial sustainability requirements. TEC has indicated its confidence with the approach TPP is taking to ensure business improvements are made.

Capital injection and debt-write off

Since the appointment of the Crown Manager, TPP has actively engaged with TEC and the ministry with respect to TPP future viability and funding, and future tertiary education and training options on the West Coast.

To date, the following have been agreed:

- TEC have written off the $21.23m under-delivery;
- TEC have converted the liability of $3.2m over-funding for 2016 into a capital injection;
- The Crown provided capital injections of $3.6m in 2017 and $8.5m in the 2018 to enable TPP to continue to operate and make operational and educational improvements;
- Subsequent to this report the Crown has continued to support TPP with further capital injections of $2.25m in 2019 and $5.0m in 2020.

Forecast financial position

While TPP has progressed with: improving quality systems and processes through collaboration with other ITPs, to the satisfaction of NZQA; improving responsiveness to students and employers on the West Coast, by actively engaging with them and offering a range of programmes designed to meet their needs; partnering with other providers to deliver courses on the West Coast; and right-sizing the TPP structure, this has required the continued support from Crown. The Crown has supported these changes and the ongoing operation of TPP during 2019 and 2020 as outlined above through to the disestablishment of TPP on 31 March 2020 and continues to provide funding support to the new TPP Ltd entity through parent Te Pūkenga while the wider sector reforms and new operating model are developed and implemented. To this end the parent entity Te Pūkenga has provided a letter of comfort to TPP Ltd dated 21 April 2021 for a 24-month period as of that date. The letter of support notes that Te Pūkenga will provide financial support to assist TPP meet their liabilities as and when they fall due. Te Pūkenga has advanced TPP $2.0m as at 28 July 2021.

21. The effects of COVID-19 on the Polytechnic

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 for the period 26 March 2020 to 27 April 2020 and remained in lockdown at Alert Level 3 thereafter until 13 May 2020.

During this period, TPP closed all delivery sites and most staff moved to a 'work from home' model and teaching was changed to on-line delivery. After 13 May 2020, Alert Level 2 came into effect and TPP was able to move to returning colleagues and learners to campus. Most staff and students continued to work and study at home if they were not required to be on site for on-campus learning. Alert Level 1 was announced on 8 June 2020 which allowed transition back to full access at all sites.

The pandemic occurred in 2020 and therefore did not impact the financial performance of TPP for 2019.

While the lockdown and alert levels affected TPP operationally as described above, the financial impact was limited due to TPP not delivering programmes to International students. The TEC did not recover 2020 domestic funding because of either non-achievement of Education Performance Indicators or under-achievement of Education Performance Indicators or under-delivery during the 2020 year. The TEC also provided additional technology and hardship support to assist students with maintaining their studies during 2020. As a result TPP met budgeted revenue for the full 2020 year across TPP and TPP Ltd and additional COVID related costs were offset by reduced operating costs in other areas.

TPP Ltd does not currently enrol International students so is not directly exposed to border constraints arising from COVID-19 during 2021. At this time, it is difficult to determine the full on–going effect of COVID–19 and therefore some material uncertainties remain. There could also be other matters that affect TPP Ltd going forward.

22. Breach of Statutory reporting deadlines

The Education Act 1989 and the Crown Entities Act 2004 require that TPP's annual report be audited within 4 months from the end of the financial year.

TPP was not able to comply with this requirement for the year ended 31 December 2018 and the annual report was not adopted until 28 July 2021.

Appendix 1 Compulsory Student Services Levy

The compulsory student services levy was set as follows for 2018:
$230 (GST inclusive) per full-time student at MAINZ campuses
$100 (GST inclusive) per full-time student at the Greymouth campus (reduced fee as not all services available)
$40 (GST inclusive) per full-time student at Wanaka and Westport campuses (reduced fee as not all services available)

The areas of service that are provided are identified through an annual student survey.

The levy funds key services for students to assist in their success, retention and overall well-being while studying at TPP, and covers:

Careers Advice and Guidance

TPP provides advice and support to students so they can make informed decisions about their career path and study programme, and to improve their employability.

Counselling and Pastoral Care

TPP has a range of pastoral and counselling services to facilitate students' integration into tertiary life and provide ongoing support while they are studying with us.

Financial Support and Advice

TPP assists students with Studylink, budgeting and emergency financial assistance for students experiencing extreme financial hardship.

Medical Subsidies

TPP has agreements with select medical centres to offer subsidised fees to registered eligible students.

Compulsory Student Service Fees

For the year ended 31 December 2018	Careers Advice and Guidance	Counselling and Pastoral Care	Financial Support and Advice	Medical Subsides	Total
Revenue	2,920	3,886	1,986	992	9,784
Expenses	14,479	76,942	6,181	900	98,502
Surplus (Deficit)	(11,559)	(73,056)	(4,195)	92	(88,718)

For the year ended 31 December 2017	Careers Advice and Guidance	Counselling and Pastoral Care	Financial Support and Advice	Medical Subsides	Total
Revenue	28,688	40,244	6,016	3,579	778,527
Expenses	93,940	114,557	6,582	982	216,061
Surplus (Deficit)	(65,252)	(74,313)	(566)	2,597	(137,534)

This information is reported in accordance with Sections 227A (1) and 235 D (1) of the Education Act 1989.

Creating BETTER Together

Tai Poutini Polytechnic West Coast New Zealand

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