

Special Purpose Financial Reports

AGE Limited

For the year ended 31 December 2022

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Company Directory

AGE Limited

For the year ended 31 December 2022

Nature of Business

Education

Registered Office

Level 1
60 Highbrook Drive
East Tamaki
AUCKLAND

Company Number

6315728

New Zealand Business Number

9429046200099

Directors

Evan Christian

Katherine Allsopp-Smith

Shareholder

2061 LP 1000 Ordinary Shares

Chartered Accountant

BDO Auckland
Level 1
60 Highbrook Drive
East Tamaki
AUCKLAND

Bankers

ANZ Bank

Solicitors

Brown Partners
Level 3
18 Shortland Street
AUCKLAND

Chapman Tripp
Level 34
15 Customs Street West
AUCKLAND

Approval of Financial Report

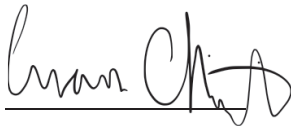
AGE Limited

For the year ended 31 December 2022

The Directors are pleased to present the approved financial report including the historical financial statements of AGE Limited for year ended 31 December 2022.

Approved

For and on behalf of the Board of Directors:



Evan Christian



Katherine Allsopp-Smith

14 / 12 / 23

Date

AGE Limited

Independent auditor's report to the Shareholders

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AGE Limited (the entity), which comprise the balance sheet as at 31 December 2022, and the statement of profit or loss and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with the accounting policies outlined in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements have been prepared to assist the entity to comply with the requirements of the Education Act. As a result, the special purpose financial statements may not be suitable for another purpose.

Other Matter

The financial statements for the period ended 31 December 2021 were not audited. Our opinion is not modified in respect of this matter.

Directors' Responsibilities

The directors are responsible on behalf of the entity for the preparation of financial statements prepared in accordance with the accounting policies disclosed in Note 1 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for the selection of accounting policies that are appropriate for the entity.

In preparing the financial statements, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the AGE Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events.

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.

Restriction on Distribution and Use

This report is made solely to the Directors. Our audit work has been undertaken so that we might state to the Directors those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, for our audit work, for this report or for the opinions we have formed.

William Buck Audit (NZ) Limited

William Buck.

Auckland
15 December 2023

Statement of Profit or Loss

AGE Limited

For the year ended 31 December 2022

	NOTES	2022	2021
Income			
ACC Funded support		14,769	12,300
Activity Fee		139,921	54,895
Application Fees		55,717	37,087
Other Revenue		1,329	599
MoE Grants received		119,414	62,674
Covid-19 Wage Subsidy		-	106,544
Associate Teacher Allowance		464	413
COVID-19 Resurgent Support Payment		-	73,600
Parent Funded LSA		8,968	3,654
Christmas Fair		-	403
MoE TA Funding received		15,486	-
Student Term Fees		1,447,844	777,973
Room Hire		2,643	-
Student transport fees		12,352	9,015
School lunches		6,289	3,545
Stationery - parent funded		154	-
NCEA Fees contribution		22,826	12,391
Market Day		4,107	-
Subvention Income		1,422,533	1,579,088
Total Income		3,274,816	2,734,182
Expenses			
IT Subscriptions		9,406	5,707
ACC Levies		3,879	2,999
Advertising & Marketing		49,481	111,120
Amortisation of trademarks		706	706
Bad debt expense		-	4,652
Bank Fees		508	410
Cleaning Contractors		47,258	34,302
Consulting & Accounting		51,749	44,036
Consultancy WELL project		10,500	23,643
Cleaning		7,147	2,810
Computer Expenses		-	352
Depreciation		217,214	192,072
Freight & Courier		96	3,561
Functions & Events		1,395	88
Loss on Asset Disposal		-	(1,150)
General & Office Expenses		14,283	5,254
Governance		7,686	9,073
Health & Safety		4,145	-
HR		1,300	1,312

	NOTES	2022	2021
Insurance		15,346	13,459
Interest Expense		216,007	144,408
Lake Road - Operating expense		18,809	-
Legal expenses		9,900	-
Light, Power, Heating		5,555	6,460
Learning & Development		29,113	35,077
Marketing Unbudgeted re Virtual School		7,250	8,450
Motor Vehicle Expenses & Fuel		7,652	3,591
Management fees		100,000	100,000
Photocopying & Printing		4,483	5,038
Principal Expenses		2,850	3,123
Rent & Rates		491,067	420,134
Rent - excess over budget		-	44,633
Repairs and Maintenance		11,094	9,379
Resources		4,967	6,479
Salaries & Wages		1,610,231	1,187,359
Salaries - Other		33,197	-
School Expenses		139,194	106,799
Security		743	1,295
Small asset purchases unbudgeted		5,523	24,844
Staff Parking		12,174	4,281
Staff insurance cover		7,528	2,672
Student lunches		3,526	1,405
Subscriptions		8,608	4,364
Telephone & Internet		4,083	8,604
Travel Expenses		3,445	507
Other Unbudgeted Marketing		-	3,226
Unbudgeted - Sanders Ave OpEx		-	21,548
414 Lake Rd - Unbudgeted Opex		-	17,742
46 Hurstmere Rd - Rent and OpEx		2,624	-
Market Day Fundraiser		1,638	-
Total Expenses		3,183,356	2,625,823
Net Profit (Loss) for the Year		91,460	108,358

Balance Sheet

AGE Limited

As at 31 December 2022

	NOTES	NOTES	31 DEC 2022	31 DEC 2021
Assets				
Current assets				
Cash and cash equivalents		3	208,632	99,097
Trade and other receivables			649,475	428,080
Subvention Receivable			1,422,533	2,091,014
Inventories			23,280	23,280
Prepayments			8,529	17,327
Other current assets			-	2,848
Total Current assets			2,312,449	2,661,645
Non current assets				
Property, plant and equipment		4	2,813,644	2,746,282
Intangibles		5	4,942	5,648
Total Non current assets			2,818,586	2,751,930
Total Assets			5,131,036	5,413,575
Liabilities				
Current liabilities				
Trade and other payables -related parties		7	908,741	648,437
Trade and other payables -others			273,347	239,179
GST payable			62,554	35,805
Student Fees Unearned			690,680	555,146
Borrowings		6	8,516	-
Total Current liabilities			1,943,838	1,478,567
Non current liabilities				
Borrowings		6	11,313	24,400
Other non current liabilities			70,000	-
Related party loans		6 7	2,802,659	3,698,842
Total Non current liabilities			2,883,972	3,723,242
Total Liabilities			4,827,809	5,201,809
Equity				
Share capital			1,000	1,000
Retained earnings			302,226	210,766
Total Equity			303,226	211,766
Total liabilities and equity			5,131,036	5,413,575

Statement of Changes in Equity

AGE Limited

For the year ended 31 December 2022

	2022	2021
Issued capital		
Issued capital		
1,000 Ordinary Shares	1,000	1,000
Total Issued capital	1,000	1,000
Total Issued capital	1,000	1,000
	2022	2021
Retained earnings		
Retained earnings		
Opening Balance	210,766	(9,702)
Current Year Earnings (Losses)	91,460	108,358
Changes in Accounting Estimate	-	112,110
Total Retained earnings	302,226	210,766
Total Retained earnings	302,226	210,766
	2022	2021
Equity		
Retained earnings	302,226	210,766
1,000 Ordinary Shares	1,000	1,000
Total Equity	303,226	211,766

Notes to the Financial Statements

AGE Limited

For the year ended 31 December 2022

1. Statement of Accounting Policies

Reporting entity

The financial statements presented here are for the entity AGE Limited, incorporated under the Companies Act 1993.

Nature of business

The company is engaged in the operation of an online Virtual and Physical School. The nature of the company's business has not changed during the year under review.

Basis of preparation

The directors have chosen to prepare special purpose financial reports which may not necessarily comply with generally accepted accounting practice.

The financial statements have been prepared for one or more of the following parties:

- the entity's owners
- Inland Revenue.

Historical cost

These financial statements have been prepared on a historical cost basis.

Functional currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$.

Share capital

As at 31 December 2022, the company has issued 1,000 ordinary shares. Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution.

Changes in accounting policies

There has been no changes in accounting policies during the year. Accounting policies were applied consistently.

Going Concern

The company is currently dependent on funding made from related parties and may require further funds in the future. The directors have made enquires and have no reason to anticipate that sufficient funding to allow the company to continue as a going concern will not be made available for the foreseeable future.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Property, plant & equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset using depreciation rates based on management's assessment. The following estimated depreciation rates have been used:

- Motor vehicles 10% SL
- Computer equipment 20% SL
- Furniture and fittings 10% SL
- Office equipment 20% SL
- Leasehold Improvements 5% - 20% SL

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are tested for impairment whenever there is an indication that the intangible asset may be impaired.

Income tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue.

Goods and services tax

The financial statements are stated exclusive of goods and services tax (GST) except for accounts receivable and accounts payable, which are stated inclusive of GST.

Comparative figures

The comparative figures shown are for a 12 month period.

Comparative figures are unaudited.

Subvention Payments

The Income Tax Act allows loss-making companies to transfer their tax losses to other companies by way of a profitable company making a subvention payment to a loss-making company where both companies meet certain requirements. AGE Limited is a member of a group of companies that meets those requirements.

Where AGE Limited is a loss-making company it records the subvention receipt it expects to receive as Subvention Receivable income in its Statement of Profit or Loss and as a current asset on its Balance Sheet in the year the receipt relates to. Where AGE Limited is a profit-making company it records the subvention payment it expects to make as Subvention Payable expense in its Statement of Profit or Loss and as a current liability on its Balance Sheet in the year the payment relates to.

Any variation between the Subvention Receivable or Subvention Payable expected is accounted for in the period the variation crystallises.

	2022	2021
2. Income tax expense		
Net profit (loss) per financial statements		
Current year earnings (losses)		
Current year earnings (losses)	91,460	108,358
Total Current year earnings (losses)	91,460	108,358
Total Net profit (loss) per financial statements		
	91,460	108,358
Prima facie tax expense at 28%	25,609	30,340
Income tax effects:		
Timing differences - fixed asset depreciation	(29,773)	(34,248)
Timing differences - accruals and provisions	3,967	3,710
Non deductible expenses	198	198
Total Income tax effects:	(25,609)	(30,340)
Current tax expenses		
Current tax expenses	-	-
Total Current tax expenses	-	-
	2022	2021

3. Cash and cash equivalents

Cash at bank and cash equivalents		
AGE Limited – Trust Account	37,483	-
ANZ Bank Account	171,149	99,097
Total Cash at bank and cash equivalents	208,632	99,097

	2022	2021
4. Property, plant and equipment		
Computers & Software		
Computers and software owned	127,260	104,311
Accumulated depreciation - fixed assets owned	(83,834)	(60,243)
Total Computers & Software	43,426	44,069
Furniture and fittings		
Furniture and fittings owned	571,532	460,225
Accumulated depreciation - furniture and fittings owned	(187,214)	(132,449)
Total Furniture and fittings	384,319	327,776
Leasehold Improvements		
Leasehold improvements	2,553,656	2,422,093
Accumulated depreciation - leasehold improvements	(250,323)	(122,773)
Total Leasehold Improvements	2,303,333	2,299,320
Office equipment		
Office equipment owned	27,873	9,115
Accumulated depreciation - office equipment owned	(9,571)	(6,737)
Total Office equipment	18,302	2,379
Vehicles		
Vehicles owned	84,737	84,737
Accumulated depreciation - vehicles owned	(20,473)	(11,999)
Total Vehicles	64,265	72,739
Total Property, plant and equipment	2,813,644	2,746,282
	2022	2021

5. Intangibles

Trademarks	7,060	7,060
Accumulated amortisation	(2,118)	(1,412)
Total Intangibles	4,942	5,648

	2022	2021
6. Borrowings		
Current		
IRD Small Business Loan	8,516	-
Total Current	8,516	-
Non-Current		
IRD Small Business loan	11,313	24,400
Wilshire Treasury Ltd	2,802,659	3,698,842
Total Non-Current	2,813,972	3,723,242
Total Borrowings	2,822,488	3,723,242

Please refer to Note 7 for further details.

Wilshire Treasury Ltd Loan

Repayments: repayable on demand, the directors do not expect the loan to be repaid within 12 months
Interest Rate: a margin of 10 basis points (0.10%) on Wilshire Treasury Ltd cost of funds advanced
Wilshire Treasury is the funding arm for the shareholder's business interests.

IRD Small Business Loan

This loan will be repaid by 27 May 2025. It is subject to interest at 3% per annum from 27 May 2022. The loan is unsecured.

7. Related Parties

Terms and conditions of transactions with related parties:

On terms standard across the shareholder's group, the loan from Wilshire Treasury Limited is secured, interest bearing and repayable on demand (see note 6).

During the year management fees of \$100,000+gst were charged by 2061 LP. (PY: \$115,000)

During the year, payable amounts to Christian Family Trust and to 2061 LP were assigned to Wilshire Treasury Ltd.

During the year subvention income was recognised from New Zealand Mail Limited amounting to \$1,422,533. In the prior year, subvention income was recognised from the shareholders group amounting to \$1,933,091 and \$157,924 respectively.

During the year rent of \$390,000 (GST exclusive) have been charged by Wilshire Holdings Limited for the tenancy at 2 Sanders Ave, Takapuna.

For the year ended 31 December 2022 the company has not made any allowance for impairment losses relating to amount owed by related parties. These entities are related by way of common ownership and /or control.

	2022	2021
Related Parties Balances		
Receivables		
AGE Charitable Trust	1,337	1,337
Katherine Allsopp-Smith and Evan Christian	18,320	5,826
Filecorp NZ Limited	-	157,924
New Zealand Mail Limited	1,422,533	1,933,091
Total Receivables	1,442,190	2,098,177

	2022	2021
Payables		
Other Payables		
AGE Foundation Charitable Trust (Fitout Rent)	240,000	240,000
Christian Family Trust	-	144,102
Wilshire Holdings Limited (Rent)	540,000	150,000
2061 LP (Management Fees)	100,000	100,000
Wilshire Treasury Limited (Interest)	28,741	14,335
Total Other Payables	908,741	648,437
Related Parties Loans Payable		
Wilshire Treasury Limited	2,802,659	3,698,842
Total Related Parties Loans Payable	2,802,659	3,698,842
Total Payables	3,711,400	4,347,279
	2022	2021

Related Parties Transactions**Revenue**

Filecorp NZ Limited	-	157,924
New Zealand Mail Limited (Subvention)	1,422,533	1,421,164

Expenses

Wilshire Holdings Limited (Rent)	390,000	150,000
2061 LP (Management Fee)	100,000	115,000
Wilshire Treasury Limited	215,610	120,598

2022 2021

8. Operating lease - future minimum lease payments under non-cancellable leases

Current	464,473	398,219
Non-current	3,030,000	4,446,056
Total Operating lease - future minimum lease payments under non-cancellable leases	3,494,473	4,844,275

Premises and Fitout Lease - 2 Sanders Ave, Takapuna

AGE Limited has a lease on an annual basis for its tenancy at 2 Sanders Ave, Takapuna . Current rent is \$390,000 per annum plus outgoings. Current term expires on 31 December 2040.

Premises Lease - 414 Lake Road, Takapuna

AGE Limited has a lease on an annual basis for its tenancy at 414 Lake Road, Takapuna. Current rent is \$58,835 per annum plus outgoings. Current term expires on 23 December 2023.

Premises Lease - 46 Hurstmere Road, Takapuna

AGE Limited has a lease on an annual basis for its tenancy at 46 Hurstmere Road, Takapuna . Current rent is \$22,174 per annum plus outgoings. Current term expires on 4 October 2023.

9. Contingent assets and liabilities

There are no contingent assets and liabilities at 31 December 2022 (2021: Nil).

10. Subsequent Events

No significant events have occurred subsequent to balance date.