MANUKAU INSTITUTE OF TECHNOLOGY
Te Whare Takiura o Manukau

FINANCIAL STATEMENTS

for three months ended 31 March 2020

CONTENTS

FINANCIAL STATEMENTS

Three months ended 31 March 2020

OUR ORGANISATION

About Manukau Institute of Technology (MIT)

Kaupapa

MIT exists to transform the lives of our students, their families and communities. We connect our students' hopes and aspirations to vocational education, job opportunities and career pathways.

We are the place for all people. Our commitment to Te Tiriti o Waitangi creates a foundation for an inclusive and culturally rich learning experience. Our relationship with our students is a lifelong connection of manaakitanga.

We celebrate and draw upon our diversity, which stems from being based in Manukau at the stern of the Tainui waka and in the heart of the Pacific. Our cultural traditions, languages, beliefs, and skills draw from many ethnic groups. People from all walks of life flourish at MIT, creating a rich tapestry of understanding and then spreading it out across the world.

Goals

GOAL 1: Grow lifelong learning

GOAL 2: Raise learners' outcomes

GOAL 3: Maximise relevance to employers

GOAL 4: Add value through targeted research

GOAL 5: Be a great place to work

GOAL 6: Be excellent, efficient and effective

Our Values

The values below identify what MIT holds to be important in how we go about our Kaupapa. While they are for staff to embody, it is hoped that they can also be imparted onto our students through the behaviours of our staff.

MANAAKITANGA

We genuinely care for others.
So we make all people feel welcome through kindness, understanding and respect.
We make you feel appreciated by acknowledging your contributions.
All of which creates an environment where achievement can be nurtured.

WE ARE EXCELLENT

We aim for the top in everything we do.
So we push boundaries and exceed expectations. It's how we achieve excellent results and the reason we get to celebrate success.

WE ARE CONNECTED

We build valuable partnerships with individuals, industry and communities, where knowledge is shared and created without silos, fences or egos. When others talk, we really listen. We are open and approachable. We want our networks to-be strong and our relationships to be genuine and long-lasting.

WE ARE REAL

We admire people who are genuine and honest. Down to earth people who reflect the way we like to teach, with practical, hands-on learning that leads to real skills for real jobs in the real world.

Financial Overview

This overview provides a brief commentary on aspects of MIT's financial disclosures for the three months ended 31 March 2020.

Operating Performance

These financial Statements cover the period from 1 January 2020 to 31 March 2020. With the introduction of the education (Vocational Education and Training and Reform) Amendment Bill Act 2020, the business of Manukau Institute of Technology including all assets and liabilities were transferred to Manukau Institute of Technology Limited as at 1 April 2020. Therefore this report covers the period up to the date that Manukau Institute of Technology ceases and prior to the new entity Manukau Institute of Technology Limited coming into existence on the 1st April 2020.

The net result for the year is a surplus of $44.8m. A key inclusion in this result is the recognition of Investment Plan funding. This is required under Financial Accounting Standards. The TEC and the Minister of Education have provided written advice (dated 31 March 2020) that for the 2020 year there will be no recovery of Investment Plan funding because of either poor Education Performance Indicators (EPI), or under delivery during the year. Any other funding conditions still apply. The implications are that the funding receivable under the approved Investment Plan for the 2020 year is recognised in full is at 31st March 2020 which is the time the entity becomes entitled to the funding.

As noted in the Statement of Accounting Policies the reporting period includes comparatives for the full year 2020 budget and the full year 2019 actuals. Whilst this disclosure is in accordance with accepted practice it is recognised that comparative amounts for the statement of comprehensive revenue and expense, statement of changes in net assets/equity, cash flow statement, and related notes are not entirely comparable.

After 31 March 2020 the assets, liabilities and operations of Manukau Institute of Technology transferred to Manukau Institute of Technology Limited. As a result the first set of financial statements for Manukau Institute of Technology Limited will report on the remainder of the academic year from 1 April 2020 to 31 December 2020.

MIT OTARA

Baking, culinary and hospitality; education; engineering; floristry; foundation and bridging studies; hairdressing; languages; logistics; police preparation and security, social work; sport, recreation and exercise science; supported learning.

Gate 1, Newbury Street, Otara, Auckland

MIT MANUKAU

Business; digital technologies; nursing; health and counselling.

Level 2, Corner Manukau Station Road and Davies Avenue, Manukau, Auckland

MIT TECHPARK

Opening mid year 2020

Professional engineering and trades (arboriculture, landscape construction, parks and garden; automotive; carpentry, scaffolding, brick and block laying; construction supervision; electrical trades; mechanical engineering trades; plumbing, gasfitting and drainlaying; refrigeration and air conditioning).

Corner Manukau Station Road and Lambie Drive, Manukau, Auckland (opposite MIT Manukau)

NEW ZEALAND MARITIME SCHOOL

Nautical science; marine engineering; marine electro-technology; foreign-going; master or chief; domestic maritime; master yacht; seafarers certification.

Level 3, 2 Commerce Street, Auckland

MIT MAHURANGI

Nautical science; marine engineering; STCW short courses; superyacht crew; domestic maritime.

11 Glenmore Drive, Warkworth

GOVERNANCE

Governance and Accountability

Statutory role

Manukau Institute of Technology (MIT) is a polytechnic established pursuant to section 162 of the Education Act 1989 (the Act). MIT is also a Crown Entity for the purposes of schedule 13A of the Act and schedule 4 of the Crown Entities Act 2004.

Governance structure

Council

The governing body of MIT is the MIT Council. It comprises eight members appointed in accordance with section 222AA of the Act, four members appointed by the Minister for Tertiary Education, Skills and Employment and four members appointed by the Council.

Council Committees

Pursuant to section 193(3) of the Act, the MIT Council is empowered to establish committees to exercise such powers as are delegated to them under the Act or conferred on them by statutes made by the Council. The standing committees of the MIT Council are the:

- Audit and Compliance Committee
- Chief Executive Review Committee
- Executive Committee
- Student Appeal Committee
- Academic Board

These committees are formally constituted with terms of reference.

MIT Rūnanga

1. Purpose

To give advice to Council on strategic matters that impact on Māori at MIT.

2. Membership of the Rūnanga

The Rūnanga comprises of up to eleven members. Membership on the Rūnanga includes:

a) four members appointed by Council where nominations are drawn from a general call for applications from the Māori community;

b) four members, with one appointed from each of the following:

i. The recognised tribal authority Te Whakakitenga o Waikato,

ii. Manukau based Māori Organisation,

iii. Otara Community,

iv. By/from local secondary schools and/or wharekura;

c) three ex officio members, the Kaiākau, the Chief Executive Officer MIT (or delegated appointee), and the Deputy Chief Executive, Māori;

d) the term of appointment is for three years, except where otherwise indicated for the purpose of continuity;

e) the Chair of the Rūnanga is appointed by MIT Council

f) members are able to be reappointed for up to three (3) additional three year terms.

3. Role of the Rūnanga

Community Engagement

To bring to MIT the diverse voices of Māori.

Te Tiriti o Waitangi

To uphold and actively protect and promote Te Tiriti o Waitangi, including MIT's responsibilities and obligations.

Advocacy

To advocate for the strategic priorities of the Māori Education Strategy.

Rūnanga Relative to other MIT Entities

a) To acknowledge that the Rūnanga is an advisory group to the Council for governance matters.

b) To help Māori protect tikanga and what is sacred to Māori, and to resolve points of confusion. The Deputy Chief Executive, Māori is MIT's point of reference.

MIT Pacific Community Komiti (PCK)

1. Purpose

To give advice to Council on matters that impact Pasifika at MIT.

2. Membership of the Pasifika Community Komiti (PCK)

The PCK comprises of up to eleven members:

a) Four members appointed by Council where nominations are drawn from a general call for applications from Pasifika communities.

b) Four members with one appointed by Council representing each of the following groups:

i. Leader from a Pasifika faith-based organisation (i.e.church).

ii. Pasifika community organisation

iii. Pasifika education sector

iv. Leader from the wider Counties Manukau community

c) Four ex-officio members made up of MIT staff representation (which includes the Deputy Chief Executive (DCE) Pasifika or designate as well as representatives of the MIT Pasifika Development Office (PDO) and a member from the Pasifika Staff Network.

d) A member may be appointed for up to a four year term, except where otherwise indicated for the purpose of continuity.

e) The Chair and Deputy Chair of PCK will be appointed by MIT Council for a four year term.

f) Members are able to be reappointed to a maximum of two consecutive terms.

g) Where there are gaps in skills and expertise within the PCK, the PCK may co-opt advisors.

3. Role of the Pasifika Community Komiti (PCK)

The role of the PCK is to provide advice to MIT Council by:

1. Pasifika Student Success: Developing and recommending to the MIT Council strategies for the recruitment, retention and success of Pasifika students and staff at MIT.
2. Pasifika Engagement: Representing the voice of Pasifika to MIT Council and providing advice to the MIT Council on matters that impact on Pasifika at MIT.
3. Pasifika Strategic Priorities: Supporting the PDO to achieve the goals set out in the MIT Pasifika Strategic Plan 2018-2023.
4. Pasifika Community Advocacy: Working closely alongside the PDO to ensure that Pasifika communities' needs are being heard. Building strong relationships between MIT and the Pasifika communities of Auckland, Tamaki Makaurau.

Governance Philosophy

Division of Responsibility between Council and Management

The MIT Council considers and approves the mission and strategic direction of MIT and monitors performance against agreed strategies and plans. Management, on the other hand, is responsible for the management of MIT and develops the procedures and operational plans that are needed to implement and deliver the Council's approved strategy.

While many of the MIT Council's functions have been delegated, overall responsibility for maintaining effective systems of internal control ultimately rests with the MIT Council. To ensure that there is clarity around responsibilities and accountabilities, the Council has a detailed delegations framework in place.

Both the MIT Council and management acknowledge their responsibilities by certifying 'The Statement of Responsibility' (in terms of the Crown Entities Act 2004) contained within this Annual Report.

Legislative Compliance

The MIT Council acknowledges its responsibility to ensure that the institute complies with all relevant legislation. The Council oversees the Chief Executive's operation of a MIT-wide legislative compliance programme that systematically identifies compliance issues so that all staff are aware of legislative requirements relevant to their role.

As part of this programme, management provides the Audit and Compliance Committee with the results of an annual verification of MITs compliance with specific legislative requirements. For the period ending 31 March 2020, management has conducted an interim legislative compliance exercise to cover the three month period from 1 January 2020 to 31 March 2020 (inclusive).

Risk Management

The MIT Council is committed to the management of risk at MIT and takes part in risk workshops and has approved procedures for the identification and management of risk in order to deliver a balanced portfolio of risk exposures.

Internal Audit

The internal audit work at MIT is for the most part directed to high-risk areas; this means that the internal audit plan is responsive to major changes in the risk profile of the Institute.

The Audit and Compliance Committee reviews internal audit coverage and the Annual Audit Plan and recommends approval of the Plan and any subsequent amendments to the MIT Council. The Audit and Compliance Committee monitors the delivery of the Annual Audit Plan and management's responses to and implementation of significant internal audit recommendations.

Council Fees

All in $000s	ACTUAL 2020	ACTUAL 2019
P Winder *Chairman*	10	40
T Stratton *Deputy Chair*	6	25
J Hannan	5	20
K Schaffler	5	20
J Tattersall	5	20
R Tuwhangai	5	20
P Parussini	5	20
U Aiono	5	20
Total	**46**	**185**

Council and Standing Committee Attendance

	COUNCIL		CHIEF EXECUTIVE REVIEW		AUDIT & COMPLIANCE	
	HELD	ATTENDANCE	HELD	ATTENDANCE	HELD	ATTENDANCE
Peter Winder, *Chairman & Alternate Member A&C*	3	3	1	1	1	0
Theresa Stratton, *Deputy Chair & Chairperson A&C*	3	3	1	1	1	1
John Hannan	3	3	1	1	1	0
Kira Schaffler	3	3	0	0	1	1
Jill Tattersall *Alternate Member A&C*	3	3	0	0	1	1
Rachael Tuwhanagi	3	3	0	0	0	0
Peter Parussini	3	3	0	0	0	0
Uluomato'otua (Ulu) Aiono	3	2	0	0	1	1

The Council meet monthly between February and December and at other times as required; a Special Meeting x1 (March 2020). Audit and Compliance Meetings x1; and CE Review Committee Meeting x1.

Council Members Terms of Appointment

COUNCILLOR	TERM COMMENCED	TERM EXPIRES
Peter Winder, *Chairman*	17 December 2013	31 March 2020
Theresa Stratton, *Deputy Chair*	1 May 2018	31 March 2020
John Hannan	26 February 2009	31 March 2020
Kira Schaffler	1 May 2015	31 March 2020
Jill Tattersall	1 May 2015	31 March 2020
Rachael Tuwhanagi	1 May 2015	31 March 2020
Peter Parussini	1 May 2017	31 March 2020
Uluomato'otua (Ulu) Aiono	12 June 2017	31 March 2020

Note that the Education (Vocational Education and Training and Reform) Amendment Act provides that Council member terms cease as at 31 March 2020.

Council Members Register of Interests

COUNCILLOR	INVOLVEMENTS WITH OTHER ENTITIES	LAST UPDATED
P Winder *Chairman*	Director, McGredy Winder and Co Limited Director, The Sound of Music Education Limited Trustee, Silo Theatre Company Committee Member on State Services Commission's Risk and Audit Committee Member of Advisory Committee supporting the Unitec Commissioner Board member NZIST Establishment Board	31 October 2019
T Stratton *Deputy Chair*	Owner/operator of Waiau Consulting Treasurer of Refugees As Survivors New Zealand	16 May 2019
U Aiono	Chairman of the National Pacific Radio Trust (Ministerial Appointment) Chairman of Alliance Health Plus PHO Chairman of Alliance Community Initiatives Trust Chairman of Finance and Audit and Risk Committee at Habitat for Humanity Greater Auckland Board member and Treasurer at RiseUp Partnership School in Mangere, Auckland Shareholder in Management Consulting Company Viago International Ltd Chairman of Bio Technology Company Sensor Flo Ltd Alumnus of AUT University Council 2002 – 2010 Vice Chairman of Board and Chairman Property and Finance Committee Otahuhu College Board of Trustees (Retired December 2016)	6 June 2017
J Hannan	Partner, DLA Piper Member and shareholder Bankside Chambers Ltd	21 February 2020
P Parussini	ANZ Bank New Zealand Chairperson Southern Cross Campus Board member Radio New Zealand	15 August 2019
K Schaffler		27 April 2017
J Tattersall	Chair, Kiwa Digital Limited Consultant, Cognition Education	27 April 2017
R Tuwhangai	Chair, MIT Rūnanga Managing Director, Māori and Pasifika Support Services Board Trustee, Auckland Community Law Centre New School's Governance Facilitator, Ministry of Education Board of Education New Zealand	21 February 2019

Note: Interests that should be registered are those where there may at some future time be a conflict of interest with the individual's role as a Council Member at MIT.

Council Membership

as at 31 March 2020

Chairman

Peter Winder
MA (Hons), MCILT
Ministerial Appointment

Deputy Chair

Theresa Stratton
Ministerial Appointment

Members

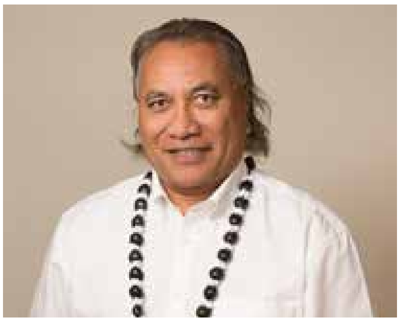
John Hannan
LLB (Hons) (1st Class), BA
Council Appointment

Rachael Tuwhangai
M.Ed, M.ProfSt (LangTch),
PGDipEd (Counselling), DipTchg
Ministerial Appointment

Kira Schaffler
Higher Diploma of Education
Council Appointment

Jill Tattersall
MA (Hons)
Council Appointment

Peter Parussini
MComm
Dip Chinese
Cert Journalism
Council Appointment



Uluomatootua (Ulu) Aiono
ONZM
BSc (Computer Science), MBA
Ministerial Appointment

Financial Statements

Statement of Responsibility

In terms of the Crown Entities Act 2004, we certify that:

1: We have been responsible for the preparation of these financial statements, and the judgements used therein;

and

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 fairly reflect the financial position and operations of this Institution for the three months ending 31 March 2020.

Peter Winder	**Peter Parussini**	**Gus Gilmore**
Director	*Director*	*Chief Executive*

Date: 30 July 2020

Independent Auditor's Report

To the readers of Manukau Institute of Technology's financial statements for the period 1 January 2020 to 31 March 2020

The Auditor-General is the auditor of Manukau Institute of Technology (the Institute). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Institute on his behalf.

Opinion

We have audited the financial statements of the Institute on pages 14 to 39, which have been prepared on a disestablishment basis, that comprise the statement of financial position as at 31 March 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Institute on pages 14 to 39, which have been prepared on a disestablishment basis:

- present fairly, in all material respects:
  - the financial position as at 31 March 2020; and
  - the financial performance and cash flows for the period then ended; and
- comply with generally accepted accounting practice in New Zealand[1] in accordance with Public Benefit Entity Standards Reporting Standards.

Our audit was completed on 30 July 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Manukau Institute of Technology Limited (the Board) and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of Matters

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

The financial statements have been appropriately prepared on a disestablishment basis

The basis of preparation section of the Statement of Accounting Policies on page 18, which outlines that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the Institute ceased as an entity and its assets and liabilities were transferred to Manukau Institute of Technology Limited on 1 April 2020 as a result of the reform of the institutes of technology and polytechnics sector.

COVID-19

Note 28 on page 39 to the financial statements, which explains the impact of the Covid-19 pandemic on the Institute. This includes an explanation on the impact on the Institute's operations, revenue,and carrying values of certain assets.

Basis for our opinion

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 opinion.

Responsibilities of the Board for the financial statements

The preparation of the final financial statements for the Institute is the responsibility of the Board of the Manukau Institute of Technology Limited.

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

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

The Board's responsibilities arise from the transition provisions in the Education (Vocational Education and Training Reform) Amendment Act 2020.

Responsibilities of the auditor 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 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.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Institute's investment plan.

[1] Note, section 154 of the Crown Entities Act requires TEIs to prepare their financial statements in accordance with generally accepted accounting practice, and section 460 of the Financial Markets Conduct Act 2013 requires entities, which are FMC reporting entities, to prepare financial statements in accordance with generally accepted accounting practice.

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

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, 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 Institute'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 use of the disestablishment basis of accounting by the Board.
- We 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 in a manner that achieves fair presentation.

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 2 to 11 and pages 40 to 43, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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 Institute in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International 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 Institute.

7/2020

David Walker
Audit New Zealand

On behalf of the Auditor-General
Auckland, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Statement of Comprehensive Revenue and Expense

for the three months ended 31 March 2020

All in $000s	NOTE	ACTUALS 3 MONTHS ENDED 31 MARCH 2020	BUDGET 2020	ACTUAL 2019
REVENUE				
Government Funding	2	44,975	40,824	41,535
Student Fees and Department Revenue	3	21,544	49,884	53,253
Other Revenue		16	18	277
Gain on disposal of property, plant and equipment		0	0	346
Unrealised Gains on Derivatives	9	83	0	418
Interest Revenue		54	0	28
Total Revenue		66,672	90,726	95,857
EXPENDITURE				
Employee Benefit Expenses	4	13,088	56,595	61,043
Depreciation and Amortisation Expense	10,11	3,214	11,197	11,323
Interest Expense		154	454	1,139
Other Expenses	4	5,437	25,126	25,629
Total Expenditure		21,893	93,372	99,134
Surplus/(Deficit) before separately disclosed expense items		44,779	(2,646)	(3,277)
Separately disclosed expense items	4	0	0	1,772
Total Expenditure after separately disclosed expense items		21,893	93,372	100,906
Surplus/(Deficit)		**44,779**	**(2,646)**	**(5,049)**
Other Comprehensive Revenue and Expense *Items that will not be reclassified to surplus/(deficit)*				
Property revaluation reserve transfer on reclassification	17	0	0	0
Revaluation of land and buildings	17	0	0	0
Total Other Comprehensive Revenue and Expenses		0	0	0
Total Comprehensive Revenue and Expenditure		44,779	(2,646)	(5,049)

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the three months ended 31 March 2020

All in $000s	NOTE	ACTUALS 3 MONTHS ENDED 31 MARCH 2020	BUDGET 2020	ACTUAL 2019
Balance at 1 January		227,200	223,916	236,793
Other Comprehensive Revenue and Expense				
Surplus/(Deficit) before one off expenditure items	17	44,779	(2,646)	(3,277)
Separately disclosed expenditure		0	0	(1,772)
Other Comprehensive Revenue	17	0	0	0
Total Comprehensive Revenue and Expenses		44,779	(2,646)	(5,049)
Non Comprehensive Revenue and Expense items				
Other Contributions from the Crown[1]		0	0	1,587
Distribution to the Crown[2]	17	0	0	(6,131)
Total Non-comprehensive Revenue and Expenditure		0	0	(4,544)
Balance at 31 December		271,979	221,270	227,200

Explanations of major variances against budget are provided in Note 20.

[1]*Contribution from the Crown is the temporary peppercorn lease provided subsequent to the settlement of assets held for sale.*

[2]*Distribution to the Crown is the encumbrance on Assets held for sale paid to the Crown on settlement.*

The accompanying notes form part of these financial statements.

Statement of Financial Position

for the three months ended 31 March 2020

All in $000s	NOTE	ACTUALS 3 MONTHS ENDED 31 MARCH 2020	BUDGET 2020	ACTUAL 2019
ASSETS				
Current Assets				
Cash and Cash Equivalents	6	22,924	808	14,060
Student Fees, Prepayments and Other Receivables	7	46,796	3,480	5,449
Inventory	8	1,044	700	1,058
Total Current Assets		70,764	4,988	20,567
Non Current Assets				
Property, Plant and Equipment	10	231,064	244,246	229,513
Intangible Assets	11	5,431	6,418	6,358
Total Non Current Assets		236,495	250,664	235,871
Total Assets		307,259	255,652	256,437
LIABILITIES				
Current Liabilities				
Trade and Other Payables	12	13,289	10,708	12,182
Employee Entitlements	13	4,641	3,664	4,745
Revenue Received in Advance	15	15,832	8,303	10,679
Trust Funds	16	620	658	619
Borrowings	18	0	9,333	0
Derivative Financial Instruments	9	271	0	180
Total Current Liabilities		34,653	32,666	28,405
Non Current Liabilities				
Employee Entitlements	13	298	575	329
Borrowings	18	0	0	0
Derivative Financial Instruments	9	329	1,141	503
Total Non Current Liabilities		627	1,716	832
Total Liabilities		35,280	34,382	29,237
Net Assets		271,979	221,270	227,200
EQUITY				
General Funds	17	172,176	90,227	127,397
Property Revaluation Reserve	17	99,803	131,043	99,803
Total Equity		271,979	221,270	227,200

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Peter Winder
Director

Peter Parussini
Director

Gus Gilmore
Chief Executive

Date: 30 July 2020

Statement of Cash Flows

for the three months ended 31 March 2020

All in $000s	NOTE	ACTUALS 3 MONTHS ENDED 31 MARCH 2020	BUDGET 2020	ACTUAL 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Government Funding		13,683	40,885	41,535
Receipts from Student Fees and Other Revenue		16,640	49,335	51,305
Interest Revenue Received		54	0	28
Goods and Services Tax (Net)		1,313	0	293
Payments to Employees		(12,516)	(56,798)	(61,488)
Payments to Suppliers		(6,296)	(26,304	(28,101)
Interest Paid		(154)	(607)	(1,139)
Net Cash Inflow from Operating Activities		12,724	6,511	2,433
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant and Equipment		10	36,989	43,335
Purchase of Property, Plant and Equipment		(3,867)	(21,031)	(5,857)
Purchase of Intangible Assets		(3)	(1,280)	(1,367)
Net Cash Outflow used in Investing Activities		(3,860)	14,678	36,110
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Borrowings		0	9,333	5,000
Repayment of Borrowings		0	(30,000)	(30,787)
Net Cash Flows from Financing Activities		0	(20,667)	(25,787)
Net (Decrease)/Increase in Cash and Cash Equivalents		8,864	522	12,754
Cash and Cash Equivalents at Beginning of the Year		14,060	286	1,304
Cash and Cash Equivalents at End of the Year	6	22,924	808	14,060

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

RECONCILIATION FROM NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

All in $000s	ACTUAL 3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Net Surplus/(Deficit) for the Year	44,779	(3,277)
before separately disclosed expenditure	0	(1,772)
Distribution to the Crown	0	(6,131)
Add/(Less) Non Cash Items:		
Depreciation and Amortisation Expense	3,214	11,323
Bad Debt Provision Movement	0	(144)
Other Losses/(Gains)	(83)	(220)
Add/(Less) Items Classified as Investing or Financing Activities:		
Net Loss/(Gain) on Disposal of Property, Plant and Equipment	23	(346)
Add/(Less) Movements in Working Capital:		
(Increase)/Decrease in Accounts Receivable and Other Receivables	(41,348)	360
(Increase)/Decrease in Inventories	14	(248)
Increase/(Decrease) in Trade and Other Payables	1,106	2,467
Increase/(Decrease) in Provisions	(135)	60
Increase/(Decrease) in Fees in Advance	5,153	354
Increase/(Decrease) in Trust Funds	1	6
Net Cash from Operating Activities	12,724	2,433

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE THREE MONTHS ENDED 31 MARCH 2020

1: Statement of Accounting Policies

REPORTING ENTITY

Manukau Institute of Technology is a TEI that is domiciled and operates in New Zealand. The relevant legislation governing the Institutes operations includes the Crown Entities Act 2004 and the Education Act 1989.

The primary objective of the Institute is to provide tertiary education services for the benefit of the community. It does not operate to make a financial return. Accordingly, the Institute has designated itself as public benefit entities (PBEs) for the purposes of complying with general accepted accounting practice.

BASIS OF PREPARATION

The Minister of Education announced the Governments decisions on the Reform of Vocational Education proposals on 1 August 2019. The Education (Vocational Education and Training and Reform) Amendment Bill (the Bill) gained royal assent on 24 February 2020 and came into effect on 1 April 2020. The Education (Vocational Education and Training and Reform) Amendment Act 2020 created a new Crown entity, the New Zealand Institute of Skills and Technology (NZIST), and converted all existing ITPs into crown entity subsidiary companies on 1 April 2020.

These are the final financial statement for MIT. Manukau Institute of Technology Limited came into effect on 1 April 2020. Therefore these financial statements are prepared on a non-going concern basis.

However, because it is expected that vocational education will continue to be provided through the Manukau Institute of Technology Limited, no change needs to be made to the measurement or classification of assets and liabilities. Decisions about the future of these assets and liabilities is the responsibility of the new entity

REPORTING PERIOD

These financial statements, compulsory student service fees and statement of resources are for the three month period 1 January 2020 to 31 March 2020. The budget is for the 12 month period 1 January 2020 to 31 December 2020. The comparative period is for the 12 month period 1 January 2019 to 31 December 2019.

Statement of compliance

The financial statements of the Institute 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 in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE Standards.

These financial statements comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Institute is New Zealand dollars (NZ$).

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted and relevant to the Institute are:

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the Institute are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Institute intends to adopt PBE IPSAS 41 for the 31 December 2022 financial year. The Institute has not yet assessed in data the impact of the new standard.

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Institute does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Institute has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

COMPARATIVES

Where additional disclosures are provided that were not in the previous Annual Report, then previous year comparatives have been realigned to ensure consistency

SUMMARY OF 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 note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

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 Institute is exempt from income tax. Accordingly, no provision has been made for income tax.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Budget figures

The budget figures for the Institute are those approved by the Council 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.

Cost allocation

The cost of service for each significant activity of the Institute has been derived using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be attributed to a specific significant activity in an economically feasible manner. Direct costs are charged directly to significant activities. Indirect costs are allocated to academic departments only based on the floor space used for teaching purposes and administration costs based on the proportion of the salary costs expensed to the academic departments.

Critical accounting estimates and assumptions

In preparing these financial statements, the Institute has made estimates and assumptions 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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(a) Property Revaluations

Note 10 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings.

(b) Long Service Leave

Note 13 provides information about the estimates and assumptions exercised in the measurement of long service leave.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the three months ended 31 March 2020:

(a) Crown-owned land and buildings - refer to Note 10.

(b) Distinction between revenue and capital contributions - refer to Note 2.

(c) Research leave - refer to Note 13.

d) Accounting for Concessionary/Peppercorn leases Refer to Note 11

REVENUE

Revenue is measured at the fair value.

The specific accounting policies for significant revenue items are explained below:

(a) Government grants - refer to Note 2

(b) Performance-Based Research Fund (PBRF) - refer to Note 2

(c) Research revenue - refer to Note 2

(d) Student tuition fees - refer to Note 3

(e) Donations, bequests, and pledges

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance and then recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

(f) Other Revenue

Other Revenue is recognised when earned. For the sale of materials this is when the significant risks and rewards of ownership have passed to the customer and can be measured reliably.

(g) Interest

Interest revenue is recognised using the effective interest method.

2: Government Funding

Accounting policy

Government grants

Student Achievement Component (SAC) funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange.

1 December 2019 comparative year

MIT 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.

31 March 2020 period

In response to the COVID-19 pandemic, TEC has confirmed that it will not seek repayment of 2020 investment plan funding, which includes SAC funding, due to under-delivery in the 2020 year. Therefore, MIT has recognised a receivable and revenue for the period ended 31 March 2020 for the remaining 2020 funding to be received after balance date.

Performance-Based Research Fund (PBRF)

The Institute considers PBRF funding to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 159YA of the Education Act 1989. The Institute recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the Institute's financial year. PBRF revenue is measured based on the Institute's funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Research revenue

For an exchange research contract, revenue is recognised on a percentage completion basis. The percentage of completion is measured by reference to the actual research expenditure incurred as a proportion to total expenditure expected to be incurred.

For a non-exchange research contract, the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions needs to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and past practice of the funder.

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 Institute accounts for the funding as a capital contribution directly in equity. Information about capital contributions recognised in equity is disclosed in note 17.

All in $000s	NOTE	ACTUAL 3 MONTHS TO 31 MARCH 2020	ACTUAL 2019
Government funding classified as non-exchange transactions			
Student Disability Grant		121	121
Literacy Funding		1,800	1,540
Youth Guarantee		2,409	2,367
Other Government Grants		107	94
Māori and Pacific Islands Grant		299	304
Student Achievement Component (SAC) Funding		39,838	36,708
Performance Based Research Fund		401	401
Total Government Funding Excluding Department Funding		44,975	41,535

The Student Achievement Component (SAC) operational bulk grant is based on equivalent full time student (EFTS) levels and the funding category levels for those EFTS and specific service grants. There are no unfulfilled contingencies for Government funding recognised as revenue.

Other Government funding is included as department income as the funding has been subject to a competitive tender process for training contracts. The funding is provided by the Tertiary Education Commission and Industry Training Organisations.

3: Student Fees and Department Revenue

Accounting policy

Student tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

The Institute considers fees-free revenue is non-exchange and recognises revenue when the course withdrawal date has been passed by an eligible student. The Institute has presented funding received for fees-free as part of student fees. This is on the basis that receipts from TEC are for payment on behalf of the student as specified by the relevant funding mechanism.

31 December 2019 comparative year

MIT recognises revenue when the course withdrawal date for an eligible student has passed.

31 March 2020 period

In response to the COVID-19 pandemic, TEC has confirmed that it will not seek repayment of 2020 fees free funding. Therefore, MIT has recognised a receivable and revenue for the period ended 31 March 2020 for the remaining 2020 funding to be received after balance date.

International student tuition fees are accounted for as exchange transactions and recognised as revenue on a course percentage of completion basis. The percentage of completion is measured by reference to the days of the course completed as a proportion of the total course days.

All in $000s	NOTE	ACTUAL 3 MONTHS TO 31 MARCH 2020	ACTUAL 2019
Student fees and department revenue classified as exchange transactions			
Student Fees – International Students		2,801	14,821
Departmental Revenue (Non-Base Revenue and Recoveries)		1,967	14,040
Total Student Fees and Department Revenue classified as Exchange Transactions		4,768	28,861
Student fees and department revenue classified as non-exchange transactions			
Student Fees – Domestic Students and Other Departmental Revenue		12,619	20,436
Revenue from Fees-Free		4,157	3,955
Total Student Fees and Department Revenue classified as Non-Exchange Transactions		16,776	24,392
Total Student Fees and Department Revenue		21,544	53,253

4: Expenditure

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Borrowing costs

Borrowing costs are expensed in the financial year in which they are incurred.

All in $000s	NOTE	ACTUAL 3 MONTHS TO 31 MARCH 2020	ACTUAL 2019
Employee Benefits Expense			
Salaries and Wages		12,849	59,380
Defined Contribution Plan Employer Contributions		320	1,421
Councillors and Board Fees	*25*	54	182
Increase/(Decrease) in Employee Benefit Liabilities	*13*	(135)	60
Total Employee Benefits Expense		13,088	61,043
Other Expenditure			
Auditors' Remuneration			
Fees to Principal Auditor for Financial Statement Audit		169	199
Additional fee paid relating to 2018		0	49
Total Auditors' Remuneration		169	248
General Costs			
Operating Lease Payments	*23*	369	2,330
Bad and Doubtful Debts - Written back	*7*	(5)	0
Net Increase/(Decrease) Bad and Doubtful Debts Provision	*7*	0	(144)
Course Delivery Contracts		340	2,740
Donations		1	5
Loss on Disposal of Property, Plant and Equipment		23	0
Administrative, Materials and Consumables Expenses		4,540	20,450
Total General Costs		5,287	25,381
Total Other Expenditure		5,437	25,629
Separately disclosed expense items			
Redundancies and Severance Payments		0	1,772
Total Separately Disclosed Expense Items		0	1,772

Employer contributions to defined contribution plans include contributions to KiwiSaver and the National Provident Fund.

5: Analysis of Department Costs

All in $000s	ACTUAL REVENUE	ACTUAL EXPENDITURE	ACTUAL NET COST	3 MONTHS ENDED 31 MARCH 2020 BUDGET NET COST	2019 ACTUAL NET COST
Manukau Campus	5,907	5,936	29	(2,216)	(3,507)
Otara Campus	5,791	8,290	2,499	9,329	11,077
Technology Park Campus	4,310	7,668	3,358	5,877	8,071
Total Department Costs	16,008	21,894	5,886	12,990	15,641
Included in the department net cost are the following overheads:					
Property			3,600	14,959	15,315
Administration			8,687	40,459	40,377
Total Overheads Allocated			12,287	55,418	55,692

Overheads are allocated in accordance with notes to the financial statements, summary of significant accounting policies, allocation of overheads. Department recoveries for services provided during 2020 have been netted off against overhead expenditure allocation. Total recoveries of $31k (2019: $295k).

6: 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

All in $000s	NOTE	3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Cash at Bank and on Hand		5,304	7,441
Call Deposits		620	619
Term Deposits with Maturities less than 3 Months at Acquisition		17,000	6,000
Total Cash and Cash Equivalents		22,924	14,060
Weighted Average Effective Interest Rate		1%	1%

The carrying value approximates fair value. None designated at fair value. Assets recognised in a non-exchange transaction that are subject to restrictions. The Institute holds $620k (2019: $619k) included in cash and cash equivalents of trust funds which are subject to restrictions. The restrictions generally specify how the trust fund is to be used in providing awards to students.

Cash at bank includes funds on call deposit that earn interest at floating rates based on the daily bank deposit rates. Short term deposits are made for short varying periods up to three months and earn interest at the respective term deposit rates. The carrying value of cash at bank and on hand, and call deposits approximate their fair value.

7: Student Fees, Prepayments and Other Receivables

Accounting policy

Debtors and other receivables

Short-term debtors and other short-term receivables are recorded at their face value, less any provision for impairment.

All in $000s	3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Receivables classified as exchange transactions		
Student Fees and Sundry Receivables	2,284	1,866
Prepayments	1,906	1,583
Other Receivables	73	32
Total Receivables classified as exchange transactions	4,263	3,481
Receivables classified as non-exchange transactions		
Student Fees and Sundry Receivables	3,397	2,607
Other non-exchange Receivables	39,775	0
Total Receivables classified as non-exchange transactions	43,172	2,607
Total Student Fees and Other Receivables (excluding Impairment)	47,435	6,088
Less Provision of Impairment for Receivables	(639)	(639)
Total Student Fees and Other Receivables	46,796	5,449

Student fees receivables are non-interest bearing and generally should be paid on enrolment and no later than at graduation. The carrying value of Student Fees and Other Receivables approximates their fair value.

	3 MONTHS ENDED 31 MARCH 2020			2019		
All in $000s	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
Impairment						
Ageing profile for student fees receivable at year end.						
Not Past Due	0	0	0	0	0	0
Past Due 1 – 30 Days	1,867	0	1,867	566	0	566
Past Due 31 – 60 Days	932	0	932	1,275	0	1,275
Past Due 61 – 90 Days	782	0	782	311	0	311
Past Due over 90 Days	2,099	(639)	1,460	2,319	(639)	1,680
Total Impairment	5,680	(639)	5,041	4,473	(639)	3,834

All in $000s	ACTUAL 3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Movements in the provision for impairment of student receivables		
At 1 January	639	783
Additional Provisions made during the Year	0	0
Provision adjustments during the year	0	800
Receivables Written-off during the Year	0	(944)
Balance as at 31 March 2020, 31 December 2019	639	639

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is performed on an individual basis, based on analysis of past collection history and debt write-offs.

8: Inventory

Accounting policy

Inventories held for distribution or consumption in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

All in $000s	ACTUAL 3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Building Stock	948	960
Hospitality Stock	46	50
Staff Services Stock	20	18
Cafeteria Stock	30	30
Total Inventory	1,044	1,058

Inventories are valued at the lower of cost or net realisable value. There was no write down of inventories held for distribution (2019: $nil).
No inventories are pledged as security.

9: Derivative Financial Instruments

Accounting policy

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from the Institute's financing activities. In accordance with its treasury policy, the Institute does not hold or issue derivative financial instruments for trading purposes.
The Institute has elected not to apply hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current. The portion of the fair value of an interest rate derivative that is expected to be realised or settled within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

All in $000s	ACTUAL 3 MONTHS ENDED 31 MARCH 2020	ACTUAL 2019
Interest Rate Swaps		
Total Current Liability Portion	271	180
Total Non-Current Liability Portion	329	503
Total Derivative Financial Instruments	600	683

The fair value of interest rates swaps has been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices. The changes in the fair value of interest rate swaps are recognised in the Statement of Comprehensive Revenue and Expense.

The notational principal amounts of the outstanding interest rate swap contracts totalled $14 million (2019: $19 million). The fixed rate of interest rate swaps vary from 4.74% to 4.94%.

10: Property, Plant and Equipment

Accounting policy

Property, plant, and equipment consists of the following asset classes: land, buildings, land improvements, plant and equipment, computer hardware, furniture and fittings, motor vehicles, library collection. Land is measured at fair value and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings and land improvements are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The most recent valuation of land and buildings was performed by P Todd (BPA MRICS SPINZ), independent registered property, plant and machinery valuer, of Darroch Limited. The effective date of the revaluation was 31 December 2018.The next revaluation is due 31 December 2021 to be undertaken by MIT Ltd. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued. Revaluation movements are accounted for on a class-of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset, only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired, through a non-exchange transaction, it is recognised at fair value as at the date of acquisition. Cost incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Institute and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of Asset	Rate
Buildings	
Structure	11 - 100 years (1% - 9.1%)
Fit out	6 - 29 years (3.5% - 16.7%)
Services	9 - 33 years (3% - 11.1%)
Land Improvements	7 - 40 years (3 - 14%)
Plant and Equipment	3 - 20 Years (5% - 33.3%)
Furniture and Fittings	5 - 12 Years (8.3% - 20%)
Motor Vehicles	4 - 10 Years (10% - 25%)
Computer Hardware	4 - 7 Years (14.3% - 25%)
Library Collection	3 -10 Years (10% - 33%)
Office Equipment	10 Years (10%)

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Library collection

The library collection that had been revalued to fair value prior to 31 December 2006, the date of the transition to NZ IFRS, is measured on the basis of deemed cost, being the revalued amount at the date of the revaluation. All purchases after this date are recorded at cost.

Impairment of property, plant, and equipment

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the assets is considered to be impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

Critical judgements in applying accounting policies

Crown-owned land and buildings

Property assets owned by the crown and occupied by MIT under lease arrangements have been disclosed under Intangible assets. Apart from these disclosures all property assets are owned by MIT.

All in $000s	31 DEC 2019 COST OR FAIR VALUE	31 DEC 2019 ACCUMULATED DEPRECIATION	31 DEC 2019 NET CARRYING VALUE	3 MONTHS TO MARCH 2020 ADDITIONS	3 MONTHS TO MARCH 2020 RECLASSIFICATIONS	3 MONTHS TO MARCH 2020 REVALUATION	3 MONTHS TO MARCH 2020 NET BOOK VALUE OF DISPOSALS	3 MONTHS TO MARCH 2020 DEPRECIATION	31 MARCH 2020 COST OR FAIR VALUE	31 MARCH 2020 ACCUMULATED DEPRECIATION	31 MARCH 2020 NET CARRYING VALUE
Land – Institute	19,577	0	19,577	0	0	0	0	0	19,577	0	19,577
Land Improvements	6,178	(311)	5,867	0	0	0	0	(79)	6,178	(390)	5,788
Buildings – Institute	195,621	(5,269)	190,352	2,787	0	0	0	(1,316)	198,408	(6,585)	191,823
Library Collection	4,184	(2,805)	1,379	13	0	0	0	(68)	4,197	(2,873)	1,324
Computer Hardware	25,674	(20,619)	5,055	29	0	0	0	(423)	25,703	(21,042)	4,661
Plant and Equipment	14,652	(9,872)	4,780	954	0	0	(17)	(252)	15,532	(10,067)	5,465
Motor Vehicles	1,450	(1,014)	436	0	0	0	(16)	(25)	1,230	(835)	395
Furniture and Fittings	5,862	(3,795)	2,068	85	0	0	0	(121)	5,947	(3,916)	2,031
Total Property, Plant & Equipment	273,198	(43,684)	229,513	3,868	0	0	(33)	(2,284)	276,772	(45,708)	231,064

All in $000s	1 JAN 2019 COST OR FAIR VALUE	1 JAN 2019 ACCUMULATED DEPRECIATION	1 JAN 2019 NET CARRYING VALUE	2019 ADDITIONS	2019 RECLASSIFICATIONS	2019 REVALUATION	2019 NET BOOK VALUE OF DISPOSALS	2019 DEPRECIATION	31 DEC 2019 COST OR FAIR VALUE	31 DEC 2019 ACCUMULATED DEPRECIATION	31 DEC 2019 NET CARRYING VALUE
Land – Crown	0	0	0	0	0	0	0	0	0	0	0
Land – Institute	19,577	0	19,577	0	0	0	0	0	19,577	0	19,577
Land Improvements	6,108	0	6,108	70	0	0	0	(311)	6,178	(311)	5,867
Buildings – Crown	0	0	0	0	0	0	0	0	0	0	0
Buildings – Institute	192,087	0	192,087	3,534	0	0	0	(5,269)	195,621	(5,269)	190,352
Library Collection	3,976	(2,491)	1,485	208	0	0	0	(314)	4,184	(2,805)	1,379
Computer Hardware	24,567	(17,947)	6,620	1,106	0	0	0	(2,672)	25,674	(20,619)	5,055
Plant and Equipment	13,797	(8,823)	4,974	855	0	0	0	(1,049)	14,652	(9,872)	4,780
Motor Vehicles	1,412	(905)	507	38	0	0	0	(109)	1,450	(1,014)	436
Furniture and Fittings	5,817	(3,278)	2,539	46	0	0	0	(517)	5,862	(3,795)	2,068
Total Property, Plant & Equipment	267,341	(33,444)	233,897	5,857	0	0	0	(10,240)	273,198	(43,684)	229,513

Revaluations

An independent valuation was obtained to determine the fair value of land and buildings. Fair value is determined by reference to an open market basis, being the amount for which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's - length transaction at the valuation date for land and buildings of a non-education specific nature. Where buildings have been designed specifically for educational purposes they are valued at optimised depreciated replacement cost which is considered to reflect fair value for such assets. The most recent valuation of land and buildings was performed by P Todd (BPA SPINZ MRICS), independent registered property and plant and machinery valuer, of Darroch Limited at a fair value of $216.8m. The effective date of the revaluation was 31 December 2018. The next revaluation is due 31 December 2021 to be undertaken by MIT Ltd.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Restrictions on the Institute's ability to sell land would normally not impair the value of the land because the Institute has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

Specialised buildings (e.g. buildings on campuses) are valued at fair value using optimised depreciated replacement cost because no reliable market data is available for buildings designed for education delivery purposes.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For the Institute's earthquake prone buildings that are expected to be strengthened, the estimated earthquake-strengthening costs have been deducted off the depreciated replacement cost.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. These valuations include adjustments for estimated building strengthening costs for earthquake prone buildings and the associated lost rental during the time to undertake the strengthening work.

Excluded assets include:

- Loose plant and equipment and similar assets such as furniture, workbenches, computers and workshop tools.
- Underground services
- Carvings and all artwork including wall linings

Refer to Note 17 for revaluation reserves and explanations of revaluation movements.

Work in progress
At the end of the period the total amount classified as work in progress under the buildings asset category is $6,024K (2019:$3,620k), plant and equipment is $1,272K (2019: $399k), computer hardware is $344K (2019: $735k) and furniture and fittings is $4k (2019: $4k)

Restrictions on title

Under the Education Act 1989, the Institute is required to obtain the consent from the Ministry of 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 the approval from the Ministry of Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website.

There are also various restrictions in the form of historic designations, reserve, and endowment encumbrances attached to land. The Institute does not consider it practical to disclose in detail the value of land subject to these restrictions.

11: Intangible Assets

Accounting policy

Software acquisition and development
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use, are recognised as an intangible asset. Direct costs include the software development employee related costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Course development costs
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 primarily consist of employee costs..

Intellectual property development
Research costs are expensed as incurred in the surplus or deficit.

Development costs that are directly attributable to the design, construction, and testing of preproduction or pre-use prototypes and models associated with intellectual property development are recognised as an intangible asset if all the following can be demonstrated:

- It is technically feasible to complete the product so that it will be available for use or sale;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Other development expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense cannot be subsequently recognised as an asset.

License to occupy land
Where the Institute has a license to occupy land at a nominal rent, the Institute recognises the intangible asset based on an independent valuation of the estimated market ground rent over the license term. Land with a license to occupy is amortised over the unexpired period of the license.

Amortisation
The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Asset	Rate
Computer	2-10 years
Software	(10% - 50%)

Capitalised intellectual property development costs are still work in progress. The useful life of completed projects will be established at project completion.

Impairment of intangible assets
Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. For further details refer to the policy for impairment of property, plant and equipment in Note 11. The same approach applies to the impairment of intangible assets.

All in $000s	1 JAN 2020 COST OR FAIR VALUE	1 JAN 2020 ACCUMULATED AMORTISATION	1 JAN 2020 NET CARRYING VALUE	3 MONTHS TO MARCH 2020 ADDITIONS/ RECLASSIFICATIONS	REVALUATION	COST OF DISPOSAL	DEPRECIATION ON DISPOSAL	AMORTISATION	31 MARCH 2020 COST OR FAIR VALUE	31 MARCH 2020 ACCUMULATED AMORTISATION	31 MARCH 2020 NET CARRYING VALUE
Computer Software	9,004	(4,860)	4,144	3	0	0	0	(323)	9,007	(5,183)	3,824
Other Intangible Assets	1,250	(425)	825	0	0	0	0	(12)	1,250	(437)	813
Lease Assets	1,587	(198)	1,388	0	0	0	0	(595)	1,587	(793)	794
Total Intangible Assets	11,841	(5,483)	6,358	3	0	0	0	(930)	11,844	(6,413)	5,431

All in $000s	1 JAN 2019 COST OR FAIR VALUE	1 JAN 2019 ACCUMULATED AMORTISATION	1 JAN 2019 NET CARRYING VALUE	2019 ADDITIONS/ RECLASSIFICATIONS	REVALUATION	COST OF DISPOSAL	DEPRECIATION ON DISPOSAL	AMORTISATION	31 DEC 2019 COST OR FAIR VALUE	31 DEC 2019 ACCUMULATED AMORTISATION	31 DEC 2019 NET CARRYING VALUE
Computer Software	7,637	(3,825)	3,812	1,367	0	0	0	(1,035)	9,004	(4,860)	4,144
Other Intangible Assets	1,250	(377)	873	0	0	0	0	(48)	1,250	(425)	825
Lease Assets	0	0	0	1,587	0	0	0	(198)	1,587	(198)	1,388
Total Intangible Assets	8,887	(4,202)	4,685	2,954	0	0	0	(1,281)	11,841	(5,483)	6,358

In 2019 there was a new addition for a lease asset of $1.587m from crown contributions.

Work in Progress

At the end of the period the total amount of intangible assets work in progress is $28k (2019:$765k).

Other Intangible Assets

Other intangible assets include the license to occupy land at 52 Otara Road from the Ministry of Education for a period of 30 years at a nominal rent. The amount recognised as an intangible asset is based on an independent valuation. The valuation methodology adopted by the independent valuer, Darroch Ltd, is based on an estimated land value of $2m and an adopted ground rental percentage of 5.5%. The resultant estimated market ground rent has a land value growth of 2% per annum applied and a discount rate of 10% to determine the present value of the rental benefit, over the license term.

Intangible Lease

There is a new intangible leased asset for the temporary occupation of South Campus which is now in Crown ownership. It is a peppercorn lease valued at a fair market rate amounting to $1,587k and accounted for as a contribution from the Crown. $794k lease expenditure has been amortised.

MIT's existing accounting policy is to recognise an asset (intangible) at fair value, which is consistent with the general principles of PBE IPSAS 23. MIT considers the granting of the concessionary lease as a contribution from owners (the Crown) and therefore has accounted for it through equity rather than revenue. Other decisions include:

1) The lease is classified as operating primarily as ownership is not transferred at the end of the lease.

2) It is not a factor in the sale of surplus land to the Crown and is therefore not part of the sale agreement

12:Trade and Other Payables

Accounting policy

Short-term creditors and other short-term payables are recorded at the amount payable.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Payables under exchange transactions		
Trade Payables	3,565	2,337
Accrued Expenses	1,498	1,934
Other Payables	59	247
Total Payables under Exchange Transactions	5,122	4,518
Payables under non-exchange transactions		
Other Payables	6,058	6,868
Net GST Payable/ (Receivable)	2,109	796
Total Payables under Non-Exchange Transactions	8,167	7,664
Total Trade and Other Payables	13,289	12,182

Total Trade and Other Payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value approximates fair value.

13: Employee Benefit Liabilities

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 provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

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.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave are classified as a current liability. 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.

Critical judgements in applying accounting policies

Research leave

Teaching staff are entitled to research leave in certain circumstances. The substance of this leave is that it is leave from teaching duties to undertake research activity with staff continuing to earn their salary and other employee entitlements. The Institute is of the view that research leave is not the type of leave contemplated in PBE IPSAS 39 Employee Benefits. Accordingly, a liability has not been recognised for such leave.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Employee Entitlements		
Accrued Pay	1,101	55
Annual Leave	3,087	3,615
Sick Leave	246	253
Long Service Leave	137	140
Retirement Leave	241	254
Restructuring Provision	127	757
Total Employee Benefit Liabilities	4,939	5,074
Current Portion	4,641	4,745
Non-Current Portion	298	329
Total Employee Benefit Liabilities	4,939	5,074

The present value of the long service obligations depends on factors that are determined on an actuarial basis using a number of assumptions.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rate used match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns.

If the salary inflation factor were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the long service leave liability would be an estimated $3,550 higher / lower (2019:$3,728).

If the discount rates used were to increase or decrease by 1% from that used, with all other factors held constant, the carrying amount of the long service liability would be an estimated $3,206 higher / lower (2019:$3,654)

14: Severances and Redundancy Payments

The total value of compensation paid in respect of redundancies and severance to employees during the financial year was $0.13m (2019: $1,77m) This includes $0.76m payable in the 2020 year.

15: Revenue Received in Advance

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2018
Student Fees	15,363	10,349
Other Revenue Received in Advance	469	330
Total	15,832	10,679
Current Portion	15,832	10,679
Total	15,832	10,679

16: Trust Funds

Accounting policy

Manukau Institute of Technology receives bequests plus other funding to be held in trusts, which are required to be used for specific activities such as scholarships and awards. As the Institute administers these funds which have restricted use, they are treated as current liabilities and are not included in the Statement of Comprehensive Revenue and Expense.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Opening Balance	619	612
Interest Received	1	7
Less Grants Awarded	0	0
Total Trust Funds	620	619
Represented by:		
G F Dawson Memorial Fund	11	11
J M Grant Memorial Fund	9	9
MIT Students' Trust Fund	499	498
Young Memorial Fund	101	101
Total Trust Funds	620	619

Restrictions on use

Manukau Institute of Technology holds these funds in trust for the purpose of providing out of the revenue derived an award for students.

17: Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- General funds; and
- Property revaluation reserve.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
General Funds		
At 1 January	127,397	104,296
Opening Balance Adjustment	0	0
Transfer from Revaluation Reserves on sale of assets held for sale	0	32,694
Distribution to the Crown	0	(6,131)
Surplus/(Deficit) for the year before separately disclosed expenditure	44,779	(3,277)
Separately disclosed expenditure	0	(1,772)
Capital Contributions from the Crown	0	1,587
Balance as at 31 March 2020, 31 December 2019	172,176	127,397
Property Revaluation Reserves		
Balance as at 1 January	99,803	132,497
Property revaluation reserve transfer on reclassification	0	0
Transfer to Equity on sale of assets held for sale	0	(32,694)
Land Net Revaluations Gain	0	0
Land Improvement Revaluation Gain	0	0
Buildings Net Revaluations Gain	0	0
Balance as at 31 March 2020, 31 December 2019	99,803	99,803
Total Equity	271,979	227,200
Property Revaluation Reserves		
Property Revaluation Reserves consist of:		
Land	18,788	18,788
Land improvements	255	255
Buildings	80,760	80,760
Total Property Revaluation Reserves	99,803	99,803

Capital Contributions

Contribution from the Crown is the temporary pepper corn lease provided subsequent to the settlement of assets held for sale. Distribution to the Crown is the encumbrance on assets held for sale paid to the Crown on settlement.

18: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Institute has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0
Weighted Average Effective Interest Rate	4.83%	5.5%

Borrowings

The Institute had a revolving cash facility of $30m (2019: $30m), and a working capital overdraft facility of $10m (2019: $10m) with ANZ Bank providing funding for capital projects and liquidity. Certain covenants are required to be met in relation to the facilities. The maturity date of the existing facility is 1 January 2022. Under Ministry of Education consent to borrow dated 18 June 2014 MIT is required to stepdown the maximum aggregate borrowing limits.

Borrowings were paid down as at 31 December 2019. The budget for 2020 forecasts debt to be $9m at 31 December 2020 and appropriate debt facilities are in place to accommodate this.

Bank Covenants	ACTUAL	REQUIRED	HEADROOM
Maximum Total Debt to Total Debt plus Equity Ratio	0%	<25%	25%
Minimum Interest Cover Ratio	N/A	>2x	4.5
Minimum Guaranteeing Group Cover	100%	>90%	10%

19: Financial Instruments

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.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Institute commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institute has transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit;
- loans and receivables; and
- fair value through other comprehensive revenue and expenses.

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

Financial assets at fair value through surplus or deficit
Currently the Institute does not hold any financial assets in this category.

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 lessany provision for impairment. Gains and losses when the asset is impaired or de recognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expenses
Currently the Institute does not hold any financial assets in this category.

Impairment of financial assets
At each balance date, the Institute assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the 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 Institute will not be able to collect amounts due according to the original terms of the loan or receivable. 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 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 uncollectible, 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.

All in $000s	NOTE	ACTUAL 31 MARCH 2020	ACTUAL 2019
Financial Instrument Categories			
The accounting policies for financial instruments have been applied to the line items below:			
Financial Assets			
Loans and Receivables			
Cash and Cash Equivalents		22,924	14,060
Student Fees and Other Receivables		5,681	4,473
Total Loans and Receivables		28,605	18,533
Financial Liabilities			
Financial Liabilities Measured at Amortised Costs			
Creditors and other payables		11,180	12,182
Borrowings		0	0
Total Financial Liabilities Measured at Amortised Cost		11,180	12,182
Financial Liabilities Measured at Fair Value			
Derivative financial instruments		600	683
Total Financial Liabilities Measured at Fair Value		600	683

Financial Instruments Risks

Manukau Institute of Technology's activities expose it to a variety of financial risks including market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Institute manages its financial instruments risk in accordance with relevant legislation and is risk adverse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows:

All in $000s	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS
31 March 2020							
Trade and other payables	11,180	11,180	11,180	0	0	0	0
Borrowings	0	0	0	0	0	0	0
Total Financial Liabilities at Amortised Cost	11,180	11,180	11,180	0	0	0	0
Derivative financial instruments	600	600	97	174	329	0	0
Total Financial Liabilities at Fair Value	600	600	97	174	329	0	0
31 December 2019							
Trade and other payables	12,182	12,182	12,182	0	0	0	0
Borrowings	0	0	0	0	0	0	0
Total Financial Liabilities at Amortised Cost	12,182	12,182	12,182	0	0	0	0
Derivative financial instruments	683	683	180	0	503	0	0
Total Financial Liabilities at Fair Value	683	683	180	0	503	0	0

Market Risk

Currency and Interest Rate Risk

The Institute is exposed to changes in interest rates on short term investments, bank deposits and term lending facilities. There is no significant exposure to currency and interest rate risk on the Institute's financial assets.

The interest rate on the Institute's investments is disclosed in Note 9. The Institute is exposed to interest rate risk on borrowings as disclosed in Note 18.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates create exposure to cash flow interest rate risk. Borrowings at variable interest rates create exposure to cash flow interest rate risk.

Credit Risk

Credit risk is the risk a third party will default on its obligation to the Institute, thereby causing the Institute to incur a loss. Due to the timing of its cashinflows and outflows, surplus cash is invested into the term deposits which give rise to credit risk. The Institute places its investments with institutions which have a high credit rating such as registered banks that have a Standard and Poor's credit rating of at least A-.

The Institute has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

All in $000s	NOTE	ACTUAL 31 MARCH 2020	ACTUAL 2019
The maximum credit exposure for each class of financial instrument is as follows:			
Cash and Cash Equivalents		22,924	14,060
Trade and Other Receivables		5,681	4,473
Total Credit Risk On Loans and Receivables		28,605	18,533
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates:			
Counter parties with Credit Ratings			
Cash and Cash Equivalents:			
AA-		22,924	14,060
Short Term Deposits:			
AA-		0	0
Counter parties without Credit Ratings			
Loans to subsidiary		0	0
Existing counter party with no defaults in the past		0	0
Existing counter party with defaults in the past		0	0
Total Loans to Related Parties		0	0
Debtors and other receivables			
Existing counter party with no defaults in the past		5,681	4,473
Existing counter party with defaults in the past		0	0
Total debtors and other receivables		5,681	4,473
Trade and Other Receivables		5,681	4,473

Trade and Other Receivables
Trade and receivables mainly arise from the Institute's operation functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. The Institute is not exposed to any material concentrations of credit risk. Trade and other receivables balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

Liquidity Risk

Management of Liquidity Risk
Liquidity risk is the risk Manukau Institute of Technology will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Institute aims to maintain flexibility in funding by keeping committed credit lines open.
In meeting its liquidity requirements, Manukau Institute of Technology maintains investments that must mature within the next 12 months.

The Institute manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

The maturity profiles of Manukau Institute of Technology's interest bearing investments are disclosed in Note 9.

Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained surplus) impact for possible market movements in interest rates, with all other variables held constant, based on the Institute's financial instrument exposures at balance date.

	NOTE	PROFIT/(LOSS) OTHER EQUITY	
All in $000s		+100BPS	-100BPS
Interest Rate Risk 31 March 2020			
Financial Assets			
Cash and Cash Equivalents		229	(229)
Short Term Deposits		0	0
Financial Liabilities			
Derivative Financial Instruments		(6)	6
Borrowings		0	0
Total Sensitivity to Interest Rate Risk		223	(223)
Interest Rate Risk 31 December 2019			
Financial Assets			
Cash and Cash Equivalents		141	(141)
Short Term Deposits		0	0
Financial Liabilities			
Derivative Financial Instruments		(7)	7
Borrowings		0	0
Total Sensitivity to Interest Rate Risk		134	(134)

Explanation of Interest Rate Risk Sensitivity
The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

Fair Value Estimation and Fair Value Hierarchy
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. The fair values of all financial instruments equate to carrying values.

Fair Value Hierarchy Disclosures
For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

* Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
* Valuation techniques using observable inputs - Financial instruments with quoted process for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable.
* Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

All in $000s	TOTAL	QUOTED MARKET PRICE	OBSERVABLE INPUTS	SIGNIFICANT NON-OBSERVABLE INPUTS
	VALUATION TECHNIQUE			
31 March 2020 Institute				
Financial Liabilities				
Derivative Financial Instruments	600	0	600	0
31 December 2019 Institute				
Financial Liabilities				
Derivative Financial Instruments	683	0	683	0

20: Major Budget Variations

All in $000s	ACTUAL 31 MARCH 2020
Explanations for major budget variations from the 2020 Institute budget are as follows:	
Statement of Comprehensive Revenue and Expense	
Budget Surplus/(Deficit)	(2,646)
Revenue Variances	
Government Funding	4,151
Student Fees & Departmental Revenue	(28,340)
Other Revenue and Interest Revenue	52
Gain on asset sales	0
Expenditure Variances	
Employee Benefit Expenses	43,507
Depreciation and Amortisation	7,983
Interest Expense	300
Other Gains/(Losses)	83
Other Operating Expenditure	19,689
Surplus/(Deficit) before separately disclosed expense item	44,779

The above variances are the three month actuals compared to full year budget and are therefore not directly comparable. Actual year to date variances to budget are affected by the disclosure of revenue under accounting GAAP. The budget assumes revenue is accounted for on a consumption basis and the actual March net deficit on this same basis is similar to budget.

The impacts of Covid 19 have minimal impact on the March results and the longer term forecast is reflected on in note 28.

21: Capital Expenditure Project Performance

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Annual Allocations (Renewals)		
Facilities Annual Replacements	112	1,036
Furniture Annual Allocation	0	324
Information Technology Allocation	0	1,325
Vehicle Replacement	23	371
Library Annual Allocation	22	703
Academic Departments	64	355
Total Annual Allocation	221	4,114
Investment Committee Projects		
Various projects	0	837
Total Investment Committee Projects	0	837
Major Projects		
Otara Upgrade (ND)	1,713	551
Quad Upgrade Phase 3	306	1,599
Technology Park Fit out	960	313
NA,NP,NB Upgrade and Contingency	641	305
Wayfinding	0	32
Maritime	44	0
Hair Dressing	11	0
Total Major Projects	3,675	2,799
Total Capital Expenditure	3,896	7,750

Major Capital Variances

All timelines are extended due to delays caused by the covid lock down but are expected to be completed by year end.

22: Capital Management

The Institute's capital is its equity, which comprises general funds, and property valuation and fair value through comprehensive revenue reserves. Equity is represented by net assets.

The Institute is subject to the financial management and accountability provisions of the Education Act 1989, which assets and liabilities, includes restrictions in relation to: disposing of assets or interests in assets, ability to mortgage or otherwise charge assets or interests in assets, granting leases of land or buildings or parts of buildings, and borrowing.

The Institute manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently, and in a manner that promotes the current and future interests of the community. The Institute's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing the Institute's equity is to ensure the institute effectively achieves the goals and objectives for which it has been established, while remaining a going concern.

23: Operating Leases

Accounting policy

Operating leases (Lessor or Lessee)
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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Finance leases
A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Institute will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Leases as Lessee		
Non-cancellable operating lease rentals are payable as follows:		
Not later than one year	892	1,162
Later than one year and not later than five years	166	240
Later than five years	0	0
Total Leases as Lessee	1,058	1,402

The Institute leases a number of premises for teaching purposes. The leases run for periods ranging from one to ten years with an option to renew the lease after that date. The institute also leases office equipment where it is not in the best interests of the Institute to purchase these assets.

Lease payments are renegotiated at the time of renewal. The leased properties have not been sublet.

During three months ending March 2020 $369,230 (2019:$2,330,481) was recognised as an expense in the Statement of Comprehensive Revenue and Expense in respect of operating leases.

During three months ending March 2020 $437,802 (2019:$1,743,143) was recognised as revenue in the Statement of Comprehensive Revenue and Expense in respect of operating leases.

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expense during the year.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Leases as Lessor		
The Institute leases its property purchased for strategic purpose pending future use by the Institute under operating leases.		
The future minimum lease payments under non-cancellable leases are as follows:		
Not later than one year	1,329	1,349
Later than one year and not later than five years	2,453	2,730
Later than five years	99	148
Total Leases as Lessor	3,881	4,227

24: Commitments and Contingencies

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Capital Commitments		
Capital commitments denote approved capital expenditure contracted for at year-end but not yet incurred.		
Approved and Committed		
Buildings Institute	1,473	943
Other Plant, Property and Equipment	3,150	796
Intangible assets	61	226
Total Capital Commitments	4,684	1,965

Commitments relate to annual capital projects. There are contingent liabilities of $130k as at balance date (2019: $0k). The Institute has a peppercorn lease with Auckland Council for the use of the Hayman Park land on Station Road Manukau. The intangible asset has not been recognized in MIT's accounts as the lease commencement date is yet to be determined and is subject to a new separate stratum leasehold title to be issued for the site by Auckland Council. The Institutes interest in the land was valued at $13.0 million (Valuation date 31 December 2018)

MIT has entered into a contract with the intention to lease the TechPark building to be constructed by Haydn & Rollett, for a period of 30 years with two rights of renewal for ten years each. The value of the committment is yet to be finalised but is likely to be $3.5m per year.

MIT has building leases for the Maritime School which expire on 31 December 2020, with a right to renew. The leases include a make good requirement. The make good involves a number of complexities, uncertainties and options, and therefore a make good provision has not been able to be determined. MIT are currently assessing their options in respect of these leases.

25: Related Party Transactions and Key Management Personnel

The Institute is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier of client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect that the Institute 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.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Key Management Personnel Compensation		
Council members		
Full-time equivalent members	1.2	1.8
Remuneration	48	185
Directors and Chief Executive		
Full-time equivalent members	7.0	8.0
Remuneration	432	2,292
Total Full-time equivalent members	8.2	9.8
Total Key Management Personnel Remuneration	480	2,477

The full time equivalent for Council members has been determined based on the frequency and length of Council meetings and the estimated time for members to prepare for meetings.

All in $000s	ACTUAL 31 MARCH 2020	ACTUAL 2019
Councillor Fees		
Peter Winder (Chair)	10	40
Theresa Stratton (Deputy Chair)	6	25
John Hannan	5	20
Kira Schaffler	5	20
Jill Tattersall	5	20
Rachael Tuwhangai	5	20
Peter Parussini	5	20
Uluomatootua S. Aiono	5	20
Total Council Members' Remuneration	46	185

No Councillors received compensation or other benefits in relation to cessation (2019: nil).

26: Early Childhood Education Centre

All in $000s	ACTUAL 31 MARCH 2020	BUDGET 31 MARCH 2020	ACTUAL 2019
Statement of Comprehensive Revenue and Expense			
Revenue			
Government Funding	247	567	590
Equity Funding	11	0	39
Payment Fees (including WINZ)	39	333	266
Other Income	0	0	0
Total Revenue	297	900	895
Expenses			
Employee Benefit Expenses	135	605	814
Other Expenses	52	295	81
Total Expenses	187	900	895
Total Comprehensive Income	110	0	0
Equity Funding Statement			
Revenue			
Equity Funding	11	0	39
Expenditure			
Centre Resources	0	0	17
Text Books	0	0	4
Staff Training	0	0	12
Contract Staff	6	0	5
Total Expenditure	6	0	39

Centre Resources are general resource products for staff training. Contract staff costs are to enable centre staff to attend courses and have non contact time.

27: Income Tax

As at balance date the Institute had been granted charitable status and as a result are exempt from company tax.

28: Covid 19

On Wednesday, 25 March 2020 at 11.59pm, New Zealand increased its COVID-19 alert level to 4 which has required a nationwide lockdown for a period of five weeks for non-essential businesses. Education providers are considered to be essential services only at alert Level 3. MIT responded to this by closing its Campuses effective 23 March 2020 at 8.00pm for teaching and bringing forward the semester break both of which will enable staff to prepare for delivery of courses remotely after this time. Manukau Institute of Technology Limited (MIT Ltd) has resumed teaching using distance methods from 8.00am, Monday 6 April 2020. On 28th April MIT Ltd has begun to deliver teaching under level 3 restrictions. Whilst the Covid response was initiated before balance date it has been included as a post balance date event because of the ramifications impacting after that date.

The main impacts on MIT's financial statements due to COVID-19 are explained below:

Government funding

The TEC has confirmed that 2020 funding for Investment Plans and Fees Free will continue. The TEC has informed ITPs that it will not recover 2020 funding because of either non-achievement of Education Performance Indicators or under-delivery during the 2020 year. This provides MIT with certainty that it can continue to deliver to students despite disruption caused by COVID-19. A consequence of this is MIT has recorded a receivable and revenue for the year ended 31 March 2020 of $39m for the remaining 2020 funding (both investment plan and fees free) to be received after balance date.

Current forecasts

At this time it is difficult to determine the full impact of the COVID-19 pandemic. MIT will continue to monitor the event and respond in-line with the Governments directives. Current forecasts indicate an adverse impact of $2.1m.This is due to a decline in non Government funded courses, no new International students and some increased costs for PPE and physical distancing.

Student receivables impairment

MIT Ltd has recognised that the Covid situation has provided challenges for some students regarding debt payment. Temporary adjustments to credit control policy and practice have been implemented to provide appropriate flexibility where required. However debt collection has not been further compromised and MIT Ltd is satisfied that the impairment provision is adequate.

Land and Buildings fair value assessment

Land and buildings were last revalued as at 31 December 2018. While Covid-19 has created some valuation uncertainties in respect of land, the Institute has assessed and determined the carrying amount of land and buildings as at 31 March 2020 does not materially differ to their fair value at that date. Any future decisions on the use of land and buildings are the responsibility of MIT Ltd.

29: Events After Balance Date

The Minister of Education announced the Governments decisions on the Reform of Vocational Education proposals on 1 August 2019. The Education (Vocational Education and Training and Reform) Amendment Bill gained royal assent on 24 February 2020 and has become effective from 1 April 2020. The Education (Vocational Education and Training and Reform) Amendment Act 2020 (the Act) created a Crown entity, the New Zealand Institute of Skills and Technology (NZIST), converting all existing institutes of technology and polytechnics into crown entity companies, and taking on the operational activities of existing institutes of technology and polytechnics. The Manukau Institute of Technology transfered its assets and liabilities to a new company Manukau Institute of Technology Limited on 1 April 2020. Because of these changes, the Manukau Institute of Technology has prepared its financial statements on a non going concern basis.

GENERAL

Compulsory Student Service Fees

three months to 31 March 2020

The Compulsory Student Services Fee (CSSF) was set at $304 (GST inclusive) per full-time student in 2020 ($300 in 2019). The Fee funds key services for students to assist their success, retention and overall wellbeing while studying at MIT. All students, except distance and exchange students, must pay the Fee and can borrow the amount against their student loan, alternatively, if eligible, this fee is covered under the fees free policy.

31 March 2020 All in $000s	Total	Advocacy and legal advice	Careers information, advice and guidance	Employment Information	Pastoral care	Financial Support and advice	Health and Counselling Services	Clubs and societies	Sports, recreation and cultural activities
Revenue									
Compulsory Student Fees	447	81	41	41	216	7	29	0	32
Total Revenue	447	81	41	41	216	7	29	0	32
Expenditure	249	45	23	23	120	4	16	0	18
Surplus/(Deficit)	$198	$36	$18	$18	$96	$3	$14	$0	$14

2019 All in $000s	Total	Advocacy and legal advice	Careers information, advice and guidance	Employment Information	Pastoral care	Financial Support and advice	Health and Counselling Services	Clubs and societies	Sports, recreation and cultural activities
Revenue									
Compulsory Student Fees	1,116	181	103	103	517	3	120	3	86
Other									
Total Revenue	1,116	181	103	103	517	3	120	3	86
Expenditure	1,316	213	121	121	610	3	142	4	102
Surplus/(Deficit)	(200)	(32)	(18)	(18)	(93)	(0)	(22)	(1)	(16)

The administration of Compulsory Student Services Fees is integrated within MIT's normal operations. All income and expenditure associated with the provision of student services is separately accounted for in the Institute's accounting system.

Advocacy and Legal Advice

Advocacy support is provided to students who need help to resolve student issues. These can range from difficulties with their courses or attendance to misunderstandings with lecturers.
This extends to legal advice and providing support and advocacy for meetings where students go through a misconduct hearing.

Careers Information, Advice and Guidance

Careers information, individual CV support and workshops, interview practice, internship preparation and careers counselling are all provided to the students. This includes the provision of psychometric testing.

Employment Information

We have links with employers and are a central point for industry vacancies. The careers and employment team also prepare the students for interviews by offering advice on speaking, clothing and deportment.

Pastoral Care

Pastoral care is provided for students and involves support with WINZ and Studylink, accommodation, facilitating meetings with external providers, absenteeism, family and relationship issues and bullying. The chaplaincy team also provide some pastoral care.

Financial Support and Advice

A student financial assistance fund is available to assist students in overcoming financial barriers that are directly related to and adversely affect their current course of study.

Health and Counselling Services

The Health and Counselling Centre is available for students to access as needed. Doctors, nurses and counsellors offer a variety of services from medical assistance to guidance.

Clubs and Societies, Sports, Recreation and Cultural Activities

We support students to organise clubs, find venues and organise events. We also organise training facilities and coordinate teams to participate in competitions and events.

Statement of Resources

as at 31 March 2020

CAMPUS	ADDRESS	ACTIVITY
Institute Property		
Otara South	Newbury Street and Ōtara Road Ōtara, Manukau	Automotive Technologies; Civil Engineering; Electrical Engineering; Mechanical Engineering; Building, Construction and Carpentry; Construction Management; Electrical Trades; Mechanical Engineering Trades; Refrigeration and Air Conditioning
Otara North	Alexander Crescent and Ōtara Road, Ōtara, Manukau	Early Childhood; Tertiary Teaching; English; Literacy and Numeracy; Pacific Languages; Te Reo Māori; Logistics; Social Work; Applied Sport and Recreation; Hairdressing; Arboriculture; Floristry; Landscaping, Nursery Production and Parks and Gardens; Baking and Patisserie; Culinary; Hospitality and Café, Barista and Restaurant; International Diplomas in Cookery and Baking; Employment Preparation; Police Studies and Security; Supported Learning (Inclusive Education); Animal Care; foundation and Bridging Studies
MIT Manukau	Corner Manukau Station Road and Davies Avenue, Manukau	Business; Digital Technologies; Nursing; Couselling; Health Support; Mental Health; Public Health and Health Promotion; First Aid - Short Courses
SSTS	Ōtara Road	School of Secondary-Tertiary Studies
School of Sport	Ōtara Road	Sport and Exercise Science
Other Premises		
Auckland City	Union House, 2 Commerce Street and 132 Quay Street	Domestic Maritime; Marine Engineering; Nautical Foreign-Going
Mangere	Unit 9B Mahunga Drive	Plumbing, Gasfitting and Drainlaying
Ōtara	Otara Recreational Centre, Newbury Street	High Performance Lab
Papatoetoe	Sutton Crescent	Sport (moved out of Kolmar December 2019)
Warkworth	11 Glenmore Drive, Warkworth	New Zealand Maritime

Library Collection

Number of Titles in the Library Collection:	31 MARCH 2020	2019	2018	2017	2016	2015
Books	31,499	33,097	37,724	47,855	52,424	56,397
Serials	722	930	1,448	1,765	2,117	2,373
Videos	957	1,001	1,367	1,489	1,770	2,290
Total Number of Titles	**33,178**	**35,028**	**40,539**	**51,109**	**56,311**	**61,060**

Staffing

Staff Employed for year:	31 MARCH 2020	2019	2018	2017	2016	2015
Teaching Staff	274	282	300	272	327	322
Administration (Support Functions and Academic Admin)	342	351	364	414	406	411
Total Equivalent Full-time Staff*	**616**	**633**	**664**	**686**	**733**	**733**

Note these are FTE. Headcount is 652

**Previous years as at 31 December*

Glossary of Terms

Course A self-contained block of study which may comprise one or more units of learning

EFTS Equivalent full-time student

- SAC Funded: student component funded (Ministry funded)
- Non-SAC Funded: Non-Ministry funded, including overseas, TOPs, STAR and self-funded students

Ethnic Students Students who identify on enrolment forms that they are of another ethnic group

ITO Industry Training Organisation

ITP Institutes of Technology and Polytechnics

ITPNZ Institutes of Technology and Polytechnics of New Zealand

Māori Students Students who identify on enrolment forms that they are Māori

NZIST New Zealand Institute of Skills and Technology

NZQA New Zealand Qualifications Authority

PCC Pasifika Community Centre

Pasifika Students Students who identify on enrolment forms that they are Pacific Islanders

PBRF Performance Based Research Fund

Programme The combination of courses or units of learning with which a student is required to be credited in order to be awarded a specified qualification by the Institute, school or department. This includes courses that stand alone.

Research Outputs Research outputs include books and sections in books, journal articles both referred and non-referred, consultancies, conference publications, art exhibitions and catalogues. Other scholarly activities, conference presentations (unless in proceedings) and material produced primarily for teaching purposes are not included.

SAC Student Achievement Component

SDR Single Data Return

Teaching Area Net area of all teaching space including laboratories, workshops, workrooms and classrooms

TEC Tertiary Education Commission

TEI Tertiary Education Institute

THS Tertiary High School

WINZ Work and Income New Zealand

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Te Whare Takiura o Manukau

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