



atnz 



Annual Report 2022

Contents

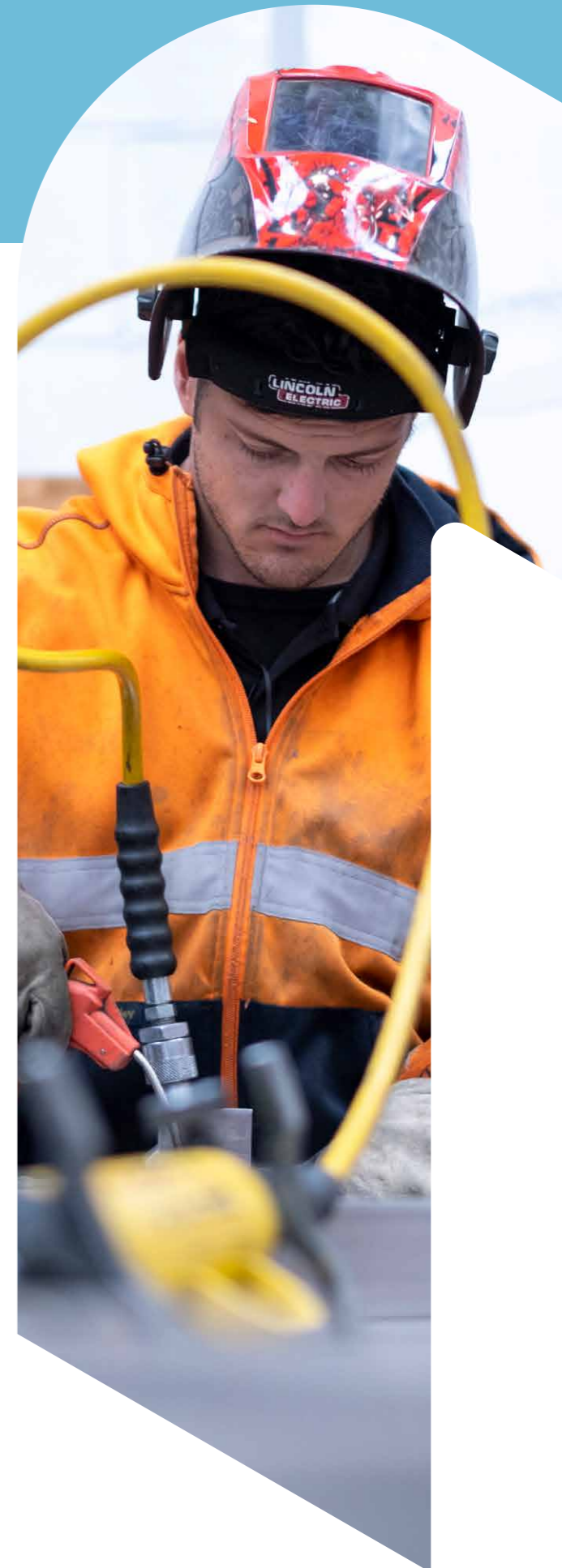
Introduction	1
About ATNZ	2
ATNZ Training	3
Performance	4
CEO Report 2022	6
Chair Report 2022	8
ATNZ Trustees	9
Our 2022 Host Companies	10
Our 2022 Graduates	14
ATNZ Apprenticeships	16
ATNZ Awards	18
Summary of financial statements	20

Introduction

In August 2022, ATNZ achieved NZQA registration as a PTE. This was a critical first step in enabling ATNZ to provide our own apprenticeship programmes and other training for the engineering, manufacturing, refrigeration, and air conditioning workforce.

The PTE Registration is a significant milestone and follows a thorough evaluation of ATNZ's strategy, financial sustainability, systems and capability to provide quality and industry-relevant training and apprenticeships by NZQA.

From 2023, ATNZ will introduce additional training options and extend their apprenticeship programmes to apprentices not employed through ATNZ.



About ATNZ

ATNZ has provided top-quality managed apprenticeships for the engineering and manufacturing sectors since 1999. We are a nationwide organisation with Account Managers located throughout the country to support the apprentices whose development we manage.

We are a registered Private Training Establishment (PTE) focussed on providing training for apprentices and the broader workforce across:

- Mechanical Engineering
- Engineering Fabrication
- Refrigeration and Airconditioning
- Mechanical Building Services

Our recent PTE registration allows us to provide the industry with the flexibility of non-employed apprenticeships for an annual fee and our long-established and highly successful hosting model under which we employ close to 400 apprentices. This makes us New Zealand's largest employer of engineering apprentices.

As the specialist training organisation we are also working with the industry to develop additional programmes at all levels, which will commence roll out in 2023.



ATNZ Training

Whether a company hosts an ATNZ apprentice or asks us to manage the development of its team, there are many reasons why partnering with ATNZ is the best way to develop a workforce for the future.

Workplace training and support

Our apprentice training and workplace support include at least ten visits yearly from a dedicated Account Manager. These visits bring a breadth of support to companies, provide pastoral care, coaching and mentoring to apprentices, and improve workplace relations, work productivity and completion rates.

All our apprentices are enrolled in ATNZ and, in turn, in an NZQA-approved industry training programme. In addition, we give our learners access to our e-learning portal, study groups and online tutorial support and access to counselling/wellbeing support services.

Completion and employment outcomes

ATNZ deliver a higher success rate than non-ATNZ engineering and manufacturing apprentices. Apprenticeships are a surefire way to provide a pipeline for a future skilled workforce.

Supervisor mentoring and support

While many great tradespeople are passionate about passing on their knowledge, they often need guidance on becoming an inspiring mentor. ATNZ Account Managers are vastly experienced within the engineering sector and are available as required to guide and coach supervisors.

Performance

Apprentices employed **528**

New Apprentices **160**

Host Companies **220**

Apprentices graduated **79**



CEO Report 2022



Tim Wilson
CEO

2022 was a year of challenge and change, but one in which ATNZ maintained high levels of service to our apprentices and host companies, whilst developing a strong foundation for our evolution to full Private Training Establishment status in 2023.

This was my first year at the helm of ATNZ and I want to acknowledge the support of the ATNZ Board, Leadership Group and all of the wider ATNZ team in what I believe has been a pivotal year. Your commitment, alignment and passion for ATNZ, our apprentices and our host companies ensured a successful year.

2022 was a transitional year for ATNZ in our journey from operating in conjunction with Competenz prior to the Government's RoVE transformation of vocational education and training to being a fully independent and registered Private Training Establishment (PTE). This meant that ATNZ continued to operate our Group Training Scheme model for employing and supporting our apprentices,

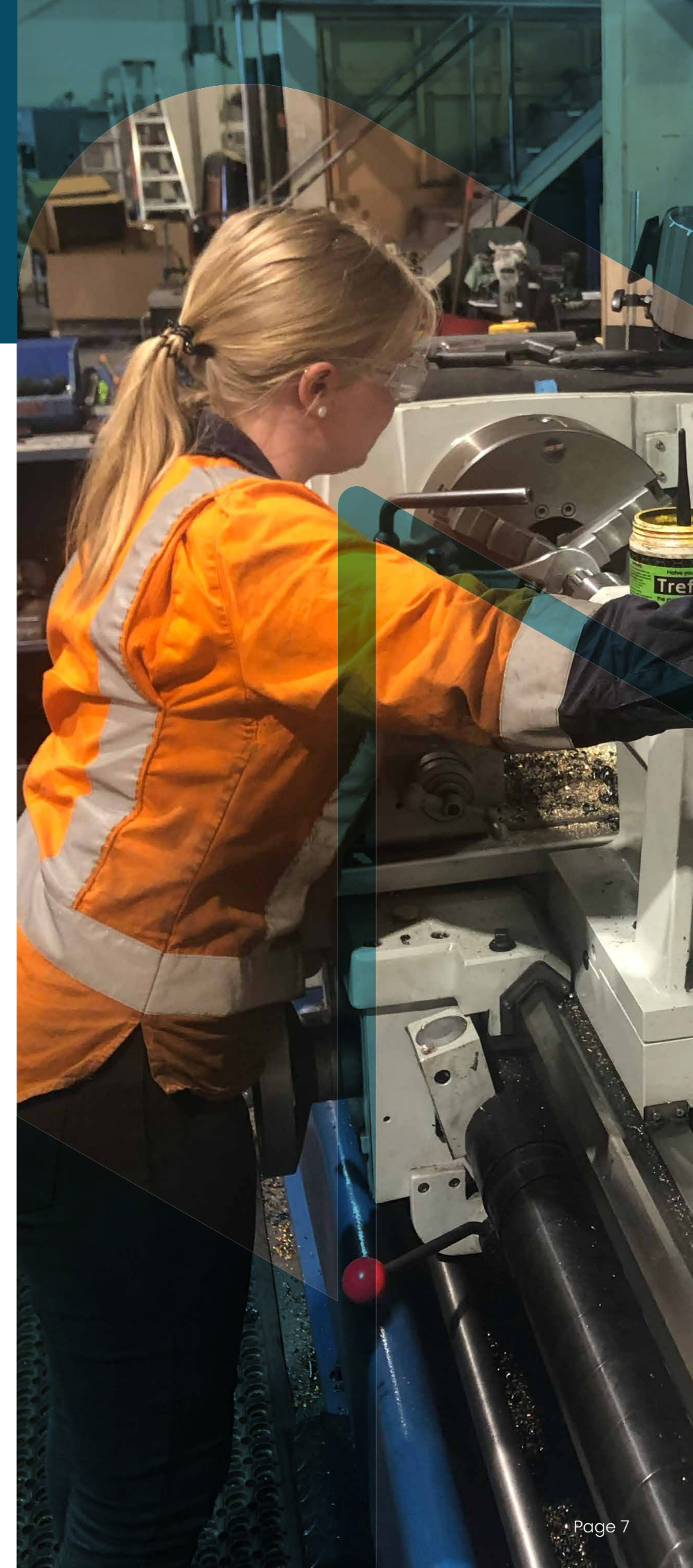
but within Te Pūkenga Work based Learning's (Competenz Division) training programmes; whilst being directly funded by the Tertiary Education Commission (TEC) for this educational delivery.

Much of our focus in 2022 was to develop the quality system, processes and the capability required for Private Training Establishment registration and future operation as a fully funded training provider. ATNZ successfully achieved this PTE registration and the approval of our training programmes by NZQA and secured funding from the Tertiary Education Commission for the 2023 year. These achievements in themselves are significant; doing so whilst employing the highest ever number of new apprentices, maintaining educational performance and support for our apprentices/hosts and establishing relationships with new key stakeholders such as Hanga Aro Rau and industry bodies evidences the commitment, capability and mahi of the wider ATNZ team. We were also able to achieve this at a significantly lower than budgeted investment cost.

From 2023, ATNZ will deliver our own training programmes. To support this, I was appreciative that the ATNZ Board approved a significant investment in augmented reality welding simulation units. ATNZ also wishes to acknowledge the receipt of Strategic Component funding from the TEC towards this purchase.

Our Apprentice of the Year and new Rookie of the Year awards were a real highlight. The calibre of the finalists was exceptional and selecting the winners proved a significant challenge for myself, Hanga Aro Rau Engineering sector manager, Matt Gough and representatives of the respective sponsors, NZ Safety Blackwoods and Hobeca/Mitutoyo. The quality of work, confidence of the apprentices and the level of responsibility being given to these apprentices was inspiring.

Finally, I would like to thank our Host Companies for their continued support.



Chair Report 2022

ATNZ Trustees



Fiona Kingsford
CHAIR 2022

It is with great pleasure that I present ATNZ's Annual Report for 2022; my first as Chair after having taken over from John Blakey in March.

I would like to acknowledge John's long tenure and leadership as ATNZ Chair and Trustee and my appreciation for him remaining on the Board as we transition into a full service Private Training Establishment (PTE). I would also like to acknowledge my fellow Trustees, Mike Lehan, Karen Rolleston and new Trustee, Tupara Morrison who was appointed during the year.

ATNZ had big objectives for 2022 and I am pleased to report that that these were

successfully achieved. We enjoyed our first year free of CoVID disruption and were able to increase our apprentice numbers and maintain our educational performance. We also successfully achieved our PTE Registration and the approval of our training programme towards operating as funded and fully independent PTE for 2023.

I would like to acknowledge incoming Chief Executive Officer, Tim Wilson, his Leadership Group and the wider ATNZ team for this success. It was a year of change and challenge for ATNZ and the team really delivered for us. With Tim, we reviewed and confirmed our strategy to becoming New Zealand's leader in innovative apprenticeship and tailored work-based training in the engineering & manufacturing sectors. 2022 laid a very solid foundation for this.

We finished the year in a stronger financial position than we had budgeted, primarily through being able to achieve our development and transition activity for a smaller than

planned investment. This was after fully provisioning the remediation of some historic holiday pay issues where some apprentice holiday and sick leave entitlements had not been calculated in accordance with the Holidays Act.

All of this was possible only with the continued support of our Host Companies. Thank you to all of you who have contributed to meeting the skill needs of our industry by supporting an apprentice and for choosing to do this in partnership with ATNZ.

In conclusion, I am proud to say that ATNZ has had an outstanding year, marked by resilience, innovation, and growth. I have no doubt that we will continue to achieve great things in the future, and I look forward to working with all of you to make that happen.



Mike Lehan

Mike has over thirty years of experience in engineering and construction; during much of it, he has provided commercial overviews and project management. Currently employed as the Contracts Manager Bishop Building Ltd, he also plays a strategic part in the company's growth.



Karen Rolleston

Karen is a seasoned business leader with over two decades of experience in executive and senior management positions. She holds an MBA, is Syndicate Chair of the CEO Institute, holds positions on the boards of three NZ companies and was part of the 3P Learning leadership team during one of the biggest tech IPOs in Australia.



Tupara Morrison

Tupara (Ngāti Whakaue) joined the board in August 2022. Tupara brings over 30 years of executive and governance experience in the public and private sectors across the health, tertiary education, research and innovation, tourism, iwi development, arts and culture sectors.



Fiona Kingsford (CHAIR)

Fiona has recently started as CEO of Plunket. Prior to this, Fiona spent six years as CEO of Competenz, an organisation which, over thirteen years, she was instrumental in transforming to one based on customer centricity, product innovation, technology adoption and enablement.

Our 2022 Host Companies

We would like to acknowledge these ATNZ host companies who are investing in New Zealand's future by training and mentoring the next generation of highly skilled tradespeople.

3D Industrial Ltd
A & G Price
A E Smith Ltd
A E Smith Ltd - A
Access Automation Ltd
Ace Air Conditioning Ltd
Acme Engineering Ltd (Wellington)
Active Engineering Ltd
Advance Boiler Services NZ Ltd
Advance Mechanical Service NZ Ltd
Advanced Building Services
AHI Carrier NZ Ltd (Dunedin)
AHI Carrier NZ Ltd (Napier)
AHI Carrier NZ Ltd (Wgtn)
Air Dynamics Ltd
Allied Industrial Engineering
Amalgamated Pipe Fitters Ltd
AMPT HVAC BOP Ltd
Aquaheat Facility Services Ltd
Aquaheat Facility Services Ltd (Christchurch)
Asahi Ltd
Ashworth & Taylor Sheetmetal
Autocraft Engineering Ltd
Automac Engineering Ltd
B & P Engineering
B3 Services Ltd
Baigent Motors Ltd
Baker Engineering Ltd
Ballance Agri-Nutrients (Invercargill)
Ballance Agri-Nutrients Ltd (Tauranga)
C & R Engineering Ltd
Cambridge Welding Services
Careford Mechanical Ltd
Cedenco Foods NZ Ltd
Chillzone Ltd

Climate Control Services Ltd
Coastal Refrigeration
Color Communications Inc.
Compressed Air Controls Ltd (Palmerston North)
Container Co (NZL) Ltd - AKL
Container Co (NZL) Ltd - Tauranga
Cooke Industries Ltd
Cool Cat Refrigeration
Coollogic Refrigeration Ltd (CHCH)
Coollogic Refrigeration Ltd (DUN)
Coollogic Refrigeration Ltd (Nelson)
Coollogic Refrigeration Ltd (Penrose)
Coollogic Refrigeration Ltd (Te Puke)
Cubro Ltd
D&H Steel Construction Ltd
Damar Industries Ltd
Dana SAC New Zealand Ltd
DBC Building Services Ltd
Donald Engineering Ltd
Douglas B Foote Ltd
Dunedin City Council
Eastbridge Ltd
Eastbridge Services Ltd
Economech Services Ltd
Edwards Engineering Ltd
Engineering & Farm Services
Engineering Services Rotorua
Epic Engineering Ltd
Essity Ltd
Fabrication & Pipe Services Ltd
Falcon Industries
Fletcher Mechanical Ltd
Fonterra Brands (NZ) Ltd
Fruco Sunbory New Zealand Ltd
Fullers Group Limited

Future Air Solutions
G W Davies Heating Eng Ltd
Gavin Lowe Air Conditioning Ltd
GB Teat
GEA New Zealand
Golden Bay Cement
Gore Sheetmetal and Engineering
Grayson Engineering
Griffins Foods Ltd - Papakura
Griffins Foods Ltd - Wiri
Hartnell Coolheat Ltd
Hawkes Bay District Health Board
Hawkes Bay Refrigeration Ltd
Hayes International
Heat Treatments Ltd
Heattech Ltd
Heatwave Mechanical Services
Hendl & Murray Engineering Ltd
Heslops Engineering Ltd
Horne Engineering Co Ltd
Hornell Industries Ltd
HotChilly Ltd
HotChilly Ltd - A
Hydrapower Systems Ltd
Hydraulic Wholesalers Ltd
IMG Contracting Engineering
IMG Ltd - A
IMG Ltd - B
Industrial Site Services Co Ltd
Ironworks Coromandel Ltd
ITSS Engineering
ITSS Engineering Ltd
J C D Engineering Ltd
J P Marshall & Co Ltd
Jack Refrigeration Ltd
JRM Engineering Ltd
Kliptank Ltd
Kono NZ LP
Kopine Maintenance
Kopu Engineering

Kraft Heinz Ltd (Christchurch) - A
Kraft Heinz Ltd (Christchurch) - B
Kraft Heinz Ltd (King Street)
Kraft Heinz Ltd (King Street) - A
Kraft Heinz Ltd (King Street) - B
Kraft Heinz Ltd (King Street-CEA)
Kraft Heinz Ltd (Tomoana - PF)
Kraft Heinz Ltd (Tomoana - R)
Lakeland Steel Ltd
Landquip Limited
Leask Engineering Ltd
Lion Co
Lyle Engineering Limited
Mackenzie Welding 2013 Ltd
Manukau Institute of Technology
McAlpines Engineering Ltd
McCain Foods (NZ) Limited
McColl Engineering Co
McKenzie & Ridley Ltd (Kawerau)
McLaren - Smart Processing Ltd
Metal Construction (1989) Ltd
Metalworks Otago Ltd
Metropolitan Air Conditioning & Refrigeration -
Contracts
MGE Engineering Ltd
MHM Automation
Mike Christie Sheetmetals Ltd
Modern Transport Engineers Ltd
Monocrane 2010 Ltd
Morbark NZ Ltd
Mount Maintenance Ltd
MSD Animal Health
Mt Wellington Engineering 1994 Ltd
Myriad Engineering Ltd
New Zealand King Salmon Co Ltd
New Zealand Manufacturing
New Zealand Pharmaceutical
New Zealand Steel Ltd
New Zealand Sugar Company Limited
New Zealand Tube Mills

Our 2022 Host Companies

New Zealand Wire and Mesh Ltd
Newdick Sheetmetals
Newhaven Engineering Ltd
NTD Plastics Ltd
Obtuse Ltd
Ohakune Engineering Ltd
One Forty One
Oravida Waters Ltd
Pacific Steel NZ Ltd - Rolling Mill
Pacific Steel NZ Ltd - Wire Mill
Pacifica Air Solutions Ltd
Page Macrae Ltd
Pan Pac Forest Products Ltd
Pan Pac Forest Products Ltd - B
Patton Engineering
Perkinson Mechanical Ltd
Phil Cowan Sheetmetals Limited
Phoenix Steel Ltd
Piako Transport Engineering
Port of Tauranga Ltd
Pro Steel Engineering Ltd
Produce Engineering Ltd T/a BMC
Quinn Engineering Ltd
Rakaia Engineering Ltd
Real Steel Ltd
Red Stag Timber
Red Steel Ltd
Sanford Ltd
Sharland Engineering
Sharp Edge Engineering Ltd
Sheetmetal Specialist 2001 Ltd
Sigma Sheetmetal Products Ltd
Sistema Plastics Limited
Smooth Air Products
Smythes Engineering Ltd
So Cool Services Ltd
Stacey Towler Engineering Ltd
Stafford Engineering
Stainless Engineering Ltd
Steel ED 2017 Ltd

Stevensons Structural Engineering Ltd
Stewart & Cavalier Ltd
Stewart & Holland Ltd
Summit Hydraulic Solutions Ltd
SUNDRY FOR IN BETWEEN JOBS
Tech Mechanical Services Ltd
Terraway Attachments Ltd - T/A Trench It
Thames Structural Welders
Tip Top Bread (Auckland)
Tip Top Bread (South Island)
Transport & General Eng Co Ltd
Trustpower Ltd
Tubman Heating Ltd
Turner Metal Fabrication Ltd
Ullrich Aluminium (Manukau)
Ullrich Aluminium (Wellington)
Uniplas NZ Ltd
VAE NZ Ltd - Christchurch
VAE NZ Ltd - Waikeria
Wasabi Air Ltd
Watson Engineering
We Can Precision Engineering Ltd
Whakatane Mill Ltd
Whakatiki Engineering
Wilkinson Transport Engineers
William Ross Engineering Ltd
Williams Engineering Ltd
Windsor Engineering Group Ltd
Winiata & Anderson Sheetmetals
WPI International Ltd
Zeal Steel Limited



ATNZ Apprenticeships



General engineering



Maintenance engineering



Light fabrication



Heavy fabrication



Fitting and machining



Steel construction



Metal casting



Machining



Toolmaking



Refrigeration and air conditioning



Heating, ventilation and air conditioning



Mechanical building services



ATNZ Awards

ATNZ were thrilled to have such outstanding finalists and winners of our 2022 Apprentice of the Year and Rookie of The Year competitions.

Hawke's Bay-based fabrication fourth-year learner, Tama Dunn (Ngā Puhī, Te Arawa, Ngāti Kahungunu), took out the ATNZ Apprentice of the Year title. This award celebrates an ATNZ apprentice who demonstrates outstanding performance in their work, a great attitude, is proactive on the job and shows obvious pride and enjoyment in what they do – something Tama's ATNZ Account Manager Ben Julian said he exhibits in abundance.

"Tama is making a path for himself and was recognised as a leader early in his apprenticeship. With his skills, strong work ethic, and excellent attitude, he will go on to do great things, but it could have been so different. He has overcome some big adversity in his life, and in the early part of his apprenticeship – which he almost gave up on at one point. So, it's very special to me that he won and to be a small part of that success. Ben said.

On his win, a humble Tama shared he wasn't expecting to take out even the regional award – the precursor to the national award – but was stoked to have won both and taken away the \$1,500 worth of tools from award sponsor NZ Safety Blackwoods.

With graduation from his apprenticeship in sight, Tama is already planning ahead and would one day like to launch his own contracting business to make a difference for rangatahi who might be heading down the wrong path. One he nearly took himself.

"I love being on the tools, and in five years' time, I want to be a contractor, so I recruit some young fullas to work for me and run my own little crew, get them off the streets, get them out of trouble. I'd pick them up in the morning, make sure they get to work on time, have their tools, work the day, and take them home again."

Tama is also a success story from the innovative collaboration between Hastings company Patton Engineering and Hastings Boys High School. Together, they have created a 'real-life' trades training and apprenticeships programme for high school students. It helps address skills shortages for Pattons and, for the best and brightest learners, leads to employment in an ATNZ apprenticeship.

2022 was the fifth year of the annual Apprentice of the Year award for ATNZ, but it was the inaugural Rookie of The Year, an award taken out by Caleb Hokai. This exciting new accolade recognises a rising star who has completed the first year of their apprenticeship and is already exhibiting exceptional talent, tenacity, and skill in their chosen craft.

His ATNZ Account Manager Jo Brierly said host company Red Stag Timber immediately spotted 21-year-old Caleb's potential in Rotorua, where the fitting and machining apprentice is already producing work at a tradesman level despite being only in the second year of his training.

"Caleb is just so focused, trustworthy, and mature beyond his years, plus he's a natural people leader and is well respected – even at his relatively young age. He can absolutely do anything he wants to in the future. The calibre of entrants was amazing, but Caleb totally deserved it!" Jo said.

Caleb originally planned to go to university to study mechanical engineering after a gap year following high school but was attracted by the benefits of an apprenticeship – earning while he learned with no student loan. He highly values education and will continue after his training is complete.

"I want to keep learning and get more qualifications under me. I don't just want to be a tradesman. I want to go even further, do my advanced trade, health and safety training, management courses: the sort of stuff so I can go on to be a coordinator or manage a department or look after other apprentices."

With so much talent on the ATNZ books, CEO Tim Wilson said the competition would always be fierce, but the standard of the finalists and eventual winners shone through.

"I am deeply proud of every one of our apprentices who put themselves forward for these awards – it's not an easy thing to do. Each of the nominees demonstrated, in their own way, the attributes and talents of future industry leaders and a clear passion for their trade. It was humbling to hear their stories, and the judges had a torrid time separating our finalists."



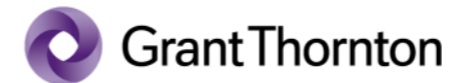
Summary of financial statements

Apprentice Training New Zealand 2010 Trust ('ATNZ')

Notes to the summary financial statements. The summary financial statements for ATNZ for the year ending 31 December 2022 were authorised for issue by the Trustees on 23 May 2023. The summary financial statements have been extracted from the audited full financial statements and are presented in New Zealand dollars.

All values are rounded to the nearest thousand dollars. The summary financial statements have been prepared in accordance with IPSAS 1: Presentation of Financial Statements. The summary financial statements cannot provide as complete an understanding as the full financial statements can. A copy of the full financial statements can be obtained by emailing finance@atnz.org.nz

The full financial statements for the year ended 31 December 2022 were authorised for issue by the Trustees on 23 May 2023. An unmodified audit opinion was issued for the full financial statements. The full financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. The full financial statements comply with the International Public Sector Accounting Standards and other applicable Financial Reporting Standards, as appropriate for New Zealand not for profit entities. Accounting policies have been applied on a consistent basis with the full financial statements.



Independent Auditor's Report

Grant Thornton New Zealand Audit Limited
L4, Grant Thornton House
152 Fanshawe Street
PO Box 1961
Auckland 1140
T +64 (09) 308 2570
www.grantthornton.co.nz

To the Trustees of Apprentice Training New Zealand 2010 Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Apprentice Training New Zealand 2010 Trust (the "Trust") which comprise:

- the financial statements set out on pages 25 to 37 (excluding page 28), which comprise, the statement of financial position as at 31 December 2022, and the statement of comprehensive revenue and expenses, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- the statement of service performance on page 28 for the year ended 31 December 2022.

In our opinion the accompanying financial statements present fairly, in all material respects:

- the financial position of the Trust as at 31 December 2022 and of its financial performance and cash flows for the year then ended; and
- the service performance for the year ended 31 December 2022 in accordance with the Trust's service performance

in accordance with the Public Benefit Entity International Public Sector Accounting Standards applying the Reduced Disclosure Regime ("PBE IPSAS RDR") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other Information Other than the Financial Statements and Auditor's Report thereon

The Trustees are responsible for the other information. The other information comprises the information included in the Directory and the Annual Report 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 and, in doing so, 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 the work we have performed, 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.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for:

- the preparation and fair presentation of these financial statements and statement of service performance in accordance with PBE IPSAS RDR issued by the New Zealand Accounting Standards Board;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE IPSAS RDR; and
- for such internal control as the Trustees determine is necessary to enable the preparation of financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-8/>

Restriction on use of our report

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

Grant Thornton New Zealand Audit Limited

Grant Thornton

Auckland

23 May 2023

ATNZ Financial Statements



Apprentice Training New Zealand 2010 Trust ('ATNZ')

For the Year Ended 31 December 2022

Nature of Business	
Establishment	The organisation is established under the Charitable Trusts Act 1957 and registered as a charitable entity under the Charities Act 2005.
Purpose	The purpose of the organisation is the advancement of education with a specific focus on the management of training apprentices. ATNZ employs apprentices nationwide across a wide range of industries, through the ATNZ Group Apprentice Programme.
Function	The primary function is to employ apprentices and place them in industry while ensuring the apprentices become highly employable trades people through a learning and mentoring programme.
Registered Office	Level 1, 19 Great South Road, Epsom, Auckland 1051 PO Box 109140, Newmarket, Auckland 1023
Trustees	Fiona Kingsford (Chairperson - effective March 2022) John Blakey (Chairman - 2021) Mike Lehan Karen Rolleston Tupara Morrison
Independent Auditor	Grant Thornton New Zealand Audit Limited Auckland
Bank	ANZ Auckland

Statement of Financial Position

As at 31 December 2022

	Notes	2022	2021
		\$000	\$000
ASSETS			
Current assets			
Cash and cash equivalents	9	4,347	4,749
Short term investments	10	6,244	1,515
Trade and other receivables		1,612	1,459
Prepayments		93	74
Total current assets	11	12,296	7797
Intangibles	11	6	29
Property, plant and equipment		266	223
Total non-current assets		272	252
TOTAL ASSETS		12,568	8,049
LIABILITIES			
Current liabilities			
Trade and other payables		1,315	1,013
Goods and services tax payable	12	287	257
Income received in advance		5,569	966
Employee leave benefits		1,063	1,139
Total current liabilities		8,234	3,375
TOTAL LIABILITIES		8,234	3,375
NET ASSETS		4,334	4,674
ACCUMULATED FUNDS			
Accumulated funds		4,334	4,674
TOTAL ACCUMULATED FUNDS		4,334	4,674

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Trustees who authorise the issue of the financial statements on 23rd May 2023.

Fiona Kingsford (Trustee)

Tupara Morrison (Trustee)

Statement of Comprehensive Revenue and Expenses

For the Year Ended 31 December 2022

	Notes	2022	2021
		\$000	\$000
Revenue from non-exchange transactions			
Donations received		-	3,452
Government grants		3,435	5,249
Industry Funding		590	360
		4,025	9,061
Revenue from exchange transactions			
Rendering of services		23,365	18,757
Other revenue	6	161	16
		23,526	18,773
Total revenue		27,551	27,834
Expenses			
Training expenses		2,504	2,393
Employee entitlements	7	23,650	20,005
Other expenses from ordinary activities	7	1,737	2,512
Total expenses		27,891	24,910
Net (loss)/surplus		(340)	2,924
Other comprehensive income		-	-
Total comprehensive (deficit)/income for the year		(340)	2,924

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Net Assets

For the Year Ended 31 December 2022

	2022	2021
	\$000	\$000
Opening balance of accumulated funds	4,674	1,750
Net (loss)/surplus for the year	(340)	2,924
Other comprehensive income for the year	-	-
Closing balance of accumulated funds	4,334	4,674

Statement of Cash Flows

For the Year Ended 31 December 2022

	Notes	2022	2021
		\$000	\$000
Cash flows from operating activities			
Receipts from customers		23,785	21,455
Receipts from government grants		8,038	2,651
Receipts from donations	14	-	3,450
Payments to suppliers and employees		(27,547)	(24,469)
Interest received		161	16
Net cash from operating activities		4,437	3,103
Cash Flows from Investing activities			
Investment in term deposits		(4,729)	(765)
Purchase of property, plant, and equipment		(110)	(223)
Net cash (used in) investing activities		(4,839)	(988)
Net increase in cash and cash equivalents held		(402)	2,115
Cash and cash equivalents at beginning of year		4,749	2,634
Cash and cash equivalents at end of year		4,347	4,749

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement Service Performance

For the Year Ended 31 December 2022

ATNZ is a provider of high quality apprenticeships that develop the future skilled labour force of the engineering and manufacturing industries in New Zealand. We concentrate equally on supporting employers and those who want to work in the industry.

ATNZ is the largest employer of apprentices in mechanical engineering and related industries and has been in operation since 1999.

We offer apprenticeships across:

- Mechanical Engineering
- Engineering Fabrication
- Refrigeration and Air Conditioning
- Mechanical Building Services

We are passionate about developing quality tradespeople and contributing significantly to the sectors we work alongside.

We do this by:

- Providing a robust recruitment programme supported by targeted marketing and a complete recruitment process to attract quality apprentices
- Delivering a high level of coaching and mentoring throughout the duration of the apprenticeship
- Ensuring our apprentices' health and safety

Apprentices Graduated:

2022	2021
79	58

Apprentices who graduated and completed at ATNZ reflected in the year they completed.

Apprentices Employed as at 31 December:

2022	2021
367	370

New Apprentices started in the year:

2022	2021
160	146

Host Companies:

2022	2021
152	170

Notes to the Financial Statements

For the Year Ended 31 December 2022

1. Corporate Information

The financial statements of Apprentice Training New Zealand 2010 Trust (ATNZ) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board on the 23rd May 2023.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). The financial statements have also been prepared on a historical cost basis. The financial statements are presented in New Zealand Dollars and all values are rounded to the nearest thousand Dollars (\$000) unless otherwise stated.

(b) Statement of Compliance

The financial statements comply with the Tier 2 PBE Accounting Requirements with reduced disclosures (PBE Standards RDR) as required by the External Reporting Board (XRB) and the Charities Act 2005.

(c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(i) Initial recognition and measurement

Financial assets are classified at initial recognition, as financial assets at fair value through surplus or deficit, loans and receivables, held to maturity investments, or available for sale financial assets.

(ii) Subsequent Measurement

Loans and receivables

ATNZ does not have any loans extended to third parties.

Trade receivables, which generally have 14 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost less an allowance for any uncollectible amounts. Collectability of trade receivables is reviewed on an on-going basis. A provision for doubtful debts is raised when there is objective evidence that

ATNZ will not be able to collect the debt. Objective evidence is considered to be notification from the debtor that they have disputed the debt or that they are unwilling or unable to make payment of the debt. Debts that are known to be uncollectible are written off when identified.

Held to maturity investments

Cash and cash equivalents comprise cash at bank and in hand and Term Deposits with a maturity of less than ninety days as at reporting date, and Term Deposits that have a maturity greater than ninety days as at reporting date. After initial measurement, Term Deposits that are held to maturity investments are measured at amortised cost using the effective interest method, less impairment if any.

Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at initial recognition at amortised cost.

(ii) Subsequent Measurement

Financial liabilities at amortised cost

Trade payables and other payables are carried at initial cost, less amortisation if any. They represent liabilities for goods and services provided to ATNZ prior to the financial year end that are unpaid and arise when ATNZ becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade payables are non-interest bearing and are normally settled within the prescribed payment terms, which are typically 20 - 50 days. Other payables are non-trade payables and are non-interest bearing and have an average term of 20 days.

(d) Property, Plant and Equipment

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Work in progress balances are not subject to depreciation.

The estimated useful lives are:

Computer Hardware	4 years
Motor Vehicles	4-5 years
Office Equipment	5 years

(e) Intangibles

Intangible assets with finite lives are amortised on a straight line basis over their estimated useful life and tested for impairment wherever there is an indication that the intangible asset may be impaired. For software assets this is 3 years. Intangible assets in progress are not amortised, but are tested for impairment annually.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

(f) Provisions

Provisions are recognised when ATNZ has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When ATNZ expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive revenue and expenses net of any reimbursement.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(g) Employee Leave Benefits – Salaries, Annual Leave and Sick Leave

Liabilities for salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. These are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(h) Revenue Recognition

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to ATNZ and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of Services

Revenue is recognised when the services have been performed and are billable.

(ii) Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

future cash receipts through the expected useful life of the financial asset to the net carrying amount of the financial asset.

(iii) Government grants

These transactions are recognised as revenue when the Trust has complied with the primary conditions attached to them and are otherwise maintained in the statement position as revenue in advance.

(iv) Donations

Revenue is recognised in full on receipt, or earlier where there is evidence that the future economic benefits will flow to the Trust. In this case, the Trust recognises a liability for deferred revenue and revenue is recognised only once the Trust has satisfied these conditions.

(i) Income Tax and Other Taxes

Income Tax

As a registered Charity under the Charities Act 2005, ATNZ is exempt from income tax.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the Inland Revenue Department, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating activities.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Inland Revenue Department.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements require management to make judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on ATNZ. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from

the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(j) Significant Accounting Judgements

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. This assessment is based on the communications, dealings, and circumstances with those debtors. Trade receivables which are considered doubtful are provided for.

4. Changes in Accounting Policy and Disclosures

The accounting policies adopted in the Financial Statements for the year ended 31 December 2022 are consistent with those of the previous financial year.

5. ATNZ – Private Training Establishment (PTE)

Background

During 2022, ATNZ operated as and was funded through the Tertiary Education Commission as a Direct Funded Employer with apprentices enrolled in Te Pukenga programmes of industry training. ATNZ successfully achieved NZQA accreditation and registration as a PTE in August 2022 and commenced operating and being funded through the Tertiary Education Commissions as a Private Training Establishment (PTE) from January 2023. Under this registration and funding, ATNZ has become the training provider for our apprenticeship programmes and other training.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

Going Concern

TEC has approved ATNZ's Investment Plan and has confirmed funding under the new Unified Funding System (UFS) for 2023. With this confirmed funding and cash reserves, ATNZ Trust is able to meet all its obligations over the next 12 months and is considered to be a going concern.

6. Other Revenue

	2022	2021
	\$000	\$000
Interest	143	16
Other	18	-
	161	16

7. Expenses

	2022	2021
	\$000	\$000
Employee entitlements		
Salaries	23,074	19,512
Defined contribution superannuation expense	576	493
Total employee entitlements	23,650	20,005
Other expenses from ordinary activities		
Board fees	133	81
Board fees - other	10	4
Other expenses from ordinary activities	1,594	2,427
Total expenses from ordinary activities	1,737	2,512

8. Financial Instruments

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	2022	2021
	\$000	\$000
Financial assets at amortised cost		
Cash & cash equivalents	4,347	4,749
Trade & other receivables	1,612	1,459
	5,959	6,208
Financial liabilities at amortised cost		
Trade & other payables	1,315	1,013
Employee leave liabilities	1,063	1,139
	2,378	2,152

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

Risk Management

Credit Risk

Credit Risk is the risk that a counterparty fails to discharge its obligation to ATNZ, the maximum exposure is equal to the carrying amount of the financial instruments. ATNZ only invests cash and term deposits with registered New Zealand Trading Banks. Trade receivable balances are monitored on a monthly basis with the result that exposure to bad debts is not significant, a provision for doubtful debts of \$79K (2021: \$62K) is included in the above balance, this was based on a review of debtors outstanding as at 31 December.

As at 31 December, the aging analysis of trade receivables is as follows:

	TOTAL	Current	0-30 Days PD*	31-60 days PD*	61-90 days PD*	+91 days PD*
	\$000	\$000	\$000	\$000	\$000	\$000
31 December 2022	1,470	1,266	53	25	23	103
31 December 2021	1,349	1,255	(81)	72	34	69

*PD - Past due and not impaired

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. No financial instruments are subject to currency risk. Interest rate risk is not considered to be material as term deposits pay fixed interest rates. There is no exposure to other price risk.

Liquidity Risk

Liquidity Risk is the risk that ATNZ may not be able to meet its obligations. ATNZ manages liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis.

9. Cash and Cash Equivalents

	2022	2021
	\$000	\$000
Cash at bank and in hand	4,347	4,749
	4,347	4,749

Cash at bank earns interest at floating rates based on daily bank deposit rates.

10. Trade and Other Receivables

	2022	2021
	\$000	\$000
Trade receivables	1,470	1,349
Provision for doubtful debts	(79)	(62)
Apprentice tool account	138	140
Other receivables	83	32
Carrying amount of trade and other receivables	1,612	1,459

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

11. Non-Current Assets

Reconciliation of carrying amounts - Intangibles

	Software	Total
	\$000	\$000
As at 31 December 2021		
Cost	99	99
Accumulated amortisation	(70)	(70)
Net carrying amount	29	29
For the year ended 31 December 2022		
Additions during the year	-	-
Amortisation charge for the year	(23)	(23)
As at 31 December 2022		
Cost	99	99
Accumulated amortisation	(93)	(93)
Net carrying amount	6	6
	Software	Total
	\$000	\$000
As at 31 December 2020		
Cost	95	95
Accumulated amortisation	(48)	(48)
Net carrying amount	47	47
For the year ended 31 December 2021		
Additions during the year	4	4
Amortisation charge for the year	(22)	(22)
As at 31 December 2021		
Cost	99	99
Accumulated amortisation	(70)	(70)
Net carrying amount	29	29

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

Reconciliation of carrying amounts - Property, Plant and Equipment

	Computer Hardware	Motor Vehicles	Office Equipment	Work in progress	Total
	\$000	\$000	\$000	\$000	\$000
2021					
As at 31 December 2021					
Cost	22	200	26	2	250
Accumulated depreciation	(2)	(25)	-	-	(27)
Net carrying amount	20	175	26	2	223
Additions during the year	67	38	2	3	110
Depreciation charge for the year	(18)	(46)	(3)	-	(67)
As at 31 December 2022	49	(8)	(1)	3	43
As at 31 December 2022					
Cost	89	238	28	5	360
Accumulated depreciation	(20)	(71)	(3)	-	(94)
Net carrying amount	69	167	25	5	266

12. Income Received in Advance

	2022	2021
	\$000	\$000
Targeted Training and Apprenticeship Fund – Tertiary Education Commission	5,485	630
Direct Funding Scheme – Tertiary Education Commission	79	336
Mana in Mahi – Work and Income	5	-
Carrying amount of income received in advance	5,569	966

13. Trade and Other Payables

	2022	2021
	\$000	\$000
Trade payables	78	54
Other payables	1,237	959
Carrying amount of trade and other payables	1,315	1,013

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

14. Statement of Cash Flows Reconciliation

	2022	2021
	\$000	\$000
Reconciliation of operating surplus to net cash flows from operations		
(Deficit)/Surplus from ordinary activities after income tax	(340)	2,924
Non-cash flows in surplus from ordinary activities:		
Bad debts written off	-	1
Increase in depreciation and amortisation	67	27
Changes in assets and liabilities:		
Decrease (increase) in trade and sundry debtors	(153)	2,307
(Increase) in prepayments	(19)	(35)
(Decrease) in trade creditors and accruals	332	67
(Decrease) in government grants	4,603	(2,599)
(Decrease) increase in provisions	(76)	389
Cash flow used in operating activities	4,437	3,130

15. Key Management Personnel

	2022	2021
	\$000	\$000
Compensation of Key Management Personnel		
Board fees	133	81

16. Events After the Statement of Financial Position Date

At the date of signing these financial statements NZ has had a major weather incident. Cyclone Gabrielle has caused extensive damage to some parts of NZ. ATNZ has Hosts and Apprentices that have been affected by flood damage in the Hawkes Bay.

17. Commitments and Contingencies

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

	<1 year	1-5 years	>5 years	Total
	\$000	\$000	\$000	\$000
31 December 2022	71	137	-	208
31 December 2021	52	208	-	260

The operating leases are in relation to leased premises and a photocopier. Expense related to the operating leases for the year to 31 December 2022 was \$660 (2021: 510).

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

18. Auditor's Remuneration

	2022	2021
	\$000	\$000
Amounts received or due and receivable by Grant Thornton for:		
Audit of financial statements	33	27
Total auditor's remuneration	33	27



Contact **ATNZ**

Phone:
0800 692 869

Email:
info@atnz.org.nz

Website:
atnz.org.nz

atnz 
apprentice training