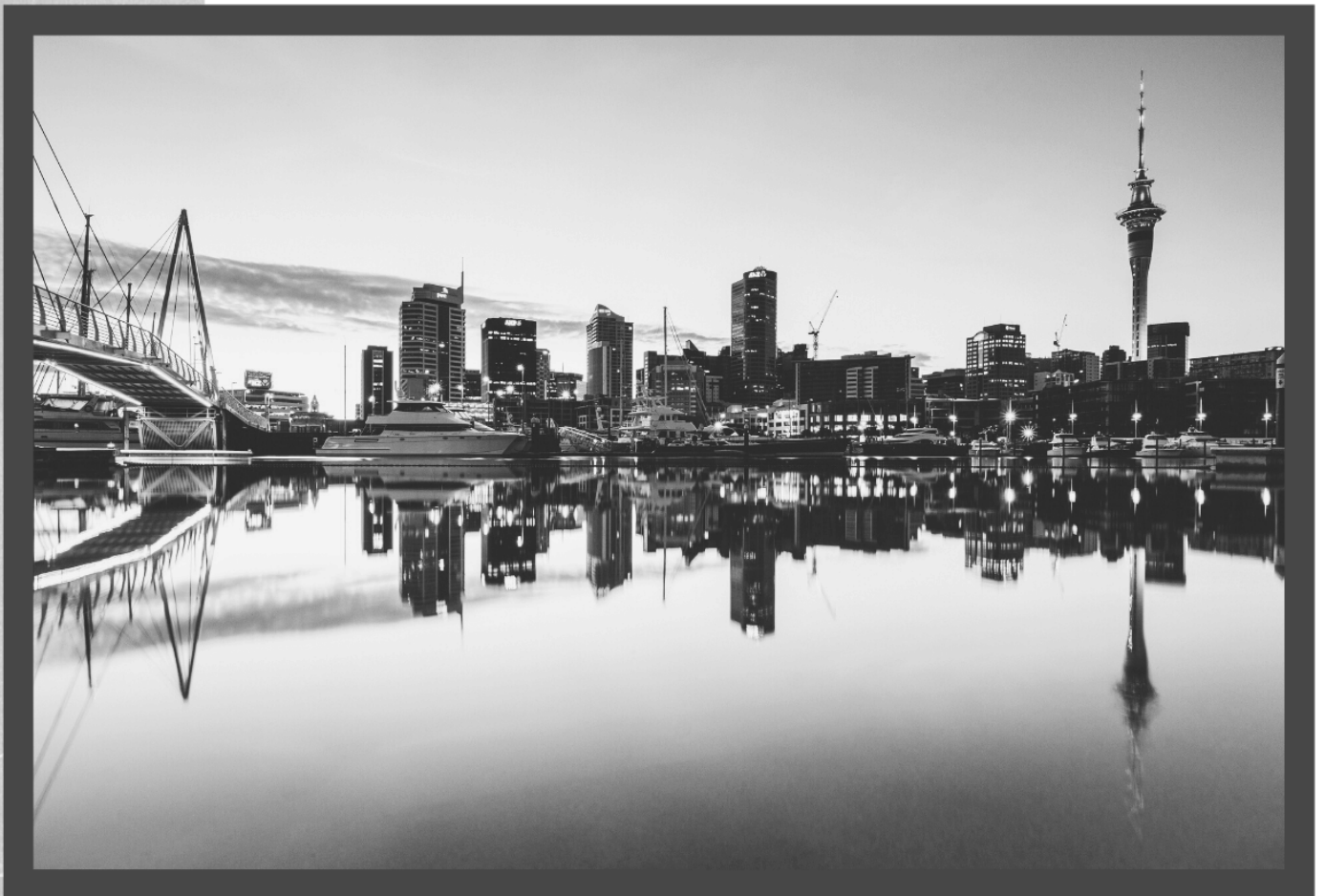




**MARINE &
SPECIALISED
TECHNOLOGIES**
Academy of New Zealand



ANNUAL REPORT

2021

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Company Directory

Legal Name:	Marine and Specialised Technologies Academy of New Zealand Limited
Trading as:	MAST Academy
Registered Office:	85 Westhaven Drive, St Mary's Bay, Auckland 1011
Shareholder:	617213 - The New Zealand Marine Export Group Incorporated
Issued Capital:	500,000
Shares:	500,000
Directors:	Tracey Stevenson (Board Chair) Susan Lake Tommy Honey David Glen
Registration Number:	8137259
NZBN:	9429048761888
Charities Number:	CC58968
Auditor:	Grant Thornton

Governance and Purpose Statement

MAST Academy was established as a Private Training Establishment and commenced operations on 2nd August 2021. Our key purpose is the promotion and advancement of all types of education and training programmes and schemes for the benefit of apprentices, trainees, students, and other persons in relation to all aspects of the marine and composites industries and associated allied trades in New Zealand. These industries include, without limitation, all activities associated with the manufacturing, building, repairing, refitting, servicing, chartering, and sale of all types of recreational, commercial, and defence vessels and all other boating-related things that are incidental to the marine and composites industries.

MAST Academy's purpose is the advancement of education, learning, and training in all its forms that is beneficial to industry and commerce in New Zealand and the New Zealand community. And to do all other acts and things that are incidental or conducive to and will promote and advance (directly or indirectly) the above charitable purposes or any other purposes that are recognised as being charitable under New Zealand laws.

The establishment of the MAST Academy Board of Directors sees MAST Academy provide a key strategic direction with a learner centric vision at its core. The appointment of the Board has been made with our mission and vision in mind, choosing people most suitable to support MAST Academy's purpose and drive, with key insights and valuable experience within both industry and the education sector.

Our Mission – *Create the New Zealand centre of excellence for marine, composite, and specialised technology training.*

Our Vision - *Work and support learners and employers to ensure people are trained with the necessary Skills and Knowledge to build successful lives and businesses"*

Our Values - *Underpinning the vision and mission, the MAST Academy maintains a set of core principles that guide the organisation and help navigate decisions:*

Inclusive Learning & Kaitiakitanga – we strive to provide an inclusive learning environment that fosters diverse talent and recognises all students' entitlement to a meaningful learning experience. It is also key to recognise the importance of committed and accountable leadership that enables, advocates, and models the 5 key Māori cultural values in the workplace. This includes the importance of Business Policies and Strategic Initiatives that are not opposing the 5 key Māori cultural values. This means recognising diversity; encouraging and enabling broad participation; removing and avoiding barriers to learning and anticipating and considering a variety of learning needs and preferences.

Learner Centric & Mātauranga - our approach will enable learners to take responsibility for their learning and make decisions about what and how they learn. We will encourage increased engagement in learning through dynamic relationships between learners and their instructors and by supporting learners to freely express themselves and share their

knowledge with others. It is also imperative that we recognise the importance of on-going Professional Development for all staff within the organisation, in order to support this core principle, alongside recognising the importance of ensuring the Treaty of Waitangi is understood by all staff and the principles are embedded and enacted within the core business.

First-in-Class & Auahatanga – we strive to provide an enviable learning environment through our programme offerings, academic team and student support services. This means having world-class quality standards and aspiring to be world leaders in achieving industry outcomes across marine, composites and specialised trade programmes. This also includes recognising the importance of ongoing Audit & Review activities that evaluate and monitor the business status and form part of core business activities, as well as the importance of investing adequate resourcing to activities that will support sustainability.

Future Focused & Whakawhanaungatanga – we strive to create and deliver programmes that results in student outcomes that are relevant to the future needs of work in marine, composites, and specialised technologies. Whilst also, highlighting the importance of adopting an organisational workload model, that is reflective of a ‘collective responsibility’ culture and acknowledges activities that are undertaken by staff, due to cultural obligations within the workplace. This means having strong interpersonal relationships with internal staff as well as strong industry relationships to keep us close to the forefront of new technology and industry changes. As well as having the flexibility to pivot to meet changing needs and acknowledging the importance of Whakapapa connections, by connecting staff and learners to whanau (family) and whenua (the environment).

Wairuatanga – the importance of ensuring a recognised sense of identity, uniqueness and belonging, it is the outcome seen by staff and the organisation from their commitment to this kaupapa and the four values mentioned above being enacted by all.

Year Recap

The year of 2021 was a year of change. We leveraged the opportunity to pursue continuous improvement within our operations, embedding strong policies and procedures to support taura and employers, and to continue strengthening our longstanding relationships with industry.

Whilst we continued to see some uncertainty through the various Government Protection framework settings managing Covid-19 in the community and the continued closure of Aotearoa’s international borders, MAST Academy continued to grow and support the increasing need for skilled staff in industry nationwide.

Board Chair Report

Tracey Stevenson, MAST Academy Board Chair



2021 was a very significant year for vocational training, and for the Marine and Composites industries in particular. Since February 2019 when the Review and then Reform of Vocational Education was announced, consultation, uncertainty, and opportunity resulted many hours of effort from industry stakeholders and most of all the NZMAC ITO leadership and staff in the journey which culminated in July last year when NZQA approved our application for the Marine and Specialised Technologies Academy of New Zealand (MAST Academy) to be registered as a PTE and TEC approved our transition plan from NZMAC ITO to MAST Academy, which commenced trading on 1 August 2021.

The mahi didn't finish there, and the MAST team has been working hard to meet all of the requirements of this new model of vocational training, and planning for exciting developments in the future. The function of the ITO was to arrange training, and MAST Academy will continue to do this, working with employers and supporting apprentices to achieve their training goals. As a PTE we now have the opportunity to provide training and we will be looking to do this in both traditional and new and innovative ways in the future. At the end of 2021 we were serving 272 employers and 630 apprentices.

We have welcomed the Outdoor Fabric Products Association (OFPANZ) to the MAST Academy, with TEC approving the transition of Textiles vocational training to MAST Academy. We look forward to building and growing this relationship with employers and trainees in the textiles industry.

Our opportunities to celebrate have been curtailed over the last 12 months, with both our launch party and graduation in 2021 being cancelled due to Covid. We congratulate all of the apprentices that completed training in 2021 and look forward to celebrating with you together with our 2022 graduates at our next graduation celebration.

We continue to work closely with NZQA, TEC, and Hanga-Aro-Rau (the Manufacturing, Engineering and Logistics Workforce Development Council), as we all navigate our way through implementing the outcomes of RoVE and to ensure that employers and trainees in our sector have access to the world class support and opportunities that they need to succeed.

I would like to thank the Board of NZ Marine, NZ Marine Export Group and the Composites Association for their support through this transition process, my fellow MAST Academy Board members, Tommy Honey, Susan Lake and David Glen for their expertise, support and input over the last 2 years, but most of all, I would like to thank our amazing MAST Academy team for the mountain of work that they have achieved to get to this point.

Chief Executive Review

Chris van der Hor, Chief Executive Officer

After more than two years navigating through the Reforms of Vocational Education (RoVE), it is rewarding to see the Tertiary Education Commission (TEC) the New Zealand Qualification Authority (NZQA), along with full industry support, endorse and approve the NZ Marine & Composites Transitional Industry Training Organisation (NZMAC TITO) to transition into the newly established entity the Marine and Specialised Technologies Academy of New Zealand (MAST Academy) as a Private Training Establishment (PTE) which occurred on the 2nd of August 2021.



As a new organisation operating in a new environment, it has been a busy time for the team with continuing to set up MAST Academy to meet the new regulatory and business requirements of a PTE along with maintaining our successful work-based apprenticeship training. This was at a time with unprecedented demand by industry in training more people with the skills and knowledge to meet business growth. This growth was also supported with the Government COVID-19 response initiative with supporting learners through the Targeted Training Apprenticeship Fund (TTAF) and the employers with the Apprenticeship Boost initiative which has been a successful support mechanism.

Additionally, the team also had to deal with an Auckland COVID-19 regional lockdown where we pulled together to ensure this had minimal impact on learners and employers.

As a new organisation the team are excited about the future and executing the vision we have for MAST Academy, in creating a world-class centre of excellence in training for learners and supporting the industries we serve.

I wish to acknowledge and thank all our apprentices, employers, industry associations and, in particular, the Board for their dedication and governance in ensuring the success of MAST Academy.

RoVE - New Industry Sector

As part of the Reforms of Vocational Education (RoVE) MAST Academy entered into discussions with MITO and the Outdoor Fabric Products Association of NZ (OFPANZ) regarding the transition of the Industrial Textile Fabrication learners and Level 3 programme to MAST Academy.

This was agreed by all stakeholders and approved by the Tertiary Education Commission (TEC) on 21st October 2021. A transition plan was implemented between MITO and MAST Academy which resulted in minimal disruption to learners and employers. The transition was completed on 24th January 2022.

We are pleased to be supporting OFPANZ and the employers and learners within their sector, and look forward to strengthening this relationship moving into 2022 and beyond, supporting their learners to achieve good outcomes and career opportunities within their industry.

Below is the press release made in November 2021:

MITO's Transition Plan, as part of the Reform of Vocational Education, has reached its final milestone with approval received from the Tertiary Education Commission's Board of Commissioners to transfer its arranging training functions.

On 1 January 2022 MITO's arranging training functions for the industrial textile fabrication industry will transfer to MAST Academy.

MITO Chief Executive Janet Lane says there was strong support from industrial textile fabrication stakeholders, which includes OFPANZ and employers with current MITO learners, to transition to MAST Academy.

"Through engagement with our industry partners, it was clear that there was significant alignment to the marine and composites industry and the bespoke service that MAST Academy provides."

MAST Academy is a new private training establishment formed by NZ Marine and Composites ITO.

Chris van der Hor, CEO of MAST Academy, sees a natural alignment with the industrial textile fabrication industry to the marine and composites industry. "We are looking



Welcome to the MAST Academy family!

forward to welcoming our newest sector on 1 January 2022 with the opportunity to provide our niche, high level of services and support to learners and employers undertaking on-job training.”

“We will continue the good work and build on the long-standing relationships already established by MITO in advising the sector on all aspects of training and qualifications, to ensure the ongoing supply of qualified and skilled individuals to meet the growing needs of this diverse sector.”

As well as facilitating the New Zealand Certificate in Industrial Textile Fabrication (Level 3), MAST Academy will also offer TrimUp®, the Industrial Textile Fabrication Micro-credential (Level 2), developed by MITO, which offers a pathway for secondary school students to the industry.

MITO and MAST Academy will work together to ensure a seamless transition for all learners and employers with the associated systems and processes transferred to MAST Academy to take effect from 1 January 2022.

People and Culture

Our people are key to what we do and how we operate, which is why it is important to us to look after our staff to ensure a happy and healthy working environment. We have implemented a flexible working policy for staff to have some manoeuvrability in where and how they operate and allowing them to meet personal needs where required, during the national lockdown and alert level settings we saw this become a crucial part of how we operate and are keen to continue to support this flexibility as we enter a 'new normal'.

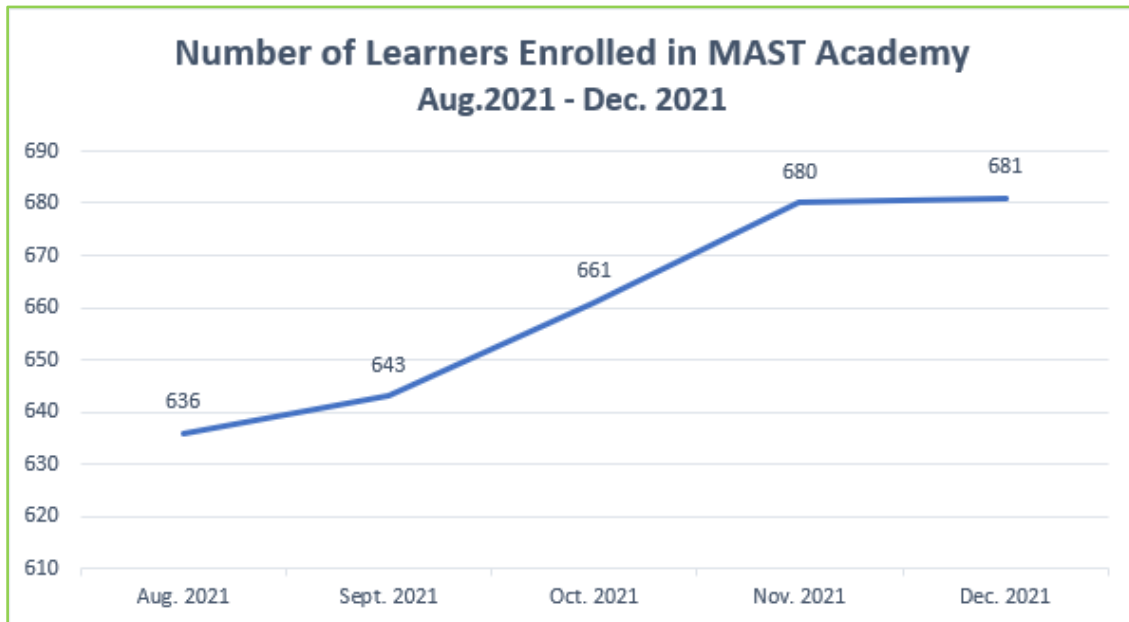
In the face of the COVID-19 pandemic settings, we have also supported staff with isolation requirements, allowing them to choose whether they feel they require sick leave or allowing them the choice to work remotely where they wish, rather than forcing mandatory sick leave to be taken, allowing them to keep sick leave for when they need it.

We have been supporting our employees with Group Policy Learning modules, developed to help our people embed the culture and beliefs of MAST Academy, in an interactive way that helps them to learn, through way of quick quarterly e-modules.

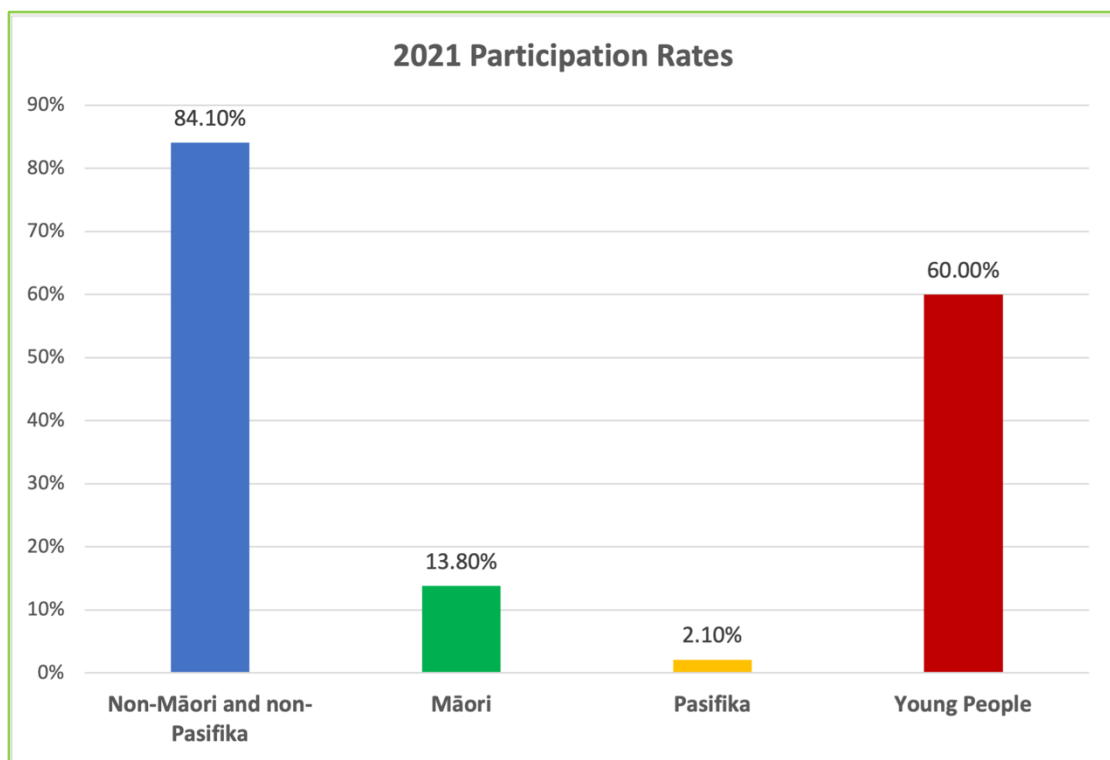
MAST Academy Board			
Tracey Stevenson <i>Board Chair</i>	Tommy Honey	David Glen	Susan Lake
MAST Academy Staff			
Chris van der Hor <i>Chief Executive Officer</i>			
Joe Daw <i>Training Team Leader</i>	Erlina Ocdao <i>Sr. Technical Operations Analyst</i>	Clare Gannon <i>Development & QA Lead</i>	Amy Newton <i>Executive Admin</i>
Mike Birdsall <i>Field Officer</i>	Robert Howatson <i>Field Officer</i>	Christopher Butler <i>Field Officer</i>	Mike Howe <i>Field Officer</i>
Dan O’Gorman <i>Field Officer</i>	Tracey Eaton <i>Transition Advisor</i>	Jacqui Bolton <i>Training Admin</i>	Debbie Lowe <i>Training Admin</i>

Educational Performance Indicators

Our first five months of operation has seen a 4.8% increase in the number of apprentices from 601 as at 2nd August 2021 to 630 as of 31 December 2021 with the trend continuing into 2022 with ongoing demand and training numbers continually growing.



We can see a significant increase in the number of apprentices and trainees registered with MAST Academy for the first five months of operation, that puts the numbers up 7.08% since Aug. 2021. The trend is continuing into 2022 as training numbers are continually growing due to ongoing demand.

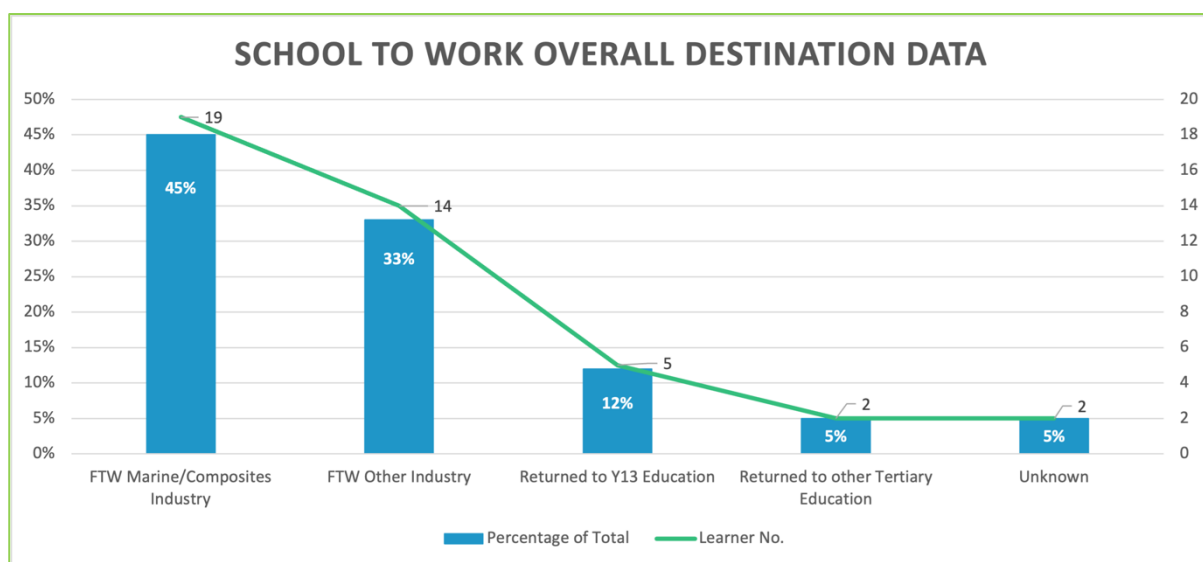


The Participation Rates measure the participation of different groups of learners in the industry training. The Māori, Pasifika, and Young People learners are the TEC priority to boost their participation and achievement. MAST Academy have strategized and are implementing action plans to support the achievement of these learners.

Launch it, School to Work Programme

The School to Work programme ‘*Launch it, School to Work*’ continues to be a key activity with promoting career opportunities within Secondary Schools and establishing pathways in to work for those suitable students employers are looking for, leading to employment and apprenticeships.

While we have been busy marketing MAST Academy and the *Launch it, School to Work* programme to our school contacts nationwide, the Auckland lockdown did have a detrimental effect on our ability to connect students with employers. We continued to support the students we have in the programme and stayed connected to the schools.



It is a fantastic achievement for MAST Academy that 78% of *Launch it, School to Work* placements resulted in employment.

Off-job Training

Demand for Off-job training block courses was high, but we were unable to deliver all the blockcourses scheduled due to COVID-19 restrictions resulting in some cancellations and postponements. This has resulted in extra demand for courses to be held in 2022.

The courses MAST Academy were able to deliver in 2021 included:

- Scale Drawing and Lofting
- Marine Electrical – virtual delivery
- Welding
- General Engineering

Despite the obstacles, MAST Academy is pleased to have managed to deliver seven (7) block courses throughout 2021 (across NZMAC ITO and MAST Academy) and managed to reschedule the Marine Electrical Block Courses into 2022, with part of the course being able to be delivered digitally to learners.

Graduate Awards

For the full year we saw 135 learners graduate with their qualifications but unfortunately due to COVID-19 restrictions we were unable to hold our graduation ceremony which has been postponed till 23rd of February 2023.

We also awarded two top apprentices with the Rotary Youth Leadership award so they were able to attend the week long development programme in 2022. The recipients of these awards were Remington Edwards of Marsden Maritime Holdings and Daniel Gatward of Pine Harbour Boat Painters.

Learner Centric Activity

At MAST Academy we see learners as the core and heart of everything we do, we strive to provide strong and sustainable support for our learners and help them to grow and develop into their chosen pathways.

We are focussed on building the right systems for our learners and 2021 saw MAST implement a new Learning Management System – CANVAS, to support learners' development and allow them more visibility on their learning journey.

A key ongoing focus for MAST Academy is ensuring learners have access to quality learning packages that support their learning outcomes. The Board has allocated significant investment to the ongoing development in this area and where CANVAS will play a significant role.

CANVAS is an interactive digital learning platform, that allows integration with our current credit reporting software to NZQA/TEC. This integration is crucial in providing accurate and up to date support to learners. Control within the reporting system filters straight down to the CANVAS platform, so changes to learner enrolments or staffing done within the reporting system automatically updates in CANVAS. This will help mitigate human errors and provide 'real time' data for learners.

The Course setup in CANVAS can also be used for more than just assessing. A course can house all pertinent policies and procedures that we want the learner group to be aware of, and we can enrol every learner in that course. They can also be collaborative spaces for a specified group of learners to interact. Apprentices on the same programme for example.

There are full native integrations with many different mainstream platforms. (YouTube, google, Microsoft, adobe, etc.) allowing us to provide a vast array of different interactive content for learners.

The Immersive Reader in CANVAS acts like a focus screen that just has the words of the current document, no other buttons, or distractions. (Microsoft Word has a feature like this.) This can also be clicked to be read out loud to the learner, and the curser follows the words as it's read. This is an important feature to help support our learners who aren't strong readers, or English is a second language or are audible learners. This reader can also fully translate the content to many different languages. Both visually on screen, and in the audio. This is extremely important for our ESL learners.

There is also a native integration for plagiarism checks to support learners, full Mobile App suite making it accessible on the go and is fully cloud based, allowing us to securely store and manage data.



2021 Financial Statements

The following is the MAST Academy 2021 Financial Statement Report as generated by RSM.

2021 Financial Statements

Marine and Specialised Technologies Academy of New Zealand
Limited

For the 6 months ended 31 December 2021

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8	Statement of Financial Position
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10	Notes to the Financial Statements

Entity Information

Marine and Specialised Technologies Academy of New Zealand Limited For the 6 months ended 31 December 2021

Legal Name of Entity

Marine and Specialised Technologies Academy of New Zealand Ltd

Entity Type and Legal Basis

NZ Limited Company

Registration Number

Company number: 8137259

NZBN: 9429048761888

Entity's Purpose

1. The promotion and advancement of all types of education and training programmes and schemes for the benefit of apprentices, trainees, students, and other persons in relation to all aspects of the marine and composites industries and associated allied trades in New Zealand, which industries include without limitation all activities associated with the manufacturing, building, repairing, refitting, servicing, chartering, and sale of all types of recreational, commercial, and defence vessels and all other boating-related things that are incidental to the marine and composites industries;
2. The promotion and advancement of all types of education and training programmes and schemes for the benefit of apprentices, trainees, students, and other persons in relation to all aspects of industries, trades, and organisations identified by the Board from time to time that are operating in New Zealand in similar different commercial or private fields of benefit to the economy of New Zealand and its community;
3. The advancement of education, learning, and training in all its forms that is beneficial to industry and commerce in New Zealand and the New Zealand community;
4. To do all other acts and things that are incidental or conducive to and will promote and advance (directly or indirectly) the above charitable purposes or any other purposes that are recognised as being charitable under New Zealand laws.

Entity Structure

Tier 2 - Not-For-Profit Entity

Main Sources of Entity's Cash and Resources

Government Grants

Physical Address

85 Westhaven Drive, St. Mary's Bay, Auckland, 1010

Postal Address


PO Box 90448, Victoria Street West, Auckland, New Zealand, 1142

Approval of Financial Report

Marine and Specialised Technologies Academy of New Zealand Limited For the 6 months ended 31 December 2021

The Directors are pleased to present the approved financial report including the historical financial statements of Marine and Specialised Technologies Academy of New Zealand Ltd for six months ended 31 December 2021.

APPROVED



David John Glen

Director

Date 10/06/2022



Thomas Howard Honey

Director

Date 10/06/2022



Susan Elizabeth Lake

Director

Date 10/06/2022



Tracey Edith Stevenson

Director

Date 10/06/2022

Statement of Comprehensive Revenue and Expense

Marine and Specialised Technologies Academy of New Zealand Limited For the 6 months ended 31 December 2021

JUL-DEC 2021

REVENUE: PROGRAMME DELIVERY

Completion Fees	7,800
Schools to Work Transitions Project	30,000
TEC Funding - Approved Investment	763,581
TTAF Support & Assessment Services	168,761
TTAF - Off-Job Training	66,639
TTAF Learning Resources	95,845
Fees Free - Assessment Services	575
Fees Free - Learning Resources	326
Total Revenue: Programme Delivery	1,133,527

DIRECT COSTS: PROGRAMME DELIVERY

Accommodation & Travel Subsidy for Apprentices	1,443
Computer Licencing (Canvas LMS)	24,918
Computer Licencing (Fusion ITR/SDR)	13,487
Consultancy & Contracting	7,030
Field Officers Vehicles - Running Costs	13,966
Purchase Third Party Training	25,543
Salaries -Management, Teaching F/O	366,914
Travel & Accommodation for Staff	4,350
NZQA Charges (Data transfer, credit reporting)	12,033
Total Direct Costs: Programme Delivery	469,683

TRADING GROSS PROFIT **663,844**

TRADING GROSS PROFIT % **59**

OTHER INCOME

MAST Programmes & Consulting (MicroCredentials/Qualifications Development)	17,695
Export Offshore Licencing	5,000
Gain on Sale of Fixed Assets	40,435
Other income (e.g TEC Data Transfer Fund, Hardship Fund)	19,860
Total Other Income	82,990

SUBTOTAL **746,834**

OVERHEADS AND OTHER EXPENSES

Accounting Fees	10,480
Administration and Shared Overheads Charge - BIA	68,091
Audit Fees	7,500
Bank Fees	359
Computer Maintenance (Belton IT)	8,878

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

JUL-DEC 2021

Freight, Courier, Cartage, Postage	290
General Expenses	1,139
Insurance	3,286
Interest Expense BIA Loan	6,668
Marketing/Promotion - S2W	25,024
MyHR/HR Reviews	4,650
Printing & Stationery	2,545
PTE Transition Fees (Legal/Trust/Admin)	60,057
Salaries- Admin	40,657
Staff Development and Welfare	10,514
Subscriptions & Memberships	5,167
Telephone & Internet	4,445
KiwiSaver Employer Contributions	1,095
Kiwisaver - Management Salaries	7,180
Total Overheads and Other Expenses	268,025
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION	478,809
Less Depreciation and Amortisation	
Amortisation	34,963
Depreciation	24,830
Total Depreciation and Amortisation	59,792
Net Profit after Depreciation and Amortisation	419,017
NET SURPLUS	419,017

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

Statement of Changes in Equity

Marine and Specialised Technologies Academy of New Zealand Limited
For the 6 months ended 31 December 2021

JUL-DEC 2021

Equity

Opening Balance	-
Increases	
Profit for the Period	419,017
Total Equity	419,017

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

Statement of Financial Position

Marine and Specialised Technologies Academy of New Zealand Limited As at 31 December 2021

NOTES 31 DEC 2021

Assets

Current Assets

ANZ - Business Account		967,308
Accounts Receivable	4	62,728
Prepayments		10,634
Total Current Assets		1,040,670

Non-Current Assets

Property, Plant and Equipment	2	259,492
Learning and Assessment Packages	8	291,511
Total Non-Current Assets		551,004

Total Assets 1,591,674

Liabilities

Current Liabilities

ANZ Credit Cards		8,923
Account Payables and Accruals	5	286,410
Goods and services tax		22,429
Deferred Income		3,000
Total Current Liabilities		320,763

Non-Current Liabilities

Loans - BIA		351,894
Current Account - BIA		500,000
Total Non-Current Liabilities		851,894

Total Liabilities 1,172,657

Total Assets less Total Liabilities (Net Assets) 419,017

Accumulated Funds

Accumulated surpluses		419,017
Total Accumulated Funds		419,017

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

Statement of Cash Flows

Marine and Specialised Technologies Academy of New Zealand Limited For the 6 months ended 31 December 2021

JUL-DEC 2021

Operating Activities

Receipts from customers	1,277,429
Payments to suppliers and employees	(600,577)
Net Cash Flows from Operating Activities	676,852

Investing Activities

Payment for property, plant and equipment	(610,796)
Sale of Fixed Assets	40,435
Net Cash Flows from Investing Activities	(570,361)

Financing Activities

Proceeds of long-term loans	
BIA - Current Account	500,000
BIA - Asset Loan	351,894
Total Proceeds of long-term loans	851,894
Net Cash Flows from Financing Activities	851,894

Net Cash Flows **958,385**

Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	-
Net change in cash for period	958,385
Cash and cash equivalents at end of period	958,385

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

Notes to the Financial Statements

Marine and Specialised Technologies Academy of New Zealand Limited For the 6 months ended 31 December 2021

1. Statement of accounting policies

These are the financial statements of Marine and Specialised Technologies Academy of New Zealand Ltd ('the company'). The company is incorporated in New Zealand registered under the Companies Act 1993. The company is engaged in the business of Industry Training for the marine and composites sector. The financial statements of the company are for the year ended 31 December 2021.

Statement of compliance and basis of preparation

The company has prepared these financial statements in accordance with the requirements of Companies Act 1993 and the Financial Reporting Act 2013. The company is a not-for-profit entity. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied. The company qualifies and has elected to report under Tier 2 standards as it is not considered to have public accountability and not large. The company qualifies for a lower financial reporting Tier but has elected to 'opt up' into Tier 2. All available disclosure concessions have been adopted in these financial statements. The financial statements have been prepared on a historical cost basis.

Measurement Basis

These financial statements are presented in New Zealand Dollars (NZD). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

Changes in Accounting Policies

As these are the first financial statements prepared for this company, there are no comparatives for the previous year and no accounting policies previously employed which could have changed.

Key estimates and judgements

In preparing these financial statements, the Company has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, revenue and expenses as well as other information reported in the notes.

The judgements made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and 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 identified below.

Specific accounting policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

(a) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of financial performance as an expense incurred.

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Computer Equipment	30% - 67% SL
Fixtures & Fittings	7.8% - 20% SL
Plant & Equipment	6% - 67% SL
Motor Vehicles	21% SL
Website	40% SL

The residual value of property, plant and equipment is reassessed annually.

(b) Financial instruments

Financial instruments are recognised in the statement of financial position when the Company becomes party to a financial contract. They include the following individual classes of assets and liabilities:

Loans and receivables

Bank deposits, bank overdrafts, trade and other receivables, and intercompany balances, investments in unlisted debt securities are classified as loans and receivables. All of the above financial instruments are initially recorded at fair value and subsequently carried at amortised cost using the effective interest rate method. Due allowance is made for impaired receivables (expected credit losses).

Other financial liabilities

These include trade and other payables, bank loans, finance leases and intercompany payables. These are all carried at amortised cost using the effective interest rate method.

(c) Impairment

The carrying amounts of the Company's assets other than deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the statement of comprehensive income.

Estimated recoverable amount of investments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted. The estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the assets.

(d) Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest rate basis.

(e) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Onerous contracts

A provision for an onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(f) Employee entitlements

Liabilities for annual leave and long-service leave are accrued and recognised in the statement of financial position.

For long-service leave the liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

(g) Revenue from contracts with customers

Revenue from contracts with customers is recognised when performance obligations are satisfied, and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

For any project or “pass-through” revenue, the Company has generally concluded that it is the agent in its revenue arrangements because it typically does not control the method in which services are rendered before performance obligations are satisfied.

For “Other inter-company revenue”, the Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the method in which services are rendered before performance obligations are satisfied.

The Company has segregated its revenue streams by the type of contract and on whether it is the principal. This has allowed for the following specific recognition criteria to be met before revenue is recognised:

Specific projects or pass-through revenue

Specific projects or pass-through revenue relates to services rendered on behalf of the ultimate parent where the company acts as an agent for BIA.

The arrangement between the ultimate parent and the Company outline that any costs incurred in the provision of such services are reimbursed at a nil margin by the parent. This revenue derived and the corresponding costs are shown on a net basis in the financial statements.

Other inter-company revenue

Other inter-entity services rendered to the ultimate parent comprise of administrative, research functions and general support. The contract(s) with the parent are defined within the transfer pricing arrangements between BIA (ultimate parent) and the company. The method for measuring progress towards the complete satisfaction of performance obligations over time are calculated through input methods that are defined by labour hours expended. The transaction price for services rendered is defined by inter-entity pricing arrangements. Billing for satisfied performance obligations is performed monthly with a contract asset being recognised over the period-end for services rendered but not settled by the ultimate parent.

Financial income

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Dividend income is recognised in the statement of comprehensive income on the date the entity’s right to receive payments is established.

(h) Expenditure

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives are recognised in the statement of comprehensive income over the term as an integral part of the total lease expense.

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to NZD at the foreign exchange rate ruling at that balance date. Foreign exchange differences arising on their translation are recognised in the statement of comprehensive income.

(j) Income Tax

Marine and Specialised Technologies Academy of New Zealand Ltd is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(k) Goods and services tax

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

JUL-DEC 2021

2. Property, plant & Equipment**Computer Equipment**

Cost	15,064
Accumulated Depreciation	(2,511)
Book Value	12,553

Plant & Equipment

Cost	9,251
Accumulated Depreciation	(1,324)
Book Value	7,926

Fixtures & Fittings

Cost	3,491
Accumulated Depreciation	(125)
Book Value	3,366

Motor Vehicles

Cost	246,318
Accumulated Depreciation	(20,870)
Book Value	225,448

Website

Cost	12,119
Accumulated Depreciation	(1,920)
Book Value	10,198

Total Property, plant & Equipment	259,492
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These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

3. Intangibles

Amortisation expenses is included in the following line items of the statement of comprehensive revenue and expense:

JUL-DEC 2021

Learning & Assessment Packages

Learning Resource Development - Work In Progress	7,345
Learning Packages - at cost	317,209
Learning Packages - Accumulated Amortisation	(33,043)
Total Learning & Assessment Packages	291,511

4. Trade and other Receivables

As at 31 December 2021 all overdue receivables have been assessed for impairment and irrecoverable amounts. The carrying value of receivables approximates their fair value.

JUL-DEC 2021

Trade receivables and other receivables

Accounts Receivable	(98,315)
Accruals	
Accounts Receivable - Year End	161,043
Total Accruals	161,043
Total trade and other receivables	62,728

5. Trade and other Payables

JUL-DEC 2021

Trade Payables and other payables

Accounts Payable	(58,066)
Accruals	(228,345)
Total Trade Payables and other payables	(286,410)

These financial statements must be read in conjunction with the accompanying notes and Independent Auditor's Report.

6. Related Parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship or terms and conditions no more or less favourable than those that it is reasonable to expect the company would have adopted in dealing with the party at arm's length in the same circumstances.

New Zealand Marine Export Group Incorporated is the controlling entity of Marine and Specialised Technologies Academy of New Zealand Limited.

Key management salaries for the period ended 31 December 2021 total \$73,243.

7. Capital Commitments

At year end the company had not entered into any capital commitments.

8. Learning & Assessment Packages

Acquired Assessment and Learning Packages - Assessment & Learning Packages are initially capitalised at cost, which includes other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of the assessment/learning packages beyond its specifications and which can be reliably measured, is added to the original cost. Costs associated with maintaining the Assessment/Learning Packages are recognised as an expense when incurred. Assessments/Learning Packages are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of six years. The amortisation period and amortisation method of intangible assets is reviewed at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

9. Contingent Liabilities

At balance date there are no other contingent liabilities.

10. Going Concern

The company has adequate resources to continue operations for the foreseeable future. For this reason the Board of Directors continues to adopt the going concern assumption in preparing the financial statement for the year ended 31 December 2021.

11. Events after balance date

Since the end of the financial year and to the date of this report, the directors are not aware of any matter or circumstances not otherwise dealt with in this report or the financial statements that has significantly affected the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Management is confident that the company can pay debts as they fall due within 12 months of the date of signing of these 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 9 308 2570
www.grantthornton.co.nz

To the Directors of Marine and Specialised Technologies Academy
of New Zealand Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marine and Specialised Technologies Academy of New Zealand Limited (the "Company") on pages 5 to 15 which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the 6 month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the 6 month period then ended in accordance with Public Benefit Entity International Public Sector Accounting Standard (Not-for-Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) 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 Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and 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 Company.

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

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is entity information and approval of Financial 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 on the other information obtained prior to the date of this auditor's report, 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.

Directors' Responsibilities for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standard (Not-for-Profit) Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors on behalf of the entity are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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/assurance-standards/auditors-responsibilities/audit-report-8/>

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, 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 Company its shareholders, as a body for our audit work, for this report or for the opinion we have formed.

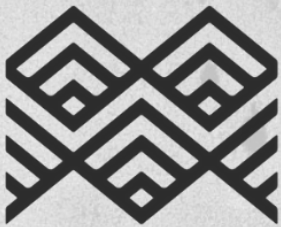
Grant Thornton New Zealand Audit Limited



Auckland

10 June 2022

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**MARINE &
SPECIALISED
TECHNOLOGIES**

Academy of New Zealand

85 Westhaven Drive, Auckland NZ

+64 (0)9 360 0056

www.mastacademy.com