

**Illustrative agreed-upon procedures report in respect of a PTE’s prudential financial standards calculations**

**Report of factual findings**

To the Directors

We performed the procedures agreed with you and the Tertiary Education Commission (TEC), and outlined below, with respect to the prudential financial standards calculations of PTE Company Ltd as of 31 December 2015 and 31 December 2016, set forth in the accompanying schedule. Our engagement was undertaken in accordance with APS-1 *Statement of Agreed-upon Procedures Engagement Standard* and Guidelines of the New Zealand Institute of Chartered Accountants (NZICA). We disclaim any assumption of responsibility for the adequacy or otherwise of the procedures requested by you. You and the TEC are responsible for determining whether factual findings provided by us, in combination with other information obtained, provide a reasonable basis for any conclusion which you wish to draw on the subject matter.

The procedures were performed solely to assist you and the TEC to assess the ongoing financial viability of PTE Company Ltd and are as follows:

|  |  |  |
| --- | --- | --- |
| **Procedures** | **Factual findings** | **Errors or exceptions identified** |
| 1. We obtained the prudential financial standards calculations as at 31 December 2015 prepared by the PTE | Obtained |  |
| 1. We compared the components of the prudential financial standards calculations at as 31 December 2015 to the <audited/reviewed> financial statements as at 31 December 2015 | We found the amounts compared to be in agreement <except for the exceptions noted> | <Detail the exceptions> |
| 1. We reperformed the prudential financial standards calculations as at 31 December 2015 | We found our recalculations to be the same as the PTE’s calculations | None |
| 1. We obtained the prudential financial standards calculations as at 31 December 2016 prepared by the PTE | Obtained |  |
| 1. We obtained the prospective financial information as at 31 December 2016 prepared by the PTE | Obtained |  |
| 1. We checked that the prospective financial information as at 31 December 2016 were approved by the PTEs governing body | We found the prospective financial information as at 31 December 2016 were approved by the PTEs governing body | None |
| 1. We compared the accounting policies and management estimates used for the prospective financial information as at 31 December 2016 were the same as those used in the <audited/reviewed> financial statements as at 31 December 2015 | We found the accounting policies and management estimates used for the prospective financial information as at 31 December 2016 were the same as those used in the <audited/reviewed> financial statements as at 31 December 2015 | None |
| 1. We compared the prospective financial information as at 31 December 2016 to the assumptions set out by the PTE | We found the PTE’s assumptions had been used to prepare the prospective financial information as at 31 December 2016 | None |
| 1. We reperformed the prudential financial standards calculations as at 31 December 2016 | We found our recalculations to be the same as the PTEs calculations | None |

Because the above procedures do not constitute either an audit or a review, we do not express any assurance on the prudential financial standards calculations as of 31 December 2015 or 31 December 2016.

Our report is solely for your information, and is intended to be used by the TEC, but is not to be used for any other purpose. This report relates only to the items specified above and does not extend to any financial statements of PTE Company Ltd.

<Signature>

…………………………..

<Date>

<Address >

**Schedule**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ratio** | **TEC**  **benchmark** | **Prudential financial standards calculations** | |
| **31/12/15** | **31/12/16** |
| Net tangible assets  Revenue | >2% |  |  |
| Liquid assets  Cash outflow from operations | >5% |  |  |
| Current assets  Current liabilities | >75% |  |  |
| Net surplus after tax  Revenue | >3% |  |  |
| Cash inflow from operations  Cash outflow from operations | >100% |  |  |
| Debt  Equity | <50% |  |  |