

# WAIHI COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 114

**Principal:** Alistair Cochrane

**School Address:** Kensington Road, Waihi

**School Postal Address:** PO Box 72, Waihi , 3641

**School Phone:** 07 863 8349

**School Email:** Juliem@waihicol.school.nz

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Kevin Pennell	Chairperson	Elected	Cabinet Maker	Jun 2019
Mark Skinner	Chairperson	Elected	Accountant	Jun 2022
Alistair Cochrane	Principal	ex Officio		
Mike Fry	Parent Rep	Elected	Engineer	Jun 2019
Claire Jenks	Parent Rep	Elected	Doctor	Jun 2019
Heather Jones	Parent Rep	Elected	Secretary	Jun 2019
Stephanie Ainsley re	Parent Rep	Co-opted	Administrator	Feb 2018
Peter Tai	Parent Rep	Elected	Roading Engineer	Jun 2022
Scott Spicer	Parent Rep	Elected	Company Manager	Jun 2022
Alexandra Baker	Parent Rep	Elected	Nurse	Jun 2022
Jennifer Koopu	Parent Rep	Elected	School Teacher	Jun 2022
Dot Carter	Staff Rep	Elected	School Teacher	Jun 2022
Ngawhira Kennedy (	Student Rep	Elected	Student	Sep 2018
Holly Elson-Fisher F	Student Rep	Elected	Student	Sep 2019
Kyla Walker	Student Rep	Elected	Student	Sep 2020

**Accountant / Service Provider:** Education Services Ltd

# WAIHI COLLEGE

Annual Report - For the year ended 31 December 2019

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# Waihi College

## Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Peter Allan Wharehau Tai

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

20/5/20

Date:

ANISTAIR COCHRANE

Full Name of Principal

[Signature]

Signature of Principal

20.05.20

Date:

# Waihi College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	7,320,767	7,134,117	7,063,365
Locally Raised Funds	3	624,130	316,991	700,765
Interest income		27,633	25,000	28,975
International Students	4	638,972	595,000	598,386
		<u>8,611,502</u>	<u>8,071,108</u>	<u>8,391,491</u>
<b>Expenses</b>				
Locally Raised Funds	3	465,074	356,047	518,175
International Students	4	462,546	432,178	460,573
Learning Resources	5	5,225,705	4,861,458	4,976,491
Administration	6	461,127	440,080	411,203
Finance		2,898	3,000	3,019
Property	7	1,916,129	1,814,811	1,804,151
Depreciation	8	268,528	190,000	223,764
Loss on Disposal of Property, Plant and Equipment		6,296	-	-
		<u>8,808,303</u>	<u>8,097,574</u>	<u>8,397,376</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(196,801)</b>	<b>(26,466)</b>	<b>(5,885)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>(196,801)</b></u>	<u><b>(26,466)</b></u>	<u><b>(5,885)</b></u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

# Waihi College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>1,591,238</u>	<u>1,486,139</u>	<u>1,578,779</u>
Total comprehensive revenue and expense for the year		(196,801)	(26,466)	(5,885)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	18,344
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	26	<u>1,394,437</u>	<u>1,459,673</u>	<u>1,591,238</u>
 Retained Earnings		1,394,437	1,459,673	1,591,238
<b>Equity at 31 December</b>		<u>1,394,437</u>	<u>1,459,673</u>	<u>1,591,238</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Waihi College**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	328,192	409,829	1,054,945
Accounts Receivable	10	323,240	282,881	316,021
GST Receivable		10,924	14,337	-
Prepayments		40,412	25,666	32,516
Inventories	11	11,574	2,100	11,646
Investments	12	855,327	805,495	841,379
		<u>1,569,669</u>	<u>1,540,308</u>	<u>2,256,507</u>
<b>Current Liabilities</b>				
GST Payable		-	-	15,708
Accounts Payable	14	392,263	337,238	603,647
Borrowings - Due in one year	15	33,480	-	-
Revenue Received in Advance	16	339,483	485,855	376,791
Provision for Cyclical Maintenance	17	56,667	45,090	65,914
Finance Lease Liability - Current Portion	18	46,169	12,098	69,622
Funds held in Trust	19	188,043	7,255	215,395
Funds held for Capital Works Projects	20	-	-	189,841
		<u>1,056,105</u>	<u>887,536</u>	<u>1,536,918</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>513,564</b>	<b>652,772</b>	<b>719,589</b>
<b>Non-current Assets</b>				
Investments (more than 12 months)	12	11,532	11,532	1,532
Property, Plant and Equipment	13	1,175,568	876,379	1,004,079
		<u>1,187,100</u>	<u>887,911</u>	<u>1,005,611</u>
<b>Non-current Liabilities</b>				
Borrowings - Due beyond one year	15	108,810	-	-
Provision for Cyclical Maintenance	17	150,386	81,010	113,524
Finance Lease Liability	18	47,031	-	20,438
		<u>306,227</u>	<u>81,010</u>	<u>133,962</u>
<b>Net Assets</b>		<u><b>1,394,437</b></u>	<u><b>1,459,673</b></u>	<u><b>1,591,238</b></u>
<b>Equity</b>		<u><b>1,394,437</b></u>	<u><b>1,459,673</b></u>	<u><b>1,591,238</b></u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.

**Waihi College**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,828,687	1,744,603	1,732,915
Locally Raised Funds		578,417	121,100	700,062
International Students		647,134	595,000	668,413
Goods and Services Tax (net)		(26,632)	-	30,045
Payments to Employees		(1,006,287)	(778,842)	(871,923)
Payments to Suppliers		(1,951,802)	(1,379,060)	(1,981,613)
Cyclical Maintenance Payments in the year		-	(43,000)	-
Interest Paid		(2,898)	(3,000)	(3,019)
Interest Received		26,843	25,000	23,463
<b>Net cash from Operating Activities</b>		<b>93,462</b>	<b>281,801</b>	<b>298,343</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(353,219)	(149,500)	(164,743)
Purchase of Investments		(23,939)	-	(25,884)
<b>Net cash from Investing Activities</b>		<b>(377,158)</b>	<b>(149,500)</b>	<b>(190,627)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	18,344
Finance Lease Payments		(80,883)	(50,710)	(64,319)
Loans Received/ Repayment of Loans		142,290	-	-
Funds Administered on Behalf of Third Parties		(27,352)	-	32,015
Funds Held for Capital Works Projects		(477,112)	-	622,078
<b>Net cash from Financing Activities</b>		<b>(443,057)</b>	<b>(50,710)</b>	<b>608,118</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(726,753)</b>	<b>81,591</b>	<b>715,834</b>
Cash and cash equivalents at the beginning of the year	9	1,054,945	328,238	339,111
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>328,192</b>	<b>409,829</b>	<b>1,054,945</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements.

# **Waihi College**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2019**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

Waihi College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### **b) Basis of Preparation**

###### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

###### ***Basis of Preparation***

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

###### ***Financial Reporting Standards Applied***

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

###### ***Standard early adopted***

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 30.

###### ***PBE Accounting Standards Reduced Disclosure Regime***

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### ***Measurement Base***

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### ***Presentation Currency***

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

###### ***Specific Accounting Policies***

The accounting policies used in the preparation of these financial statements are set out below.



### ***Critical Accounting Estimates And Assumptions***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### ***Useful lives of property, plant and equipment***

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

#### ***Cyclical Maintenance Provision***

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 17.

### ***Critical Judgements in applying accounting policies***

Management has exercised the following critical judgements in applying accounting policies:

#### ***Classification of leases***

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

#### ***Recognition of grants***

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **c) Revenue Recognition**

#### ***Government Grants***

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

#### ***Other Grants***

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

**Donations, Gifts and Bequests**

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

**Interest Revenue**

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

**d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

**e) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

**f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**h) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

**Prior Year Policy**

*Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.*

**i) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

## j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

### **Prior Year Policy**

*Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.*

*Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.*

*After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.*

## k) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Land	Nil
Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication	5 years
Motor Vehicles	5 years
Textbooks	4 years
Library Resources	12.5% DV
Leased assets are depreciated over the life of the lease.	

## **l) Intangible Assets**

### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

## **m) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

### *Non cash generating assets*

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

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

## **n) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **q) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

#### **t) Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**u) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**v) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

**x) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,537,856	1,595,472	1,453,376
Teachers' Salaries Grants	4,020,343	3,868,823	3,876,990
Use of Land and Buildings Grants	1,453,086	1,430,691	1,438,710
Other MoE Grants	251,349	181,131	236,156
Other Government Grants	58,133	58,000	58,133
	<u>7,320,767</u>	<u>7,134,117</u>	<u>7,063,365</u>

## 3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	42,724	43,500	42,799
Bequests & Grants	79,479	45,000	127,426
Activities	192,777	(16,021)	161,329
Trading	126,014	121,000	120,757
Fundraising	-	5,000	-
Other Revenue	182,050	84,250	246,535
Teacher Aides	1,086	34,262	1,919
	<u>624,130</u>	<u>316,991</u>	<u>700,765</u>
<b>Expenses</b>			
Activities	322,049	221,047	396,430
Trading	128,335	132,000	110,617
Other Locally Raised Funds Expenditure	9,074	3,000	9,608
Teacher Aides	5,616	-	1,520
	<u>465,074</u>	<u>356,047</u>	<u>518,175</u>
<b>Surplus/(Deficit) for the year Locally raised funds</b>	<u>159,056</u>	<u>(39,056)</u>	<u>182,590</u>

#### 4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	32	30	25
<b>Revenue</b>			
International Student Fees	\$ 638,972	\$ 595,000	\$ 598,386
<b>Expenses</b>			
Advertising	16,822	12,000	8,995
Commissions	48,249	42,000	63,424
Recruitment	23,295	25,500	17,199
International student levy	9,154	-	-
Employee Benefit - Salaries	180,381	164,678	180,108
Other Expenses	184,645	188,000	190,847
	<u>462,546</u>	<u>432,178</u>	<u>460,573</u>
<i>Surplus for the year International Students'</i>	<u>176,426</u>	<u>162,822</u>	<u>137,813</u>

#### 5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	414,259	314,720	385,668
Library Resources	47,067	45,700	44,609
Employee Benefits - Salaries	4,626,963	4,342,252	4,428,703
Staff Development	12,980	27,500	21,470
Learning Leaders	7,620	7,300	1,854
Consumables	27,361	21,350	23,437
Star Funding	52,594	56,136	38,351
Repairs & Maintenance	6,262	7,500	5,038
Gateway	26,845	34,000	20,644
Alternative Education	3,754	5,000	6,717
	<u>5,225,705</u>	<u>4,861,458</u>	<u>4,976,491</u>

#### 6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	7,780	7,787	8,787
Board of Trustees Fees	3,751	3,500	3,235
Board of Trustees Expenses	38,655	36,500	25,790
Communication	14,140	14,000	14,586
Consumables	100,130	81,750	84,624
Other	39,884	45,900	32,069
Employee Benefits - Salaries	213,093	205,643	199,764
Insurance	17,894	17,000	13,807
Service Providers, Contractors and Consultancy	25,800	28,000	28,541
	<u>461,127</u>	<u>440,080</u>	<u>411,203</u>



## 7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	20,413	20,000	21,122
Cyclical Maintenance Expense	27,615	30,850	26,948
Grounds	21,041	35,000	24,236
Heat, Light and Water	73,842	69,000	74,404
Rates	11,836	15,000	16,957
Repairs and Maintenance	120,525	42,500	24,482
Use of Land and Buildings	1,453,086	1,430,691	1,438,710
Security	576	2,000	452
Employee Benefits - Salaries	187,195	169,770	176,840
	<u>1,916,129</u>	<u>1,814,811</u>	<u>1,804,151</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	19,392	14,424	16,987
Furniture and Equipment	69,819	53,256	62,721
Information and Communication Technology	60,034	33,832	39,844
Motor Vehicles	13,054	16,147	19,016
Textbooks	1,889	3,382	3,983
Leased Assets	96,764	62,545	73,659
Library Resources	7,576	6,414	7,554
	<u>268,528</u>	<u>190,000</u>	<u>223,764</u>

## 9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	127,177	260,943	624,927
Bank Call Account	201,015	148,886	430,018
Cash equivalents for Cash Flow Statement	<u>328,192</u>	<u>409,829</u>	<u>1,054,945</u>

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value.

#### 10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	2,537	5,789	2,295
Banking Staffing Underuse	-	-	7,700
Interest Receivable	6,302	-	5,512
Teacher Salaries Grant Receivable	314,401	277,092	300,514
	<u>323,240</u>	<u>282,881</u>	<u>316,021</u>
Receivables from Exchange Transactions	8,839	5,789	7,807
Receivables from Non-Exchange Transactions	314,401	277,092	308,214
	<u>323,240</u>	<u>282,881</u>	<u>316,021</u>

#### 11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	6,324	-	5,994
Canteen	750	-	452
Livestock	4,500	2,100	5,200
	<u>11,574</u>	<u>2,100</u>	<u>11,646</u>

#### 12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	855,327	805,495	841,379
Non-current Asset			
Long-term Bank Deposits	10,000	11,532	-
Shares	1,532	-	1,532
Total Investments	<u>866,859</u>	<u>817,027</u>	<u>842,911</u>

### 13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	30,000	-	-	-	-	30,000
Building Improvements	352,898	163,548	(3,946)	-	(19,392)	493,108
Furniture and Equipment	324,123	57,373	(2,349)	-	(69,819)	309,329
Information and Communication Tech	117,893	118,292	-	-	(60,034)	176,151
Motor Vehicles	29,286	-	-	-	(13,054)	16,232
Textbooks	2,470	-	-	-	(1,889)	581
Leased Assets	94,414	99,360	(1)	-	(96,764)	97,008
Library Resources	52,996	7,739	-	-	(7,576)	53,159
<b>Balance at 31 December 2019</b>	<b>1,004,080</b>	<b>446,312</b>	<b>(6,296)</b>	<b>-</b>	<b>(268,528)</b>	<b>1,175,568</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	30,000	-	30,000
Building Improvements	771,867	(278,759)	493,108
Furniture and Equipment	1,458,438	(1,149,109)	309,329
Information and Communication	605,693	(429,542)	176,151
Motor Vehicles	148,384	(132,152)	16,232
Textbooks	40,237	(39,656)	581
Leased Assets	321,261	(224,253)	97,008
Library Resources	158,233	(105,074)	53,159
<b>Balance at 31 December 2019</b>	<b>3,534,113</b>	<b>(2,358,545)</b>	<b>1,175,568</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	30,000	-	-	-	-	30,000
Building Improvements	368,717	1,168	-	-	(16,987)	352,898
Furniture and Equipment	316,410	70,434	-	-	(62,721)	324,123
Information and Communication Tech	65,832	91,905	-	-	(39,844)	117,893
Motor Vehicles	48,302	-	-	-	(19,016)	29,286
Textbooks	6,453	-	-	-	(3,983)	2,470
Leased Assets	135,582	32,491	-	-	(73,659)	94,414
Library Resources	52,901	7,648	-	-	(7,554)	52,995
<b>Balance at 31 December 2018</b>	<b>1,024,197</b>	<b>203,646</b>	<b>-</b>	<b>-</b>	<b>(223,764)</b>	<b>1,004,079</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	30,000	-	30,000
Building Improvements	615,891	(262,993)	352,898
Furniture and Equipment	1,417,555	(1,093,432)	324,123
Information and Communication	487,401	(369,508)	117,893
Motor Vehicles	152,471	(123,185)	29,286
Textbooks	307,981	(305,511)	2,470
Leased Assets	239,562	(145,148)	94,414
Library Resources	150,494	(97,499)	52,995
<b>Balance at 31 December 2018</b>	<b>3,401,355</b>	<b>(2,397,276)</b>	<b>1,004,079</b>

### 14. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	40,661	26,064	251,195
Accruals	7,780	7,225	15,012
Capital Accruals for PPE items	899	-	7,166
Employee Entitlements - Salaries	314,407	277,092	300,514
Employee Entitlements - Leave Accrual	28,516	26,857	29,760
	<u>392,263</u>	<u>337,238</u>	<u>603,647</u>

Payables for Exchange Transactions	392,263	337,238	603,647
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>392,263</u>	<u>337,238</u>	<u>603,647</u>

The carrying value of payables approximates their fair value.

#### 15. Borrowings

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Due in One Year	33,480	-	-
Due Beyond One Year	108,810	-	-
	<u>142,290</u>	<u>-</u>	<u>-</u>

#### 16. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance	-	-	4,735
International Students Prior Year	-	-	77,569
Income In Advance	30,632	-	23,881
International Students In Advance	308,851	485,855	270,606
	<u>339,483</u>	<u>485,855</u>	<u>376,791</u>

#### 17. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	179,438	95,250	152,490
Increase to the Provision During the Year	27,615	30,850	26,948
Provision at the End of the Year	<u>207,053</u>	<u>126,100</u>	<u>179,438</u>
Cyclical Maintenance - Current	56,667	45,090	65,914
Cyclical Maintenance - Term	150,386	81,010	113,524
	<u>207,053</u>	<u>126,100</u>	<u>179,438</u>

## 18. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
No Later than One Year	46,169	12,098	69,622
Later than One Year and no Later than Five Years	47,031	-	20,438
	<u>93,200</u>	<u>12,098</u>	<u>90,060</u>

## 19. Funds held in Trust

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	188,043	7,255	215,395
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>188,043</u>	<u>7,255</u>	<u>215,395</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

## 20. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Prefab Classrooms ILE	<i>completed</i>	25,856	-	25,856	-	-
10YR PRP Plan Prep	<i>completed</i>	(22,000)	-	(22,000)	-	-
RTLB Classroom Relocation	<i>completed</i>	(4,235)	-	(4,235)	-	-
A Block Roof	<i>completed</i>	212,491	56,391	268,882	-	-
Pool Changing Rooms	<i>completed</i>	(22,271)	-	(22,271)	-	-
Admin Block Flood	<i>completed</i>	-	19,539	19,539	-	-
Totals		<u>189,841</u>	<u>75,930</u>	<u>265,771</u>	<u>-</u>	<u>-</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-  
-

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Prefab Classrooms ILE	<i>in progress</i>	(110,823)	169,654	32,975	-	25,856
10YR PRP Plan Prep	<i>in progress</i>	-	-	22,000	-	(22,000)
RTLB Classroom Relocation	<i>in progress</i>	(63,846)	58,551	(1,060)	-	(4,235)
A Block Roof	<i>in progress</i>	(6,515)	447,138	228,132	-	212,491
Pool Changing Rooms	<i>in progress</i>	-	-	22,271	-	(22,271)
Fire Alarm Upgrade 2018	<i>completed</i>	-	6,400	6,400	-	-
Totals		<u>(181,184)</u>	<u>681,743</u>	<u>310,718</u>	<u>-</u>	<u>189,841</u>

## 21. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 22. Remuneration

### *Key management personnel compensation*

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,751	3,235
Full-time equivalent members	0.37	0.36
<i>Leadership Team</i>		
Remuneration	1,243,883	1,277,160
Full-time equivalent members	12.70	13.52
Total key management personnel remuneration	1,247,634	1,280,395
Total full-time equivalent personnel	13.07	13.88

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### *Principal*

The total value of remuneration paid or payable to the Principal was in the following bands:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	180 - 190
Benefits and Other Emoluments	4 - 5	0 - 1
Termination Benefits	-	-

### *Other Employees*

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	3.00	-
	3.00	0.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.

### 23. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

### 24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

#### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

### 25. Commitments

#### (a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

#### (b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

### 26. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

## 27. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

### Financial assets measured at amortised cost (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	328,192	409,829	1,054,945
Receivables	323,240	282,881	316,021
Investments - Term Deposits	866,859	817,027	842,911
Total Financial assets measured at amortised cost	1,518,291	1,509,737	2,213,877

### Financial liabilities measured at amortised cost

Payables	392,263	337,238	603,647
Borrowings - Loans	142,290	-	-
Finance Leases	93,200	12,098	90,060
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	627,753	349,336	693,707

## 28. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

## 29. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

## 30. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 12 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements



### **31. Breach of Legislation**

The school owns Zespri shares, shares in an unlisted company. Under Section 161(1)(a) of the Crown Entities Act 2004 and the replacement schedule 6 (Clause 28) of the Education Act 1989 restrictions on acquisition of the financial products, the school is required to have joint approval of the Minister of Finance and Minister of Education to hold such shares. As at 31 December 2019 the school did not have approval to hold these shares, however the school is currently seeking relevant approval.