

# WHANGAPARAOA COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 6763

**Principal:** James Thomas

**School Address:** 15 - 25 Delshaw Avenue, Whangaparaoa

**Postal Address:** P O Box 775, Whangaparaoa 0943

**School Phone:** 09 4249177

**School Email:** [enquiries@wpgcollege.school.nz](mailto:enquiries@wpgcollege.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Heidi Parlane	Chairperson	Re-elected May 2019	May 2022
James Thomas	Principal	ex Officio April 2012	
Craig Caminos	Parent Representative	Re-elected May 2019	May 2022
Ben Creevey	Parent Representative	Re-elected May 2019	May 2022
Gabrielle Martell-Turner	Parent Representative	Elected May 2019	May 2022
Ian MacLeod	Parent Representative	Elected May 2019	May 2022
Mathew Harris	Parent Representative	Re-selected June 2019	June 2022
Marina Vaha	Parent Representative	Re-selected June 2019	June 2022
Bobbie-Jo Wilson	Parent Representative	Selected June 2019	June 2022
Mike Enright	Parent Representative	Co-opted July 2016	May 2019
Marara Schreurs	Parent Representative	Co-opted July 2016	May 2019
Derek Middleton	Staff Representative	Re-elected May 2019	May 2022
Alex Jones	Student Representative	Elected September 2019	September 2020



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# WHANGAPARAOA COLLEGE

## Financial Statements - For the year ended 31 December 2019

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### Other Information

College Charter - includes Analysis of Variance and Kiwisport

**Whangaparaoa 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.

Heidi Natchik Burkne

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

23 Sept 2020

Date:

James Frederick THOMAS

Full Name of Principal

[Signature]

Signature of Principal

21 Sept 2020

Date:

**Whangaparaoa College**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	14,995,037	14,826,541	14,770,307
Locally Raised Funds	3	1,135,341	207,487	1,184,987
Interest Earned		86,794	83,000	102,937
Gain on Sale of Property, Plant and Equipment		-	-	5,330
International Students	4	1,301,274	1,288,651	1,297,575
Other Revenue		-	-	-
		<u>17,518,446</u>	<u>16,405,679</u>	<u>17,361,136</u>
<b>Expenses</b>				
Locally Raised Funds	3	569,666	35,562	640,612
International Students	4	569,308	690,625	584,803
Learning Resources	5	9,450,001	8,863,623	9,236,550
Administration	6	832,611	819,600	813,794
Finance Costs		19,348	-	11,618
Property	7	5,801,628	5,783,073	5,836,657
Depreciation	8	322,492	340,000	327,507
Loss on Disposal of Property, Plant and Equipment		11,612	10,000	78
		<u>17,576,666</u>	<u>16,542,483</u>	<u>17,451,619</u>
<b>Net Surplus / (Deficit)</b>		(58,220)	(136,804)	(90,483)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(58,220)</u>	<u>(136,804)</u>	<u>(90,483)</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.*

**Whangaparaoa College**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>	<u>2,283,296</u>	<u>2,283,296</u>	<u>2,344,707</u>
Total comprehensive revenue and expense for the year	(58,220)	(136,804)	(90,483)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	62,007	-	29,072
<b>Equity at 31 December</b>	<u>2,287,083</u>	<u>2,146,492</u>	<u>2,283,296</u>

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

**Whangaparaoa 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	1,127,361	100,000	437,125
Accounts Receivable	10	905,895	905,795	905,795
Funds due for Capital Works Projects	19	195,564	232,086	116,043
GST Receivable		790	22,030	22,030
Prepayments		14,769	11,989	11,989
Inventories	11	565	759	759
Investments	12	2,011,754	1,005,654	2,460,330
		<u>4,256,698</u>	<u>2,278,313</u>	<u>3,954,071</u>
<b>Current Liabilities</b>				
Accounts Payable	14	880,416	726,105	729,598
Revenue Received in Advance	15	849,800	-	815,348
Provision for Cyclical Maintenance	16	151,157	-	153,796
Finance Lease Liability - Current Portion	17	61,715	27,382	55,556
Funds held in Trust	18	684,910	-	693,376
		<u>2,627,998</u>	<u>753,487</u>	<u>2,447,674</u>
<b>Working Capital Surplus/(Deficit)</b>		1,628,700	1,524,826	1,506,397
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	1,029,763	1,019,959	1,142,574
		<u>1,029,763</u>	<u>1,019,959</u>	<u>1,142,574</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	252,192	269,601	209,601
Finance Lease Liability	17	119,188	128,692	156,074
		<u>371,380</u>	<u>398,293</u>	<u>365,675</u>
<b>Net Assets</b>		<u>2,287,083</u>	<u>2,146,492</u>	<u>2,283,296</u>
<b>Equity</b>		<u>2,287,083</u>	<u>2,146,492</u>	<u>2,283,296</u>

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

# Whangaparaoa College

## Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,615,469	2,593,669	2,501,215
Locally Raised Funds		1,217,413	284,442	1,229,297
International Students		1,315,180	592,644	1,230,865
Goods and Services Tax (net)		21,240	(5,907)	(5,907)
Payments to Employees		(1,776,973)	(1,803,286)	(1,752,428)
Payments to Suppliers		(2,930,311)	(2,193,171)	(3,073,933)
Payments for Cyclical Maintenance		(11,135)	-	(79,555)
Interest Paid		(19,348)	-	(11,618)
Interest Received		88,125	83,000	102,553
Net cash from / (to) the Operating Activities		519,660	(448,609)	140,489
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	5,330
Purchase of PPE (and Intangibles)		(191,411)	(475,244)	(268,748)
Purchase of Investments		-	863,812	409,136
Proceeds from Sale of Investments		448,576	-	-
Net cash from / (to) the Investing Activities		257,165	388,568	145,718
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		62,007	-	29,072
Finance Lease Payments		(60,609)	146,573	(34,989)
Funds held for Capital Works Projects		(87,987)	(232,086)	(258,959)
Net cash from Financing Activities		(86,589)	(85,513)	(264,876)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>690,236</b>	<b>(145,554)</b>	<b>21,331</b>
Cash and cash equivalents at the beginning of the year	9	437,125	245,554	415,794
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>1,127,361</b>	<b>100,000</b>	<b>437,125</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 omitted.

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

# Whangaparaoa College

## Notes to the Financial Statements

### 1 Statement of Accounting Policies

For the year ended 31 December 2019

#### a) Reporting Entity

Whangaparaoa 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 29.

##### *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.

##### *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.*

**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 \$1,000 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:

Building improvements – Crown	25 years
Furniture and equipment	5 - 10 years
Information and communication technology	4–5 years
Textbooks	10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

**l) 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.

**m) 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.

**n) 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

**o) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students and fundraising 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.

**p) 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).

**q) 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**r) 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.

**s) Budget Figures**

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

**t) 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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	2,335,179	2,344,369	2,270,341
Teachers' salaries grants	7,415,387	7,249,604	7,249,604
Use of Land and Buildings grants	4,960,688	4,983,268	4,983,268
Resource teachers learning and behaviour grants	283,783	249,300	267,094
	<u>14,995,037</u>	<u>14,826,541</u>	<u>14,770,307</u>

**3 Locally Raised Funds**

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	79,285	103,000	103,489
Fundraising	44,627	30,000	23,826
Other revenue	470,920	37,487	429,458
Trading	254,966	37,000	247,178
Activities	262,932	-	264,454
Overseas Travel - Japan (Vietnam)	22,611	-	116,582
	<u>1,135,341</u>	<u>207,487</u>	<u>1,184,987</u>
<b>Expenses</b>			
Activities	269,162	2,500	272,588
Overseas Travel - Japan (Vietnam)	22,810	-	116,207
Trading	215,271	-	210,434
Fundraising (costs of raising funds)	25,031	-	6,000
Other Locally Raised Funds Expenditure	37,392	33,062	35,383
	<u>569,666</u>	<u>35,562</u>	<u>640,612</u>
<i>Surplus for the year Locally raised funds</i>	<u>565,675</u>	<u>171,925</u>	<u>544,375</u>

The trip to Japan was to enhance understanding of the history and culture of this country. Teachers and students travelled to Japan, the expenses incurred were for fares, accommodation, transport, guides and educational outcomes. The trip was fully funded by parental payments.

**4 International Student Revenue and Expenses**

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	100	95	95
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
International student fees	1,301,274	1,288,651	1,297,575
<b>Expenses</b>			
Advertising	118,087	99,875	97,461
Commissions	146,159	195,750	178,681
International student levy	265,963	310,000	281,536
Other Expenses	39,099	85,000	27,125
	<u>569,308</u>	<u>690,625</u>	<u>584,803</u>
<i>Surplus for the year International Students</i>	<u>731,966</u>	<u>598,026</u>	<u>712,772</u>

Of the \$118,087 Advertising expenses, \$71,715 was spent on multiple international marketing trips made during the year.

**5 Learning Resources**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	454,287	123,750	433,983
Information and communication technology	144,121	169,000	176,178
Extra-curricular activities	317,790	319,200	336,541
Library resources	5,985	4,300	5,439
Employee benefits - salaries	8,466,873	8,187,373	8,219,182
Staff development	60,945	60,000	65,227
	<u>9,450,001</u>	<u>8,863,623</u>	<u>9,236,550</u>

**6 Administration**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	11,010	11,000	11,240
Board of Trustees Fees	5,924	3,500	6,525
Board of Trustees Expenses	13,391	5,800	6,232
Communication	15,715	19,500	19,179
Consumables	3,874	5,000	5,093
Legal Fees	-	6,000	67
Other	103,476	97,800	95,982
Employee Benefits - Salaries	645,199	642,000	636,228
Insurance	21,420	15,000	20,663
Service Providers, Contractors and Consultancy	12,602	14,000	12,585
	<u>832,611</u>	<u>819,600</u>	<u>813,794</u>

**7 Property**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	72,791	64,000	60,615
Consultancy and Contract Services	218,325	205,800	198,981
Cyclical Maintenance Provision	51,087	60,000	69,449
Grounds	40,377	59,600	58,385
Heat, Light and Water	108,390	125,000	134,892
Rates	-	-	194
Repairs and Maintenance	181,815	112,000	178,527
Use of Land and Buildings - Non Integrated	4,960,688	4,983,268	4,983,268
Employee Benefits - Salaries	168,155	173,405	152,346
	<u>5,801,628</u>	<u>5,783,073</u>	<u>5,836,657</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	15,993	15,932	15,347
Furniture and Equipment	94,856	100,611	96,914
Information and Communication Technology	111,956	141,466	136,268
Motor Vehicles	2,037	2,115	2,037
Textbooks	26,193	31,953	30,779
Leased Assets	66,132	41,773	40,238
Library Resources	5,325	6,150	5,924
	<u>322,492</u>	<u>340,000</u>	<u>327,507</u>

**9 Cash and Cash Equivalents**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	600	-	570
Bank Current Account	618,739	100,000	436,555
Short-term Bank Deposits	508,022	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	1,127,361	100,000	437,125

**10 Accounts Receivable**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	359,427	438,731	420,953
Interest Receivable	16,447	-	17,778
Teacher Salaries Grant Receivable	530,021	467,064	467,064
	905,895	905,795	905,795
Receivables from Exchange Transactions	375,874	438,731	438,731
Receivables from Non-Exchange Transactions	530,021	467,064	467,064
	905,895	905,795	905,795

**11 Inventories**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Canteen	565	759	759
	565	759	759

**12 Investments**

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	2,011,754	1,005,654	2,460,330
Non-current Asset			
Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

## 13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	277,906	13,433	-	-	(15,993)	275,346
Furniture and Equipment	402,565	114,562	(31,509)	-	(94,856)	390,762
Information and Communication Technology	192,837	71,682	-	-	(111,956)	152,563
Motor Vehicles	7,980	-	-	-	(2,037)	5,943
Textbooks	15,693	11,317	(817)	-	(26,193)	-
Leased Assets	204,126	29,881	-	-	(66,132)	167,875
Library Resources	41,467	3,259	(2,127)	-	(5,325)	37,274
<b>Balance at 31 December 2019</b>	<b>1,142,574</b>	<b>244,134</b>	<b>(34,453)</b>	<b>-</b>	<b>(322,492)</b>	<b>1,029,763</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land	-	-	-
Buildings	-	-	-
Building Improvements	382,392	(107,046)	275,346
Furniture and Equipment	1,894,160	(1,503,398)	390,762
Information and Communication Technology	1,748,658	(1,596,095)	152,563
Motor Vehicles	10,187	(4,244)	5,943
Textbooks	303,088	(303,088)	-
Leased Assets	294,078	(126,203)	167,875
Library Resources	150,058	(112,784)	37,274
<b>Balance at 31 December 2019</b>	<b>4,782,621</b>	<b>(3,752,858)</b>	<b>1,029,763</b>

The net carrying value of equipment held under a finance lease is \$167,875

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	239,819	53,434	-	-	(15,347)	277,906
Furniture and Equipment	364,303	135,257	(81)	-	(96,914)	402,565
Information and Communication Technology	261,898	67,286	(79)	-	(136,268)	192,837
Motor Vehicles	10,017	-	-	-	(2,037)	7,980
Textbooks	35,348	15,466	(4,342)	-	(30,779)	15,693
Leased Assets	21,475	222,889	-	-	(40,238)	204,126
Library Resources	45,662	3,444	(1,715)	-	(5,924)	41,467
<b>Balance at 31 December 2018</b>	<b>978,522</b>	<b>497,776</b>	<b>(6,217)</b>	<b>-</b>	<b>(327,507)</b>	<b>1,142,574</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	368,960	(91,054)	277,906
Furniture and Equipment	1,878,216	(1,475,651)	402,565
Information and Communication Technology	1,810,178	(1,617,341)	192,837
Motor Vehicles	10,187	(2,207)	7,980
Textbooks	307,789	(292,096)	15,693
Leased Assets	264,196	(60,070)	204,126
Library Resources	154,735	(113,268)	41,467
<b>Balance at 31 December 2018</b>	<b>4,794,261</b>	<b>(3,651,687)</b>	<b>1,142,574</b>

The net carrying value of equipment held under a finance lease is \$204,126



**14 Accounts Payable**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	193,500	249,856	189,763
Accruals	7,500	-	7,750
Banking staffing overuse	50,332	-	3,493
Employee Entitlements - salaries	530,021	467,064	467,064
Employee Entitlements - leave accrual	99,063	9,185	61,528
	<u>880,416</u>	<u>726,105</u>	<u>729,598</u>
Payables for Exchange Transactions	880,416	726,105	729,598
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>880,416</u>	<u>726,105</u>	<u>729,598</u>

The carrying value of payables approximates their fair value.

**15 Revenue Received in Advance**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	811,553	-	797,647
Other	38,247	-	17,701
	<u>849,800</u>	<u>-</u>	<u>815,348</u>

**16 Provision for Cyclical Maintenance**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	363,397	363,397	373,503
Increase to the Provision During the Year	51,087	60,000	69,449
Use of the Provision During the Year	(11,135)	(153,796)	(79,555)
Provision at the End of the Year	<u>403,349</u>	<u>269,601</u>	<u>363,397</u>
Cyclical Maintenance - Current	151,157	-	153,796
Cyclical Maintenance - Term	<u>252,192</u>	<u>269,601</u>	<u>209,601</u>
	<u>403,349</u>	<u>269,601</u>	<u>363,397</u>

**17 Finance Lease Liability**

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	61,715	27,382	55,556
Later than One Year and no Later than Five Years	119,188	128,692	156,074
	<u>180,903</u>	<u>156,074</u>	<u>211,630</u>

**18 Funds held in Trust**

	Actual \$	Budget (Unaudited) \$	Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	684,910	-	693,376
	<u>684,910</u>	<u>-</u>	<u>693,376</u>

These funds are held in trust for Homestay Fees

**19 Funds Held for Capital Works Projects**

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

					BOT Contribution/ (Write-off to R&M)	
	2019	Opening Balances	Receipts from MoE	Payments		Closing Balances
		\$	\$	\$	\$	\$
MOE Pinboards	<i>completed</i>	(17,031)	-		17,031	-
MOE MLE Classrooms	<i>in progress</i>	15,252	356,031	(443,810)	-	(72,527)
MOE Solar Panel Project	<i>completed</i>	(3,255)	-		3,255	-
MOE Security Project	<i>in progress</i>	18,096	-	(1,386)	-	16,710
MOE Void/Cafe Project - Stage 2	<i>in progress</i>	(22,957)	-	(5,656)	-	(28,613)
MOE Performing Arts - Carpet	<i>in progress</i>	1,341	-	-	-	1,341
MOE Gym Lining / Insulation	<i>in progress</i>	(37,989)	-	-	69,164	31,175
MOE Admin Improvements	<i>in progress</i>	(8,193)	1,936	-	665	(5,592)
MOE STA Gas Install	<i>in progress</i>	(37,335)	-	-	-	(37,335)
MOE Woodwork Fire	<i>in progress</i>	2,402	-	-	-	2,402
MOE J Block Boiler Replacement	<i>completed</i>	(5,278)	32,657	(27,379)	-	-
MOE Gym Acoustic Linings	<i>completed</i>	(16,096)	5,500	-	10,596	-
MOE Gym Heating Project	<i>in progress</i>	(5,000)	-	(69,164)	-	(74,164)
MOE Gym Entry Doors	<i>in progress</i>	-	27,000	(3,147)	-	23,853
MOE Smoke Alarms	<i>in progress</i>	-	-	(7,962)	-	(7,962)
MOE Door Project	<i>in progress</i>	-	-	(39,854)	-	(39,854)
MOE Heat Pumps	<i>in progress</i>	-	34,000	(30,989)	-	3,011
MOE Smoke Alarms 2019	<i>in progress</i>	-	-	(2,405)	-	(2,405)
MOE Gym Ventilation	<i>in progress</i>	-	36,920	(33,773)	-	3,147
MOE STA Smoke & Security	<i>in progress</i>	-	-	(1,725)	-	(1,725)
MOE Site Drainage	<i>in progress</i>	-	-	(7,026)	-	(7,026)
Totals		(116,043)	494,044	(674,276)	100,711	(195,564)

**Represented by:**

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

81,639  
(277,203)  
(195,564)

					BOT Contribution/ (Write-off to R&M)	
	2018	Opening Balances	Receipts from MoE	Payments		Closing Balances
		\$	\$	\$	\$	\$
MOE Pinboards	<i>in progress</i>	(17,031)	-		-	(17,031)
MOE MLE Classrooms	<i>completed</i>	(500)	-	-	500	-
MOE Solar Panel Project	<i>in progress</i>	58,827	-	(62,082)	-	(3,255)
MOE Security Project	<i>in progress</i>	18,096	-		-	18,096
MOE Void/Cafe Project - Stage 2	<i>in progress</i>	(14,822)	-	(8,135)	-	(22,957)
MOE Performing Arts - Carpet	<i>in progress</i>	96,707	-	(95,366)	-	1,341
MOE Gym Lining / Insulation	<i>in progress</i>	(35,063)	200,000	(202,926)	-	(37,989)
MOE Admin Improvements	<i>in progress</i>	(8,927)	27,205	(26,471)	-	(8,193)
MOE STA Gas Install	<i>in progress</i>	42,996	35,000	(115,331)	-	(37,335)
MOE Woodwork Fire	<i>in progress</i>	-	133,748	(131,346)	-	2,402
MOE J Block Boiler Replacement	<i>in progress</i>	-	-	(5,278)	-	(5,278)
MOE A Block MLE	<i>in progress</i>	-	32,870	(32,343)	-	527
MOE B Block MLE	<i>in progress</i>	-	32,870	(27,411)	-	5,459
MOE C Block MLE	<i>in progress</i>	-	30,131	(25,323)	-	4,808
MOE Gym Block MLE	<i>in progress</i>	-	11,217	(6,759)	-	4,458
MOE Gym Acoustic Linings	<i>in progress</i>	-	44,000	(60,096)	-	(16,096)
MOE Gym Heating Project	<i>in progress</i>	-	44,000	(49,000)	-	(5,000)
Totals		140,283	591,041	(847,867)	500	(116,043)

**20 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.

**21 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	5,924	6,525
Full-time equivalent members	0.26	0.28
<i>Leadership Team</i>		
Remuneration	1,007,989	732,375
Full-time equivalent members	9.00	6.00
Total key management personnel remuneration	1,013,913	738,900
Total full-time equivalent personnel	9.26	6.28

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	170 - 180	170 - 180
Benefits and Other Emoluments	0 - 10	0 - 10

*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	4.00	4.00
110 - 120	0.00	1.00
130 - 140	1.00	1.00
	5.00	6.00

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

**22 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	\$0	\$0
Number of People	0	0

**23 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.

**24 Commitments****(a) Capital Commitments**

As at 31 December 2019 the Board had no Capital Commitments.

(Capital commitments at 31 December 2018: The Board had a \$192,785 contract with Vitruvion Group to have the Gym Linings installed as agent for the Ministry of Education.)

**(b) Operating Commitments**

As at 31 December 2019 the Board has entered into the following contracts:

(a) three operating leases with Toyota Financial Services for the supply of three Hiace Minibuses

	2019 Actual	2018 Actual
No later than One Year	\$ 16,771	\$ 27,540
Later than One Year and No Later than Five Years	18,159	34,930
	<u>34,930</u>	<u>62,470</u>

**25 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.

**26 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 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	1,127,361	100,000	437,125
Receivables	905,895	905,795	905,795
Investments - Term Deposits	2,011,754	1,005,654	2,460,330
Total Cash and Receivables	4,045,010	2,011,449	3,803,250

**Financial liabilities measured at amortised cost**

Payables	880,416	726,105	729,598
Finance Leases	180,903	156,074	211,630
Total Financial Liabilities Measured at Amortised Cost	1,061,319	882,179	941,228

**27 Events After Balance Date - Covid-19**

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. Subsequently all schools and kura reopened on the 18<sup>th</sup> of May 2020.

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.

**28 Breach of Law - Breach of Borrowing Limit**

2019: No breach of Borrowing Limit

(2018: The school had a maximum bank overdraft of \$233,568 during the year and such arrangement constitutes borrowing. The combination of the bank overdraft added to current year lease payments has resulted in total repayments of borrowings amounting to 11.7% of the operation grant in 2018. The Board of Trustees are allowed to borrow funds to the extent that their repayments in any financial year do not exceed 10% of the operational grant. The repayments of borrowings in 2018 therefore require Ministerial approval. As the School has not obtained the appropriate Ministerial approval, this represents a breach of Regulation 12 of the Crown Entities Crown Entities (Financial Powers) Regulations 2005 in the 2018 financial year)

**29 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

**30 Failure to comply with Section 87 of the Education Act 1989**

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.