

WESTERN SPRINGS COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER

2018

School Directory

Ministry Number: 48

Principal: Ivan Robert Davis

School Address: Motions Road, Western Springs, Auckland

School Postal Address: Motions Road, Western Springs, Auckland

School Phone: 09 815 6730

School Email: admin@wsc.school.nz

Accountant / Service Provider: Balanced Chartered Accountants

Board of Trustees

Name	Position	Term Expiry
Ivan Davis	Principal	
Ka'u Tepaki	Pacific Island Re	June 2019
Carol Gunn (chair)	Parent Representative	December 2020
Craig Moller	Parent Representative	June 2019
Jan McCartney	Parent Representative	June 2019
Linda Pirrit	Parent Representative	December 2020
Richard Green	Parent Representative	December 2020
Rob Coltman	Parent Representative	June 2019
Clive Vaiula	Rumaki Representative	June 2019
James Watkinson	Rumaki Representative	June 2019
Rangimarie Hunia	Rumaki Representative	June 2019
Tracey Watkinson	Rumaki Representative	June 2019
Atakura Hunia	Rumaki Student Rep	September 2019
Mel Webber	Staff Representative	June 2019
Khushee Jain	Student Representative	September 2019
Tamatera Curtis	Student Representative	September 2018
Toby Mangelsdorf	Student Representative	September 2018
Trevor Crosby	Co-opted	June 2019
Belinda Drake	Selected	May 2019

WESTERN SPRINGS COLLEGE

Annual Report - For the year ended 31 December 2018

Index

Page	Statement
------	-----------

Financial Statements	
-----------------------------	--

<u>1</u>	Statement of Responsibility
----------	-----------------------------

<u>2</u>	Statement of Comprehensive Revenue and Expense
----------	--

<u>3</u>	Statement of Changes in Net Assets/Equity
----------	---

<u>4</u>	Statement of Financial Position
----------	---------------------------------

<u>5</u>	Statement of Cash Flows
----------	-------------------------

<u>6 - 10</u>	Statement of Accounting Policies
---------------	----------------------------------

<u>11- 18</u>	Notes to the Financial Statements
---------------	-----------------------------------

Western Springs College

Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Carol Gunn

Full Name of Board Chairperson



Signature of Board Chairperson

31 May 2019

Date:

IVAN ROBERT DAVIS

Full Name of Principal



Signature of Principal

31 May 2019

Date:

Western Springs College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	16,430,858	11,529,985	15,912,991
Locally Raised Funds	3	1,114,518	945,763	1,737,140
Interest Earned		45,798	50,000	64,839
International Students	4	2,093,203	1,445,000	2,265,701
Other Revenue		35,427	-	8,972
		<u>19,719,803</u>	<u>13,970,748</u>	<u>19,989,643</u>
Expenses				
Locally Raised Funds	3	180,094	102,500	125,096
International Students	4	1,061,738	412,253	1,082,057
Learning Resources	5	11,001,347	9,903,273	11,395,636
Administration	6	686,469	733,875	591,765
Finance		7,508	-	18,185
Property	7	6,538,797	2,716,935	6,399,140
Depreciation	8	333,244	300,000	321,754
Loss on Disposal of Property, Plant and Equipment		-	-	25,688
		<u>19,809,197</u>	<u>14,168,836</u>	<u>19,959,319</u>
Net Surplus / (Deficit) for the year		(89,394)	(198,088)	30,324
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(89,394)</u>	<u>(198,088)</u>	<u>30,324</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Western Springs College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	1,161,705	1,161,709	1,131,381
Total comprehensive revenue and expense for the year	(89,394)	(198,088)	30,324
Equity at 31 December	1,072,311	963,621	1,161,705
Retained Earnings	1,072,311	963,621	1,161,705
Equity at 31 December	1,072,311	963,621	1,161,705

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Western Springs College
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	3,896,342	3,351,709	2,407,949
Accounts Receivable	10	601,968	525,200	546,565
Prepayments		55,060	77,165	269,185
Inventories	11	7,824	12,000	10,268
		<u>4,561,195</u>	<u>3,966,074</u>	<u>3,233,967</u>
Current Liabilities				
GST Payable		42,031	30,000	24,933
Accounts Payable	13	786,976	910,000	686,451
Revenue Received in Advance	14	2,865,731	2,800,000	2,274,230
Provision for Cyclical Maintenance	15	-	-	20,000
Finance Lease Liability - Current Portion	16	42,837	60,000	75,436
Funds held for Capital Works Projects	17	617,175	60,000	53,327
		<u>4,354,751</u>	<u>3,860,000</u>	<u>3,134,377</u>
Working Capital Surplus/(Deficit)		206,444	106,074	99,590
Non-current Assets				
Property, Plant and Equipment	12	1,004,474	1,010,809	1,210,809
Trust Assets		41,048	41,050	41,050
		<u>1,045,522</u>	<u>1,051,859</u>	<u>1,251,859</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	154,313	154,313	134,313
Finance Lease Liability	16	25,343	39,999	55,430
		<u>179,656</u>	<u>194,312</u>	<u>189,743</u>
Net Assets		<u>1,072,311</u>	<u>963,621</u>	<u>1,161,706</u>
Equity		<u>1,072,311</u>	<u>963,621</u>	<u>1,161,705</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Western Springs College
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		3,124,638	3,098,392	3,116,413
Locally Raised Funds		1,090,237	977,281	1,872,874
International Students		2,511,963	1,771,410	2,159,632
Goods and Services Tax (net)		17,098	5,000	(11,905)
Payments to Employees		(2,714,357)	(2,576,333)	(2,859,486)
Payments to Suppliers		(3,222,429)	(2,409,975)	(4,191,704)
Cyclical Maintenance Payments in the year		(0)	-	-
Interest Paid		(7,508)	-	(18,185)
Interest Received		45,604	49,950	64,890
Net cash from / (to) the Operating Activities		845,247	915,725	132,529
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(0)	-	25
Purchase of PPE (and Intangibles)		(107,876)	(100,000)	(244,388)
Purchase of Investments		2	-	-
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(107,874)	(100,000)	(244,363)
Cash flows from Financing Activities				
Finance Lease Payments		(81,718)	(30,867)	(46,605)
Painting contract payments		-	-	-
Funds Administered on Behalf of Third Parties		268,890	202,842	(70,129)
Funds Held for Capital Works Projects		563,848	(20,000)	(81,811)
Net cash from Financing Activities		751,019	151,975	(198,545)
Net increase/(decrease) in cash and cash equivalents		1,488,393	967,700	(310,379)
Cash and cash equivalents at the beginning of the year	9	2,407,949	2,384,009	2,718,328
Cash and cash equivalents at the end of the year	9	3,896,342	3,351,709	2,407,949

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.

Western Springs College

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Western Springs 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 2018 to 31 December 2018 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".

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 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

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

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 uncollectability) 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 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.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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 to Crown Owned Assets	20 years
Furniture and equipment	10 years
Plant and machinery	10 years
Musical equipment	10 years
Computer equipment	3 years
Office administration equipment	3 years
Sports equipment	10 years
Other/Classroom equipment	4 years
Electrical equipment	4 years
Motor vehicles	10 years
ICT FFE	4 years
FFE	10 years
Leased Assets	Over the term of the lease
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, student fees and grassroots funding 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) 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.

q) 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).

r) 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.

s) 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.

t) Budget Figures

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

u) 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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	2,765,588	2,774,797	2,790,911
Teachers' salaries grants	7,707,184	6,600,000	7,203,070
Use of Land and Buildings grants	5,599,035	1,861,921	5,572,702
Resource teachers learning and behaviour grants	-	-	12,174
Other MoE Grants	227,718	183,890	250,949
Other government grants	131,331	109,377	83,186
	<u>16,430,858</u>	<u>11,529,985</u>	<u>15,912,991</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	358,757	372,360	369,233
Activities	102,584	99,000	699,990
Trading	11,086	15,000	21,486
Curriculum Recoveries	642,091	459,403	646,431
	<u>1,114,518</u>	<u>945,763</u>	<u>1,737,140</u>
Expenses			
Activities	94,930	89,000	97,132
Trading	9,770	13,500	27,964
Other Locally Raised Funds Expenditure	75,395	-	-
	<u>180,094</u>	<u>102,500</u>	<u>125,096</u>
<i>Surplus for the year Locally raised funds</i>	<u>934,424</u>	<u>843,263</u>	<u>1,612,044</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	141	110	110
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	2,093,203	1,445,000	2,265,701
Expenses			
Advertising	119,377	120,000	121,768
Commissions	267,867	-	244,190
Recruitment	19,427	-	26,677
International student levy	40,954	37,898	22,775
Employee Benefit - Salaries	291,271	254,355	217,857
Other Expenses	322,843	-	448,789
	<u>1,061,738</u>	<u>412,253</u>	<u>1,082,057</u>
<i>Surplus for the year International Students'</i>	<u>1,031,464</u>	<u>1,032,747</u>	<u>1,183,644</u>

5. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	1,240,635	1,172,152	1,944,538
Information and communication technology	36,222	30,000	15,853
Extra-curricular activities	323,179	292,132	236,977
Library resources	3,724	5,550	3,954
Employee benefits - salaries	9,348,284	8,343,439	9,148,386
Staff development	49,303	60,000	45,928
	<u>11,001,347</u>	<u>9,903,273</u>	<u>11,395,636</u>

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	13,500	13,500	10,091
Board of Trustees Fees	5,148	12,500	5,284
Board of Trustees Expenses	55,185	42,500	72,694
Communication	36,763	54,203	42,188
Consumables	(23,313)	(11,500)	(78,399)
Other	138,605	139,553	167,545
Employee Benefits - Salaries	426,043	440,279	338,564
Insurance	18,958	25,500	24,234
Service Providers, Contractors and Consultancy	15,580	17,340	9,564
	<u>686,469</u>	<u>733,875</u>	<u>591,765</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	171,901	149,000	98,186
Cyclical Maintenance Expense	-	-	20,000
Grounds	59,642	76,200	47,685
Heat, Light and Water	157,429	119,000	131,063
Repairs and Maintenance	191,564	157,200	153,201
Use of Land and Buildings	5,599,035	1,861,921	5,572,702
Security	21,765	18,000	16,643
Employee Benefits - Salaries	337,461	335,614	359,660
	<u>6,538,797</u>	<u>2,716,935</u>	<u>6,399,140</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

8. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	16,988	-	16,988
Furniture and Equipment	202,581	300,000	164,420
Information and Communication Technology	20,698	-	52,028
Motor Vehicles	9,293	-	14,864
Leased Assets	78,529	-	67,926
Library Resources	5,155	-	5,528
	<u>333,244</u>	<u>300,000</u>	<u>321,754</u>

9. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	3,896,342	3,351,709	2,185,125
Bank Call Account	-	-	222,824
Cash and cash equivalents for Cash Flow Statement	<u>3,896,342</u>	<u>3,351,709</u>	<u>2,407,949</u>

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

Of the \$3,896,342 Cash and Cash Equivalents, \$617,174 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	19,137	25,000	55,581
Interest Receivable	310	200	116
Teacher Salaries Grant Receivable	582,521	500,000	490,868
	<u>601,968</u>	<u>525,200</u>	<u>546,565</u>
Receivables from Exchange Transactions	19,446	25,200	55,697
Receivables from Non-Exchange Transactions	582,521	500,000	490,868
	<u>601,968</u>	<u>525,200</u>	<u>546,565</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	1,624	4,000	3,098
School Uniforms	6,200	8,000	7,170
	<u>7,824</u>	<u>12,000</u>	<u>10,268</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	156,484				(16,988)	139,496
Furniture and Equipment	747,682	94,013			(202,581)	639,114
Information and Communication	117,422	9,155			(20,698)	105,879
Motor Vehicles	29,440				(9,293)	20,147
Leased Assets	121,081	40,291	(21,260)		(78,529)	61,583
Library Resources	38,700	4,710			(5,155)	38,255
Balance at 31 December 2018	<u>1,210,809</u>	<u>148,169</u>	<u>(21,260)</u>	<u>-</u>	<u>(333,244)</u>	<u>1,004,474</u>

12. Property, Plant and Equipment (continued)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	341,194	(201,699)	139,495
Furniture and Equipment	1,837,518	(1,133,391)	704,127
Information and Communication	221,556	(180,689)	40,866
Motor Vehicles	201,351	(181,202)	20,149
Leased Assets	135,003	(73,420)	61,583
Library Resources	153,411	(115,156)	38,255
Balance at 31 December 2018	2,890,032	(1,885,558)	1,004,474

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$61,583 (2017: \$121,081)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	173,472	-	-	-	(16,988)	156,484
Furniture and Equipment	689,091	240,359	(17,348)	-	(164,420)	747,682
Information and Communication	174,778	-	-	-	(52,028)	117,422
Technology	-	-	(5,328)	-	-	-
Motor Vehicles	44,304	-	-	-	(14,864)	29,440
Leased Assets	118,069	70,938	-	-	(67,926)	121,081
Library Resources	43,158	4,082	(3,012)	-	(5,528)	38,700
Balance at 31 December 2017	1,242,872	315,379	(25,688)	-	(321,754)	1,210,809

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	341,194	(184,710)	156,484
Furniture and Equipment	1,595,960	(848,278)	747,682
Information and Communication Technology	359,945	(242,523)	117,422
Motor Vehicles	201,351	(171,911)	29,440
Leased Assets	215,896	(94,815)	121,081
Library Resources	148,701	(110,001)	38,700
Balance at 31 December 2017	2,863,047	(1,652,238)	1,210,809

13. Accounts Payable

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	\$	\$	\$
Operating creditors	51,346	40,000	29,767
Accruals	19,815	20,000	14,038
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	592,646	700,000	538,930
Employee Entitlements - leave accrual	123,171	150,000	103,716
	786,976	910,000	686,451
 Payables for Exchange Transactions	 786,976	 910,000	 686,451
	786,976	910,000	686,451

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	1,392,350	1,300,000	973,590
Funds Held on Bahalf of Third Parties	1,266,048	1,200,000	997,158
Other	207,333	300,000	303,482
	<u>2,865,731</u>	<u>2,800,000</u>	<u>2,274,230</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	154,313	154,313	134,313
Increase/ (decrease) to the Provision During the Year	-	-	20,000
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>154,313</u>	<u>154,313</u>	<u>154,313</u>
Cyclical Maintenance - Current	-	-	20,000
Cyclical Maintenance - Term	<u>154,313</u>	<u>154,313</u>	<u>134,313</u>
	<u>154,313</u>	<u>154,313</u>	<u>154,313</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	47,488	45,697	85,300
Later than One Year and no Later than Five Years	26,891	30,325	58,139
	<u>74,379</u>	<u>76,022</u>	<u>143,439</u>

17. 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:

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Classroom Roll Growth	<i>completed</i>	5,974				5,974
Roll Growth Block 5	<i>completed</i>	38,770				38,770
PE Shelter	<i>completed</i>	(1,012)			1,012	-
Building Redevelopment Fund	<i>In Progress</i>	49,446	50,000	54,371		45,075
Compound	<i>In Progress</i>	(13,522)				(13,522)
Rebuild Errors	<i>In Progress</i>	(6,313)	55,631	50,210		(892)
F&E New Build Project	<i>In Progress</i>	(17,392)	726,672	171,959		537,321
C Block	<i>completed</i>	(2,624)	2,624			-
Ak Council Sports Centre	<i>In Progress</i>	-	17,391	12,943		4,449
Totals		<u>53,327</u>	<u>852,318</u>	<u>289,483</u>	<u>1,012</u>	<u>617,175</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

617,175
617,175

17. Funds Held for Capital Works Projects (continued)

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contributions / Write-off to R&M	Closing Balances
		\$	\$	\$		\$
Classroom Roll Growth	<i>completed</i>	5,974			-	5,974
Roll Growth Block 5	<i>completed</i>	38,770			-	38,770
PE Shelter	<i>In Progress</i>	64,481	227,116	292,609	-	(1,012)
Building Redevelopment Fund	<i>In Progress</i>	40,937	50,000	41,491	-	49,446
5YA Minor Projects	<i>In Progress</i>	(2,100)			2,100	-
Compound	<i>In Progress</i>	(12,924)		598	-	(13,522)
Rebuild Errors	<i>In Progress</i>			6,313	-	(6,313)
F&E Consultancy	<i>In Progress</i>			17,392	-	(17,392)
C Block	<i>In Progress</i>		30,754	33,378	-	(2,624)
Totals		135,138	307,870	391,781	2,100	53,327

18. 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.

19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,410	5,284
Full-time equivalent members	0.46	-
<i>Leadership Team</i>		
Remuneration	956,012	589,754
Full-time equivalent members	9.00	5.00
Total key management personnel remuneration	959,422	595,038
Total full-time equivalent personnel	9.46	5.00

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	160 - 170
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

19. Remuneration (continued)

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
120-130	1.00	-
110-120	3.00	-
100-110	2.00	4.00
	6.00	4.00

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

20. Compensation and Other Benefits Upon Leaving

There was no compensation or other benefits paid or payable to persons upon leaving.

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceeding financial statements and detailed below.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

	2018 Actual \$	2017 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	1,890
	-	1,890

23. 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.

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	3,896,342	3,351,709	2,407,949
Receivables	601,968	525,200	546,565
Total Loans and Receivables	<u>4,498,310</u>	<u>3,876,909</u>	<u>2,954,514</u>

Financial liabilities measured at amortised cost

Payables	786,976	910,000	686,451
Finance Leases	68,180	99,999	130,866
Total Financial Liabilities Measured at Amortised Cost	<u>855,156</u>	<u>1,009,999</u>	<u>817,317</u>

25. Events After Balance Date


There were no significant events after the balance date that impact these financial statements.

26. Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2017. Where necessary these figures have been classified on a basis consistent with current disclosure for the year ended 31 December 2018.

¹ School Name:	Western Springs College	School Number: 48
Strategic Aim:	Academic: To attain the highest possible levels of student achievement.	
Annual Aim:	Academic: <ol style="list-style-type: none"> 1. To increase student achievement in NCEA Levels 1, 2 and 3; University Entrance and Scholarship. 2. To increase grade quality (Merit/Excellence) of all students at all levels. 	
Target:	NCEA: 95% pass rate for all students at all levels (L1, L2 & L3). 70% of grades at Merit or Excellence for NCEA L1 and L2. 50% of grades at Merit or Excellence for NCEA L3. 70% of students attaining University Entrance qualification. 40 subject scholarships. 5 students attaining 3 or more scholarships.	
Baseline Data:	Method of reporting pass rates has changed. 2017 Baseline data for WSC/NPOW: L1: 83% L2: 87.5% L3: 82% UE: 77%	

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Focussed on grade quality with teachers and students. HoHs led this initiative. Identified, monitored and tracked targeted students. Principles of high expectations from PD sessions with Ak Univ actioned. Course design – balance between externals and internals and customised courses. Reduced number of credits in courses at L1 and L2 to reduce assessment demand on both teachers and students. Expectations → monitor → design.</p>	<p>L1 NCEA: 81% pass rate 78% of grades at M/E (exceeds goal by 8%) L2 NCEA: 86% pass rate 63% of grades at M/E L3 NCEA: 78% pass rate 64% of grades at M/E (exceeds goal by 14%) UE: 70% attainment</p>	<p>All students who attended WSC for 70 days or more have had their results counted. Inner city increasingly has students arriving all through year who are domestic students and will take more than a part year to achieve NCEA success. NPOW has students from a large geographical area and has a high turnover due to the challenges of accessing the kura on a daily basis. Increasing availability of apprenticeships and employment generally mean a significant transition of students out of school part way through the year – especially at Yr 13 level. HoH academic tracking of students with a high M/E potential was successful. Early identification and setting high expectations very effective. Impact of shift out of buildings for Art and Technology students had a significant impact on L2 grades.</p>	<p>1. Course design: optional extra standards to allow students who are making positive changes in their learning to achieve. Can be through subject options or through Gateway opportunities. 2. An individualised approach to each student coordinated through HoH system. 3. Internal/external mix of credits calculated for success at all levels. 4. Resubmission and Further Assessment Opportunities maximised. 5. Flexibility of course design to meet the diverse needs of the student cohort. 6. Teaching as Inquiry PD programme enables teachers to identify students who are under achieving and to implement alternative pedagogies to improve outcomes.</p>
Planning for next year:			

- 
1. Reduced overall achievement goal by 5%.
 2. Continue with grade quality initiative and boost to 75%.
 3. Continue with acceleration programme, structure and methodology under review.
 4. Continue focus on success for all students.

Western Springs College | Ngā Puna o Waiōrea
KIWISPORTS FUNDING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Kiwisports is a Government funding initiative to support students' participation in organised sports. The table below outlines the funding received, spent and the level of participation noted during the year:

Funding received during the year - excluding GST	\$33,420
Funding spent on:	
1. Salaries	
Level of participation	51%

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WESTERN SPRINGS COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Western Springs College (the School). The Auditor-General has appointed me, Chris Neves, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustees listing, Kiwisports Funding Report and Analysis of Variance, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Chris Neves
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand