

WESTERN SPRINGS COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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	
Rob Coltman	Parent Representative	December 2020
Trevor Crosby	Co-opted	April 2019
Khushee Jain	Student Representative	September 2019
Isabella Ashby	Student Representative	September 2020
Maia McRoberts	Student Representative	September 2020
Richard Green	Parent Representative	June 2019
Rangimarie Hunia	Rumaki Representative	December 2020
Belinda Drake	Parent Representative	June 2022
Atakura Hunia	Student Representative	April 2019
Craig Moller	Parent Representative	June 2020
Jan McCartney	Parent Representative	June 2019
Linda Pirrit	Parent Representative	June 2022
Ka'u Tepaki	Pacific Island Representative	June 2019
Mel Webber	Staff Representative	June 2019
Helen Long	Staff Representative	June 2019
Carol Gunn (chair)	Parent Representative	December 2020
Eruera Lee-Morgan	Waiorea Whanau Representative	June 2022
Mary-Jane Thompson	Waiorea Whanau Representative	June 2022
Tracey Watkinson	Waiorea Whanau Representative	June 2020

WESTERN SPRINGS COLLEGE

Annual Report - For the year ended 31 December 2019

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 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.

Carol Gunn
Full Name of Board Chairperson


Signature of Board Chairperson

29/5/2020
Date:

IVAN ROBERT DAVIS
Full Name of Principal


Signature of Principal

29/5/2020
Date:

Western Springs College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	17,208,238	11,564,744	16,430,858
Locally Raised Funds	3	1,112,106	829,088	1,114,518
Interest Earned		59,896	25,000	45,798
International Students	4	2,287,691	1,622,250	2,093,203
Other Revenue		51,653	-	35,427
		<u>20,719,584</u>	<u>14,041,082</u>	<u>19,719,803</u>
Expenses				
Locally Raised Funds	3	140,461	37,070	180,094
International Students	4	983,069	453,709	1,061,738
Learning Resources	5	11,835,542	10,028,818	11,001,347
Administration	6	787,989	737,650	686,469
Finance		5,521	-	7,508
Property	7	6,508,397	2,805,571	6,538,797
Depreciation	8	290,480	300,000	333,244
Loss on Disposal of Property, Plant and Equipment		12,267	-	-
		<u>20,563,726</u>	<u>14,362,818</u>	<u>19,809,197</u>
Net Surplus / (Deficit) for the year		155,858	(321,736)	(89,394)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>155,858</u>	<u>(321,736)</u>	<u>(89,394)</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 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>1,072,311</u>	<u>1,161,709</u>	<u>1,161,705</u>
Total comprehensive revenue and expense for the year	155,858	(321,736)	(89,394)
Equity at 31 December	<u>1,228,169</u>	<u>839,973</u>	<u>1,072,311</u>
Retained Earnings	1,228,169	839,973	1,072,311
Equity at 31 December	<u>1,228,169</u>	<u>839,973</u>	<u>1,072,311</u>

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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	4,017,275	4,017,275	3,896,342
Accounts Receivable	10	771,055	696,704	601,968
GST Receivable		16,746	-	-
Prepayments		59,996	40,000	55,061
Inventories	11	3,434	3,500	7,824
		<u>4,868,506</u>	<u>4,757,479</u>	<u>4,561,195</u>
Current Liabilities				
GST Payable		-	-	42,031
Accounts Payable	13	1,130,517	1,150,000	786,976
Revenue Received in Advance	14	2,803,081	2,860,000	2,865,731
Provision for Cyclical Maintenance	15	-	-	-
Finance Lease Liability - Current Portion	16	25,727	25,000	42,837
Funds held for Capital Works Projects	17	365,081	617,175	617,175
		<u>4,324,406</u>	<u>4,652,175</u>	<u>4,354,750</u>
Working Capital Surplus/(Deficit)		544,100	105,304	206,445
Non-current Assets				
Property, Plant and Equipment	12	808,149	852,932	1,004,474
Trust Assets		41,230	41,050	41,048
		<u>849,379</u>	<u>893,982</u>	<u>1,045,522</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	154,313	154,313	154,313
Finance Lease Liability	16	10,998	5,000	25,343
		<u>165,311</u>	<u>159,313</u>	<u>179,656</u>
Net Assets		<u>1,228,169</u>	<u>839,973</u>	<u>1,072,311</u>
Equity		<u>1,228,169</u>	<u>839,973</u>	<u>1,072,311</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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		3,410,168	3,133,151	3,124,638
Locally Raised Funds		1,087,144	711,911	1,090,238
International Students		2,132,827	2,048,660	2,511,963
Goods and Services Tax (net)		(58,777)	(25,000)	17,098
Payments to Employees		(2,826,215)	(2,962,248)	(2,714,357)
Payments to Suppliers		(3,318,493)	(2,045,211)	(3,222,429)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(5,519)	-	(7,508)
Interest Received		60,036	24,976	45,604
Net cash from / (to) the Operating Activities		<u>481,168</u>	<u>886,239</u>	<u>845,247</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(106,421)	57,876	(107,876)
Purchase of Investments		(182)	-	2
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		<u>(106,602)</u>	<u>57,876</u>	<u>(107,874)</u>
Cash flows from Financing Activities				
Finance Lease Payments		(31,456)	(100,866)	(81,718)
Painting contract payments		-	-	-
Funds Administered on Behalf of Third Parties		29,917	252,842	268,890
Funds Held for Capital Works Projects		(252,096)	537,175	563,848
Net cash from Financing Activities		<u>(253,635)</u>	<u>689,151</u>	<u>751,020</u>
Net increase/(decrease) in cash and cash equivalents		<u>120,933</u>	<u>1,633,266</u>	<u>1,488,393</u>
Cash and cash equivalents at the beginning of the year	9	3,896,342	2,384,009	2,407,949
Cash and cash equivalents at the end of the year	9	<u>4,017,275</u>	<u>4,017,275</u>	<u>3,896,342</u>

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 2019

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 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 the adoption of PBE IFRS 9 is provided in Note 36.

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

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 Group 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 Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

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.

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 to Crown Owned Assets	10 years
Furniture and equipment	10-15 years
Plant and machinery	10-15 years
Musical equipment	10-15 years
Computer equipment	3 years
Office administration equipment	3 years
Sports equipment	10-15 years
Other/Classroom equipment	4 years
Electrical equipment	4 years
Motor vehicles	10 years
ICT FFE	4-5 years
FFE	10 years
Leased assets	depreciated over the lift 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	2,974,770	2,744,499	2,765,588
Teachers' salaries grants	8,317,732	6,600,000	7,707,184
Use of Land and Buildings grants	5,480,339	1,861,921	5,599,035
Resource teachers learning and behaviour grants	-	-	-
Other MoE Grants	262,914	192,890	227,718
Other government grants	172,483	165,434	131,331
	17,208,238	11,564,744	16,430,856

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	358,915	362,360	358,757
Activities	51,517	15,000	102,584
Trading	1,660	10,000	11,086
Curriculum Recoveries	700,014	441,728	642,091
	1,112,106	829,088	1,114,518
Expenses			
Activities	46,765	4,000	94,930
Trading	7,000	7,000	9,770
Other Locally Raised Funds Expenditure	86,696	26,070	75,394
	140,461	37,070	180,094
<i>Surplus for the year Locally raised funds</i>	971,645	792,018	934,424

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	141	110	141
Revenue			
International student fees	2,287,691	1,622,250	2,093,203
Expenses			
Advertising	139,536	160,000	119,377
Commissions	335,945	-	267,867
Recruitment	-	-	19,427
International student levy	38,765	37,898	40,954
Employee Benefit - Salaries	277,591	255,811	291,271
Other Expenses	191,233	-	322,842
	983,069	453,709	1,061,738
<i>Surplus for the year International Students</i>	1,304,622	1,168,541	1,031,465

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	1,333,805	1,212,981	1,240,635
Information and communication technology	45,334	48,600	36,222
Extra-curricular activities	352,337	267,600	323,179
Library resources	4,061	4,429	3,724
Employee benefits - salaries	10,053,012	8,450,208	9,348,284
Staff development	46,993	45,000	49,303
	<u>11,835,542</u>	<u>10,028,818</u>	<u>11,001,347</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	14,999	16,000	13,500
Board of Trustees Fees	4,828	6,000	5,148
Board of Trustees Expenses	55,355	22,500	55,185
Communication	40,082	54,203	36,763
Consumables	37,908	8,500	(23,313)
Other	117,369	134,240	138,605
Employee Benefits - Salaries	464,193	453,367	426,043
Insurance	36,783	25,500	18,958
Service Providers, Contractors and Consultancy	16,472	17,340	15,580
	<u>787,989</u>	<u>737,650</u>	<u>686,469</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	321,514	162,000	171,901
Grounds	44,780	76,200	59,642
Heat, Light and Water	155,155	142,000	157,429
Repairs and Maintenance	139,188	176,068	191,564
Use of Land and Buildings	5,480,339	1,861,921	5,599,035
Security	15,065	20,000	21,765
Employee Benefits - Salaries	352,356	367,382	337,461
	<u>6,508,397</u>	<u>2,805,571</u>	<u>6,538,797</u>

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

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	15,880	-	16,988
Furniture and Equipment	200,905	300,000	202,581
Information and Communication Technology	15,675	-	20,698
Motor Vehicles	7,734	-	9,293
Leased Assets	45,322	-	78,529
Library Resources	4,964	-	5,155
	<u>290,480</u>	<u>300,000</u>	<u>333,244</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	4,017,275	4,017,275	3,896,342
Cash and cash equivalents for Cash Flow Statement	<u>4,017,275</u>	<u>4,017,275</u>	<u>3,896,342</u>

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

Of the \$4,017,275 Cash and Cash Equivalents, \$365,079 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	158,046	83,695	19,137
Interest Receivable	175	175	310
Teacher Salaries Grant Receivable	612,834	612,834	582,521
	<u>771,055</u>	<u>696,704</u>	<u>601,968</u>
Receivables from Exchange Transactions	158,221	83,870	19,447
Receivables from Non-Exchange Transactions	612,834	612,834	582,521
	<u>771,055</u>	<u>696,704</u>	<u>601,968</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,466	1,500	1,624
School Uniforms	1,968	2,000	6,200
	<u>3,434</u>	<u>3,500</u>	<u>7,824</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	139,496		(9,713)		(15,880)	113,903
Furniture and Equipment	639,114	83,777	(2,112)		(200,905)	519,874
Information and Communication	105,879	5,813	(442)		(15,675)	95,575
Motor Vehicles	20,147				(7,734)	12,413
Leased Assets	61,583	14,722			(45,322)	30,983
Library Resources	38,255	2,110			(4,964)	35,401
Balance at 31 December 2019	<u>1,004,474</u>	<u>106,422</u>	<u>(12,267)</u>	<u>-</u>	<u>(290,481)</u>	<u>808,149</u>

12. Property, Plant and Equipment (continued)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	317,589	(203,689)	113,900
Furniture and Equipment	1,848,827	(1,263,941)	584,886
Information and Communication	223,817	(193,253)	30,564
Motor Vehicles	201,351	(188,936)	12,415
Leased Assets	149,725	(118,742)	30,983
Library Resources	155,521	(120,120)	35,401
Balance at 31 December 2019	2,896,830	(2,088,682)	808,149

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 \$26,330 (2018: \$61,583)

	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 Technology	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	1,210,809	148,169	(21,260)	-	(333,244)	1,004,474

	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 Technology	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

13. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating creditors	369,367	400,000	51,346
Accruals	11,814	20,000	19,813
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	622,536	600,000	592,646
Employee Entitlements - leave accrual	126,800	130,000	123,171
	1,130,517	1,150,000	786,976
Payables for Exchange Transactions	1,130,517	1,150,000	786,976
	1,130,517	1,150,000	786,976

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	1,237,486	1,400,000	1,392,350
Funds Held on Bahalf of Third Parties	1,295,965	1,250,000	1,266,048
Other	269,630	210,000	207,333
	<u>2,803,080</u>	<u>2,860,000</u>	<u>2,865,731</u>

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	154,313	154,313	154,313
Increase/ (decrease) to the Provision During the Year	-	-	-
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	-	-	-
Cyclical Maintenance - Term	<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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	25,727	25,000	47,488
Later than One Year and no Later than Five Years	10,998	5,000	26,891
	<u>36,725</u>	<u>30,000</u>	<u>74,379</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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Classroom Roll Growth completed		5,974		5,974		-
Roll Growth Block 5 completed		38,770				38,770
Building Redevelopment Fund In Progress		45,075	50,000	67,485		27,590
Compound In Progress		(13,522)	13,522			-
Rebuild Errors In Progress		(892)	8,523	7,631		-
F&E New Build Project In Progress		537,321	3,090,714	3,384,295		243,740
5YA General Maintenance In Progress		-	76,000	20,000		56,000
Ak Council Sports Centre In Progress		4,449	15,000	20,469		(1,020)
Totals		<u>617,175</u>	<u>3,253,759</u>	<u>3,505,854</u>	<u>-</u>	<u>365,080</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

365,080
365,080

17. Funds Held for Capital Works Projects (continued)

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contributions / Write-off to R&M	Closing Balances
		\$	\$	\$		\$
Classroom Roll Growth	completed	5,974			-	5,974
Roll Growth Block 5	completed	38,770			-	38,770
PE Shelter	completed	(1,012)			1,012	-
Building Redevelopment Fund	In Progress	49,446	50,000	54,371	-	45,075
Compound	In Progress	(13,522)			-	(13,522)
Rebuild Errors	In Progress	(6,313)	55,631	50,210	-	(892)
F&E New Build Project	In Progress	(17,392)	726,672	171,959	-	537,321
C Block	completed	(2,624)	2,624		-	-
Ak Council Sports Centre	In Progress	-	17,391	12,942	-	4,449
Totals		53,327	852,318	289,482	1,012	617,175

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.

	2019 Actual	2018 Actual
	\$	\$
Board Members		
Remuneration	4,828	3,410
Full-time equivalent members	0.46	0.46
Leadership Team		
Remuneration	966,378	956,012
Full-time equivalent members	14.00	9.00
Total key management personnel remuneration	971,206	959,422
Total full-time equivalent personnel	14.46	9.46

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	2018 Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	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	2019 FTE Number	2018 FTE Number
130-140	1.00	-
120-130	-	1.00
110-120	3.00	3.00
100-110	2.00	2.00
	<u>6.00</u>	<u>6.00</u>

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 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, 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 2019, 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 preceding financial statements and detailed below.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

Operating commitments at 31 December 2019 and 2018: nil

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	4,017,275	4,017,275	3,896,342
Receivables	771,055	696,704	601,968
Total Loans and Receivables	<u>4,788,330</u>	<u>4,713,979</u>	<u>4,498,310</u>

Financial liabilities measured at amortised cost

Payables	1,130,516	1,150,000	786,976
Finance Leases	36,725	30,000	68,180
Total Financial Liabilities Measured at Amortised Cost	<u>1,167,241</u>	<u>1,180,000</u>	<u>855,156</u>

25. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb some 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.
- A reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

Because of the matters noted above, the school has experienced a significant reduction in expected revenue and has not been able to reduce its costs as quickly (or experienced significant additional costs not budgeted for). As a result the school is experiencing financial difficulties. As explained in Note 25 to the financial statements, the Ministry of Education has provided the school with a letter of support to ensure it can meet its obligations as they fall due

26. Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2018. Where necessary these figures have been classified on a basis consistent with current disclosure for the year ended 31 December 2019.