

Waiuku College

Annual Report for the year ended 31 December 2019

Ministry Number:	0105
Principal:	Thomas Van Der Laan
School Address:	43 Constable Road, Waiuku
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Service Provider:	Edtech Financial Services Ltd

Waiuku College

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position on Board Gained	Occupation	Term Expired/expires
Peter Attwood	Chairperson	Elected 14 June 2016 (Chair 27 May 2018)	Photography Consultant	June 2022
Phillipa Buchanan	Deputy Chairperson	Elected July 2018 (Dep Chair Feb 2019)	Community Health	June 2022
Doug Johnson	Staff Rep	Elected June 2016 then re-elected	Teacher	June 2022
Megan Lamont	Chairperson to 11 Feb 2019	Elected August 2014 (Chair Feb 2017-Feb 2019)	Business Owner	Left 10 June 2019
James Lochead-MacMillan	Parent Rep	Elected June 2019	Kindergarten Teacher	June 2022
Gareth Manning	Dep Chair to March 2019	Elected June 2016 (Dep Chair till March 2019)	Steel Worker	June 2022
Dick Parsons	Parent Rep	Co-opted February 2014	Engineering Consult.	Left May 2019
Tom Vanderlaan	Principal		Principal	
Colin Webb	Parent Rep	Elected July 2018	Opus Consultant	June 2022
Natalie Moore	Student Rep (past)	Elected October 2017	Ex-student	Left Oct 2019
Danniella Bell	Student Rep (present)	Elected October 2019	Student	October 2020

Waiuku College

Annual Report

For the year ended 31 December 2019

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Waiuku College
Statement of Responsibility

For the year ended 31 December 2019

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

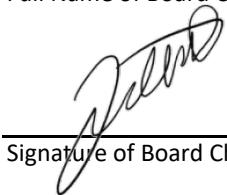
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Peter Attwood

Full Name of Board Chairperson



Signature of Board Chairperson

23rd September 2020

Date:

Thomas Joseph Vanderlaan

Full Name of Principal



Signature of Principal

23rd September 2020

Date:

Waiuku College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	7,817,700	7,400,176	7,895,498
Locally Raised Funds	3	957,148	829,102	996,161
Interest Income		16,173	15,000	19,031
International Students	4	443,753	834,768	443,040
		<hr/>	<hr/>	<hr/>
		9,234,774	9,079,046	9,353,730
Expenses				
Locally Raised Funds	3	721,678	435,410	751,644
International Students	4	257,860	625,172	263,959
Learning Resources	5	5,971,437	5,710,652	5,736,102
Administration	6	484,860	568,094	543,466
Finance		10,870	-	13,953
Property	7	1,859,811	1,857,591	1,840,008
Depreciation	8	205,934	180,000	202,606
Loss on Disposal of Property, Plant and Equipment		726	-	649
		<hr/>	<hr/>	<hr/>
		9,513,176	9,376,919	9,352,387
Net Surplus / (Deficit) for the year		(278,402)	(297,873)	1,343
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(278,402)	(297,873)	1,343

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

Waiuku College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		<u>1,827,681</u>	<u>1,812,679</u>	<u>1,798,539</u>
Total comprehensive revenue and expense for the year		(278,402)	(297,873)	1,343
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	27,799
Equity at 31 December	26	<u>1,549,279</u>	<u>1,514,806</u>	<u>1,827,681</u>
Retained Earnings		1,549,279	1,514,806	1,827,681
Equity at 31 December		<u>1,549,279</u>	<u>1,514,806</u>	<u>1,827,681</u>

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

Waiuku College

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	889,618	854,437	976,164
Accounts Receivable	10	414,156	373,600	378,067
GST Receivable		21,882	-	-
Prepayments		97,810	22,000	21,877
Inventories	11	74,716	63,000	63,081
Investments	12	-	200,000	133,824
Funds Held for Capital Works Projects	19	-	-	135,854
		<u>1,498,182</u>	<u>1,513,037</u>	<u>1,708,867</u>
Current Liabilities				
GST Payable		-	3,000	2,849
Accounts Payable	14	509,844	520,000	553,174
Revenue Received in Advance	15	578,027	580,000	581,595
Provision for Cyclical Maintenance	16	110,516	110,516	74,252
Painting Contract Liability - Current Portion	17	-	-	11,676
Finance Lease Liability - Current Portion	18	50,640	24,465	78,285
Funds Held for Capital Works Projects	19	21,496	50,000	-
Funds held on behalf of Transport Network Group	20	192,291	198,000	198,246
		<u>1,462,814</u>	<u>1,485,981</u>	<u>1,500,077</u>
Working Capital Surplus/(Deficit)		35,368	27,056	208,790
Non-current Assets				
Property, Plant and Equipment	13	1,809,180	1,760,534	1,904,624
		<u>1,809,180</u>	<u>1,760,534</u>	<u>1,904,624</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	267,755	267,755	246,239
Finance Lease Liability	18	27,514	5,029	39,494
		<u>295,269</u>	<u>272,784</u>	<u>285,733</u>
Net Assets		<u>1,549,279</u>	<u>1,514,806</u>	<u>1,827,681</u>
Equity	26	<u>1,549,279</u>	<u>1,514,806</u>	<u>1,827,681</u>

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

Waiuku 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		1,970,478	1,676,030	1,923,533
Locally Raised Funds		1,006,814	830,240	1,013,664
International Students		381,254	832,669	897,175
Goods and Services Tax (net)		(24,731)	151	19,934
Payments to Employees		(1,309,017)	(1,269,488)	(1,079,654)
Payments to Suppliers		(2,104,703)	(2,039,098)	(2,299,081)
Interest Paid		(10,870)	-	(13,953)
Interest Received		17,381	15,064	17,801
Net cash from Operating Activities		(73,394)	45,568	479,419
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(61,521)	(353,051)	(133,813)
Purchase of Investments		-	(66,176)	-
Proceeds from Sale of Investments		133,824	-	30,015
Net cash from Investing Activities		72,303	(419,227)	(103,798)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	27,799
Finance Lease Payments		(89,320)	228,856	(72,780)
Painting Contract Payments		(11,676)	(11,676)	(15,076)
Funds Administered on Behalf of Third Parties		(5,955)	(246)	8,187
Funds Held for Capital Works Projects		21,496	50,000	(371,554)
Net cash from Financing Activities		(85,455)	266,934	(423,424)
Net increase/(decrease) in cash and cash equivalents		(86,546)	(106,725)	(47,803)
Cash and cash equivalents at the beginning of the year	9	976,164	961,162	1,023,967
Cash and cash equivalents at the end of the year	9	889,618	854,437	976,164

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

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

Waiuku College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

Waiuku 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.

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard Early Adopted

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

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.

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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Accounts Receivable

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

Prior Year Policy

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

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.

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 under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

Property, Plant and Equipment

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

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

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

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

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

Waiuku College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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	5-40 years
Furniture and equipment	5-10 years
Motor vehicles	10 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 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.

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.

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.

Waiuku College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Revenue Received in Advance

Revenue received in advance relates to fees received from international students and student funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

Shared Funds

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

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).

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, 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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,637,437	1,320,061	1,704,487
Teachers' Salaries Grants	4,709,647	4,500,000	4,580,471
Use of Land and Buildings Grants	1,273,429	1,360,000	1,391,494
Other MoE Grants	142,669	170,657	161,926
Other Government Grants	54,518	49,458	57,120
	<u>7,817,700</u>	<u>7,400,176</u>	<u>7,895,498</u>

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	59,543	65,000	62,031
Activities	487,942	504,102	428,173
Trading	243,736	250,000	242,711
Fundraising	11,490	10,000	8,131
Overseas Travel	154,437	-	152,889
Other Revenue	-	-	102,226
	<u>957,148</u>	<u>829,102</u>	<u>996,161</u>
Expenses			
Activities	327,896	192,950	318,568
Trading	231,536	232,460	230,718
Fundraising (Costs of Raising Funds)	11,470	10,000	8,145
Overseas Travel	150,776	-	151,764
Other Locally Raised Funds Expenditure	-	-	42,449
	<u>721,678</u>	<u>435,410</u>	<u>751,644</u>
	<u>235,470</u>	<u>393,692</u>	<u>244,517</u>

Surplus/ (Deficit) for the year Locally Raised Funds

During the year ended 31 December 2019 students travelled to the following countries. The travel was funded by the participants themselves. The Waiuku College Board of Trustees also authorized a \$1,500 teacher allocation to each overseas school trip.

- In April 2019, 9 students, 3 staff and 1 kaumatua travelled to Vietnam for the purpose of a Maori Kapa Haka Cultural Trip.
- In April 2019, 11 students and 2 staff travelled to China for the purpose of Chinese Language Studies. (One staff member was funded by the International Department for the purpose of Marketing to Chinese Schools.)
- In June/July 2019, our College Gold and Silver Netball teams, including 20 students, 2 coaches and 2 managers travelled to Melbourne to attend the Melbourne Netball Tournament.
- In October 2019, 14 students and 2 staff travelled to Melbourne for the purpose of attending the Melbourne Arts Festival for Drama/Arts studies.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	26	0	28
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	443,753	834,768	443,040
Expenses			
Advertising	28,154	30,000	44,445
Commissions	40,283	92,400	42,351
International Student Levy	5,921	12,632	10,560
Employee Benefit - Salaries	123,965	135,340	123,756
Other Expenses	59,537	354,800	42,847
	<u>257,860</u>	<u>625,172</u>	<u>263,959</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>185,893</u>	<u>209,596</u>	<u>179,081</u>

5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	414,636	408,704	410,232
Information and Communication Technology	14,471	60,390	57,598
Library Resources	3,527	4,060	2,165
Employee Benefits - Salaries	5,462,744	5,196,998	5,227,858
Staff Development	76,059	40,500	38,249
	<u>5,971,437</u>	<u>5,710,652</u>	<u>5,736,102</u>

6 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	11,320	11,320	10,940
Board of Trustees Fees	11,501	9,000	16,568
Board of Trustees Expenses	21,493	14,000	4,726
Communication	10,160	10,000	10,185
Consumables	57,070	97,000	54,168
Other	59,900	60,338	53,728
Employee Benefits - Salaries	284,282	343,636	366,397
Insurance	18,368	15,000	18,950
Service Providers, Contractors and Consultancy	10,766	7,800	7,804
	<u>484,860</u>	<u>568,094</u>	<u>543,466</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

7 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	24,472	19,800	24,991
Consultancy and Contract Services	162,062	172,000	154,312
Cyclical Maintenance Expense	57,780	38,000	(18,640)
Grounds	10,022	21,000	9,676
Heat, Light and Water	90,732	64,000	80,469
Rates	27,249	26,500	30,166
Repairs and Maintenance	102,001	73,000	72,300
Use of Land and Buildings	1,273,429	1,360,000	1,391,494
Security	10,626	-	16,673
Employee Benefits - Salaries	101,438	83,291	78,567
	<u>1,859,811</u>	<u>1,857,591</u>	<u>1,840,008</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

8 Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Building Improvements - Crown	63,952	56,000	64,293
Furniture and Equipment	50,187	48,000	52,070
Motor Vehicles	9,097	8,500	9,545
Leased Assets	79,136	64,000	73,003
Library Resources	3,562	3,500	3,695
	<u>205,934</u>	<u>180,000</u>	<u>202,606</u>

9 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Bank Current Account	344,748	354,437	516,834
Bank Call Account	349,523	300,000	291,619
Short-term Bank Deposits	195,347	200,000	167,711
Cash and cash equivalents for Cash Flow Statement	<u>889,618</u>	<u>854,437</u>	<u>976,164</u>

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

10 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	31,899	22,000	22,634
Interest Receivable	456	1,600	1,664
Teacher Salaries Grant Receivable	381,801	350,000	353,769
	<u>414,156</u>	<u>373,600</u>	<u>378,067</u>
Receivables from Exchange Transactions	32,355	23,600	24,298
Receivables from Non-Exchange Transactions	381,801	350,000	353,769
	<u>414,156</u>	<u>373,600</u>	<u>378,067</u>

11 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	74,716	63,000	63,081
	<u>74,716</u>	<u>63,000</u>	<u>63,081</u>

12 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	-	200,000	133,824
Total Investments	<u>-</u>	<u>200,000</u>	<u>133,824</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	1,540,110	-	-	-	(63,952)	1,476,158
Furniture and Equipment	164,994	58,169	-	-	(50,187)	172,976
Motor Vehicles	55,026	-	-	-	(9,097)	45,929
Leased Assets	118,627	49,695	-	-	(79,136)	89,186
Library Resources	25,867	3,352	(726)	-	(3,562)	24,931
Balance at 31 December 2019	1,904,624	111,216	(726)	-	(205,934)	1,809,180

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	2,652,861	(1,176,703)	1,476,158
Furniture and Equipment	1,189,634	(1,016,658)	172,976
Motor Vehicles	141,235	(95,306)	45,929
Leased Assets	366,836	(277,650)	89,186
Library Resources	148,807	(123,876)	24,931
Balance at 31 December 2019	4,499,373	(2,690,193)	1,809,180

The net carrying value of equipment held under a finance lease is \$89,186 (2018: \$118,627).

The net carrying value of motor vehicles held under a finance lease is \$45,929 (2018: \$55,026).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	1,540,538	63,865	-	-	(64,293)	1,540,110
Furniture and Equipment	152,625	64,439	-	-	(52,070)	164,994
Motor Vehicles	64,571	-	-	-	(9,545)	55,026
Leased Assets	147,500	44,130	-	-	(73,003)	118,627
Library Resources	24,702	5,509	(649)	-	(3,695)	25,867
Balance at 31 December 2018	1,929,936	177,943	(649)	-	(202,606)	1,904,624

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	2,652,861	(1,112,751)	1,540,110
Furniture and Equipment	1,131,464	(966,470)	164,994
Motor Vehicles	141,235	(86,209)	55,026
Leased Assets	317,141	(198,514)	118,627
Library Resources	149,657	(123,790)	25,867
Balance at 31 December 2018	4,392,358	(2,487,734)	1,904,624

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

14 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	94,555	100,000	119,182
Accruals	7,500	8,000	8,000
Employee Entitlements - Salaries	351,116	350,000	364,134
Employee Entitlements - Leave Accrual	56,673	62,000	61,858
	<u>509,844</u>	<u>520,000</u>	<u>553,174</u>
Payables for Exchange Transactions	509,844	520,000	553,174
	<u>509,844</u>	<u>520,000</u>	<u>553,174</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	459,600	520,000	522,099
Other	118,427	60,000	59,496
	<u>578,027</u>	<u>580,000</u>	<u>581,595</u>

16 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	320,491	320,491	364,875
Increase/(decrease) to the Provision During the Year	57,780	38,000	(44,384)
Use of the Provision During the Year	-	19,780	-
Provision at the End of the Year	<u>378,271</u>	<u>378,271</u>	<u>320,491</u>
Cyclical Maintenance - Current	110,516	110,516	74,252
Cyclical Maintenance - Term	267,755	267,755	246,239
	<u>378,271</u>	<u>378,271</u>	<u>320,491</u>

17 Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	-	-	11,676
Non Current Liability	-	-	-
	<u>-</u>	<u>-</u>	<u>11,676</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

18 Finance Lease Liability

The school has entered into a number of finance lease agreements for computers, copier and projectors.

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	55,528	-	86,058
Later than One Year and no Later than Five Years	29,215	-	41,711
	<u>84,743</u>	<u>-</u>	<u>127,769</u>

19 Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
S Block Upgrade	<i>In progress</i>	(181,884)	306,741	154,977	-	(30,120)
Surplus Buildings	<i>In progress</i>	-	-	48,033	-	(48,033)
Roofing	<i>In progress</i>	(6,796)	-	-	-	(6,796)
Asbestos Removal	<i>Completed</i>	(7,880)	-	-	(7,880)	-
Blocks R & CY Rationalisation	<i>In progress</i>	60,706	-	-	-	60,706
Electrical Upgrades	<i>In progress</i>	-	-	21,415	-	(21,415)
Heat Pumps & Vinyl	<i>In progress</i>	-	24,300	29,146	-	(4,846)
T Block & C5 Roofing	<i>In progress</i>	-	72,000	-	-	72,000
Totals		<u>(135,854)</u>	<u>403,041</u>	<u>253,571</u>	<u>(7,880)</u>	<u>21,496</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

132,706

(111,210)

21,496

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Roofing	<i>In progress</i>	-	-	6,796	-	(6,796)
Asbestos Removal	<i>In progress</i>	-	-	7,880	-	(7,880)
S Block Upgrade	<i>In progress</i>	250,376	150,000	582,260	-	(181,884)
Blocks R & CY Rationalisation	<i>In progress</i>	-	107,589	46,883	-	60,706
Totals		<u>250,376</u>	<u>257,589</u>	<u>643,819</u>	<u>-</u>	<u>(135,854)</u>

Waiuku College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

20 Funds held on behalf of Transport Network Group

Waiuku College is the lead school and holds the funds on behalf of the Waiuku Transport cluster, a group of schools funded by the Ministry of Education to share Transport costs.

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Funds Held at Beginning of the Year	198,246	-	190,059
Funds Received from MoE	610,891	-	580,650
Funds Spent on Behalf of the Cluster	427,008	-	456,092
Distribution of Funds			
Aka Aka School	9,840	-	7,080
Awhitu School	27,980	-	41,370
Glenbrook School	20,340	-	14,910
Otaua School	11,820	-	8,565
Sandpit School	11,420	-	8,565
View Road School	1,500	-	1,525
Waipipi School	35,180	-	26,085
Waiuku College	82,980	-	62,235
Funds Held at Year End	<u>192,291</u>	<u>198,000</u>	<u>198,246</u>

21 Related Party Transactions

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

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

Brent Perry is a brother of the Business Manager and works for BBT Systems. During the year the School contracted BBT Systems to print the school magazine and purchase order books. The total value of all transactions for the year was \$12,740 (2018: nil) and no amount is outstanding as at balance date (2018: nil). Because this amount is less than \$25,000 for the year the contract does not require Ministry approval under section 103 of the Education Act 1989.

Romaiye Vanderlaan is the wife of the Principal and works at Advaro, computer leasing. During the year the School made payments to the lease company for equipment. The total value of all transactions for the year was \$39,477 (2018: nil) and no amount is outstanding as at balance date (2018: nil).

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

22 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	11,501	16,568
Full-time equivalent members	0.17	0.17
<i>Leadership Team</i>		
Remuneration	859,171	554,821
Full-time equivalent members	7.00	6.00
Total key management personnel remuneration	870,672	571,389
Total full-time equivalent personnel	7.17	6.17

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170-180
Benefits and Other Emoluments	6 - 10	1-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
130-140	1	-
120-130	-	1
110-120	1	2
100-110	4	1
	6	4

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

23 Compensation and Other Benefits Upon Leaving

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

24 Contingencies

(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

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

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

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

25 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

(b) Operating Commitments

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

- operating lease of a photocopier

No later than One Year

2019 Actual \$	2018 Actual \$
-	518
-	518

26 Managing Capital

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

27 Financial Instruments

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	889,618	854,437	976,164
Receivables	414,156	373,600	378,067
Investments - Term Deposits	-	200,000	133,824
Total Financial assets measured at amortised cost	<u>1,303,774</u>	<u>1,428,037</u>	<u>1,488,055</u>
Financial liabilities measured at amortised cost			
Payables	509,844	520,000	553,174
Finance Leases	78,154	29,494	117,779
Painting Contract Liability	-	-	11,676
Total Financial Liabilities Measured at Amortised Cost	<u>587,998</u>	<u>549,494</u>	<u>682,629</u>

28 Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

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

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

29 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

30 Failure to comply with section 87C of the Education Act 1989

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