

ANNUAL REPORT

For the Year Ended 31 December 2019



School Directory

Ministry Number:	80
Principal:	Michael Williams
School Address:	Pigeon Mountain Road, Half Moon Bay, Auckland 212
School Postal address:	P O Box 82090. Highland Park, Auckland 2143
School Phone:	(09) 534 7159
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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired / Expires
Nicola Troughear	Chair Person	Elected May 2019	Teacher	May 2022
Michael Williams	Principal	ex Officio	Principal	
Cameron Astill	Parent Rep	Elected May 2016	Director of Operations	May 2019
Kelly Bigwood	Parent Rep	Elected May 2019	Teacher	May 2022
Jason Fletcher	Parent Rep	Elected May 2019	Project Manager	May 2022
Jacqui Maclean	Parent Rep	Elected May 2019	Office administrator	May 2022
Brendon Main	Parent Rep	Elected May 2016	General Manager	May 2019
Trevor Middleton	Parent Rep	Elected May 2016	Director	May 2019
Palatina Sagato-Brown	Parent Rep	Elected May 2019	Service Quality Manager	May 2022
Philip Schmidt	Parent Rep	Elected May 2019	Lawyer	May 2022
Michael Turinsky	Parent Rep	Co-opted July 2019	Howick Local Board	July 2020
Brian Payne	Staff Rep	Elected May 2019	Teacher	May 2022
Erin MacLean	Student Rep	Elected September 2018	Student	September 2019
Khusrav Bhajiwalla	Student Rep	Elected September 2019	Student	September 2020

PAKURANGA COLLEGE

Annual Report - For the year ended 31 December 2019

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Section 1

Pakuranga College

Statement of KiwiSport

For the year ended 31 December 2019

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$49,839.73 (excluding GST). The funding was spent on additional staffing.

Pakuranga College

2019 Analysis of Variance

2019 Student Achievement Targets

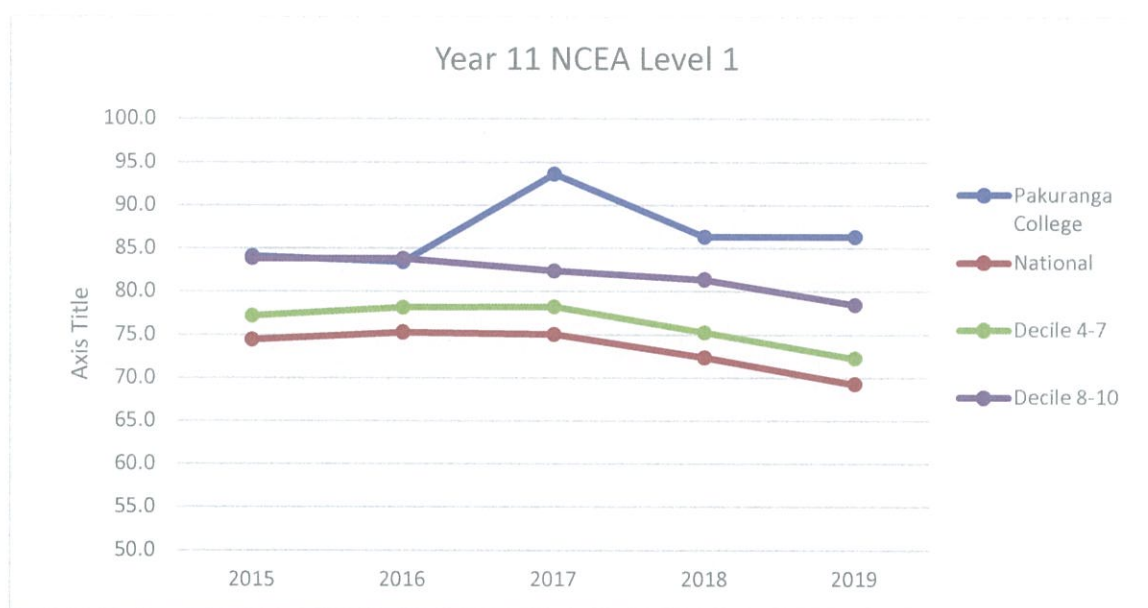
- NCEA Level 1 – 90% of all Year 11 students gain NCEA Level 1
- NCEA Level 2 – 85% of all Year 12 Students gain NCEA Level 2
- NCEA Endorsements across all levels is at least 55% (average of the three levels)
- Māori and Pasifika achievement is as high, or higher, as the school-wide averages
- Literacy
 - That Year 9 students who are identified as working at PAT stanine 1-3 for reading comprehension' are accelerated by more than one asTTLe reading level by the end of the year (for example, a student working at 2b would be accelerated to at least a 3p).
- Co-curricular participation rate exceeds 75%

Target One

- **“NCEA Level 1 – 90% of all Year 11 students gain NCEA Level 1”**

We failed to meet the target. The passed pass rate was 86.3%.

The result was very close to our predictions based on the levels of reading comprehension of this cohort. While we didn't quite reach our target, the value added was very pleasing.



We will continue with the strategies we have identified.

Significant strategies included:

- Time and support for high quality Professional Learning and Development focusing on inquiry, student voice and growth mindset.
- Data tracking and targeted interventions
- Mentoring
- Reviews of course design

In 2020 we will look at strengthening further our early identification strategies

2020 Target:

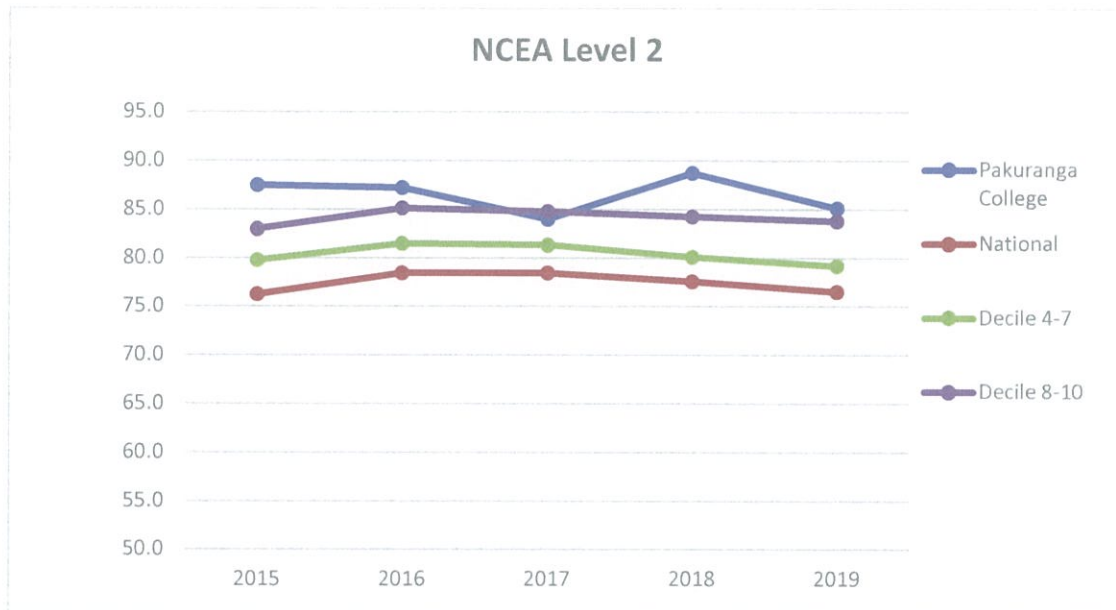
“NCEA Level 1 – 90% of all Year 11 students gain NCEA Level 1”

This will be a challenging target again as this cohort had reading comprehension levels in Year 9 that were low and similar to the previous cohorts. However, we need to continue to set challenging targets for ourselves.

Target Two

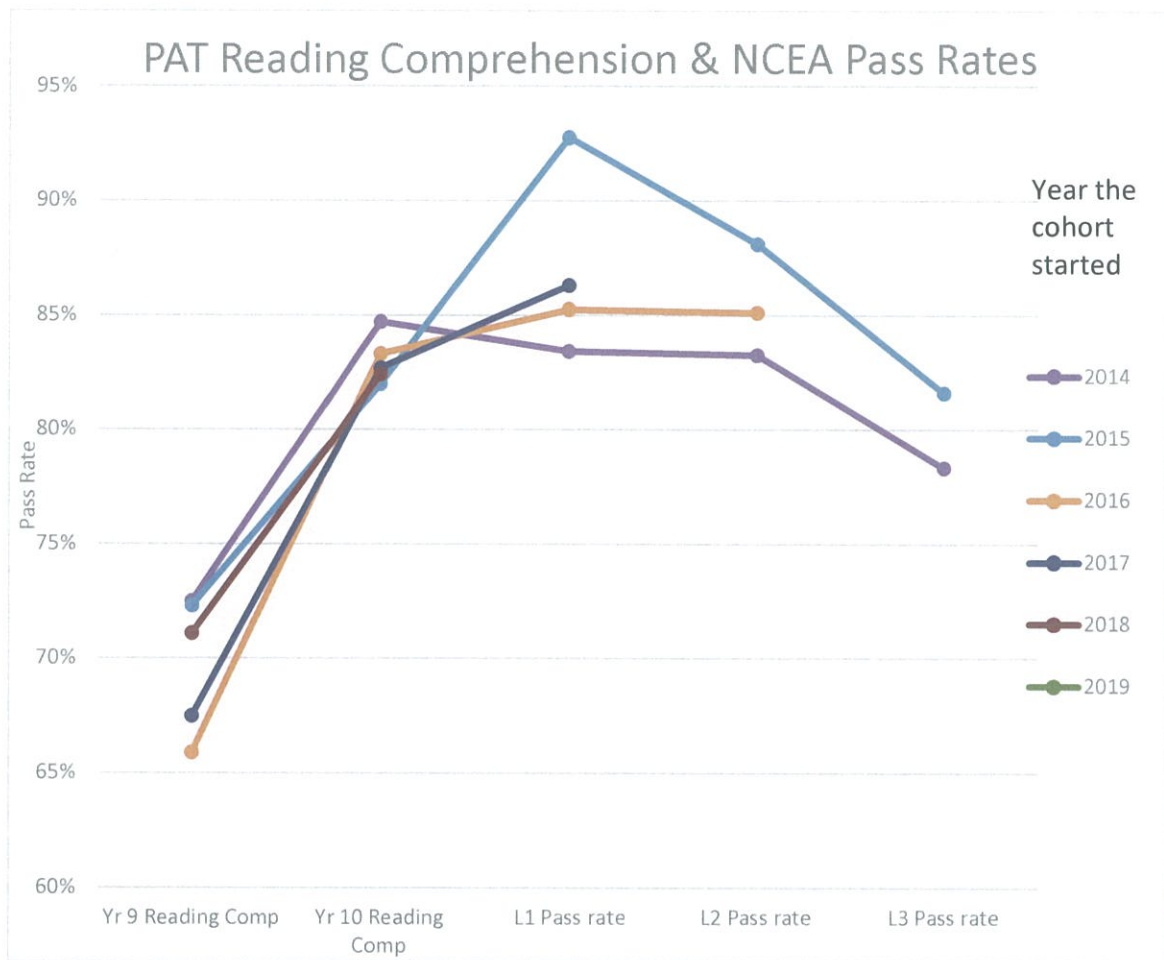
- “NCEA Level 2 – 85% of all Year 12 students gain NCEA Level 2”

We meet the target with a pass rate was 85.1%.



The strategies outlined above are equally as important for the whole senior school, the focus in 2019 was to extend the data tracking, close monitoring and mentoring strategies employed at level 1 to all levels. Unfortunately, the pass rate dropped, we did know this was going to be a challenge as the reading comprehension of this cohort in year 9 was very low.

The following graph tracks cohorts, the pleasing aspect of the data when looked at from this perspective is that the level 2 pass rate compared to the level 1 pass rate.



2020 Target:

“NCEA Level 2– 85% of all Year 12 students gain NCEA Level 2”

Target Three

- “NCEA Endorsements across all Levels is at least 55% (average of the three levels)”

Endorsement Rates

Level 1	62.2%
Level 2	53.4%
Level 3	51.0%

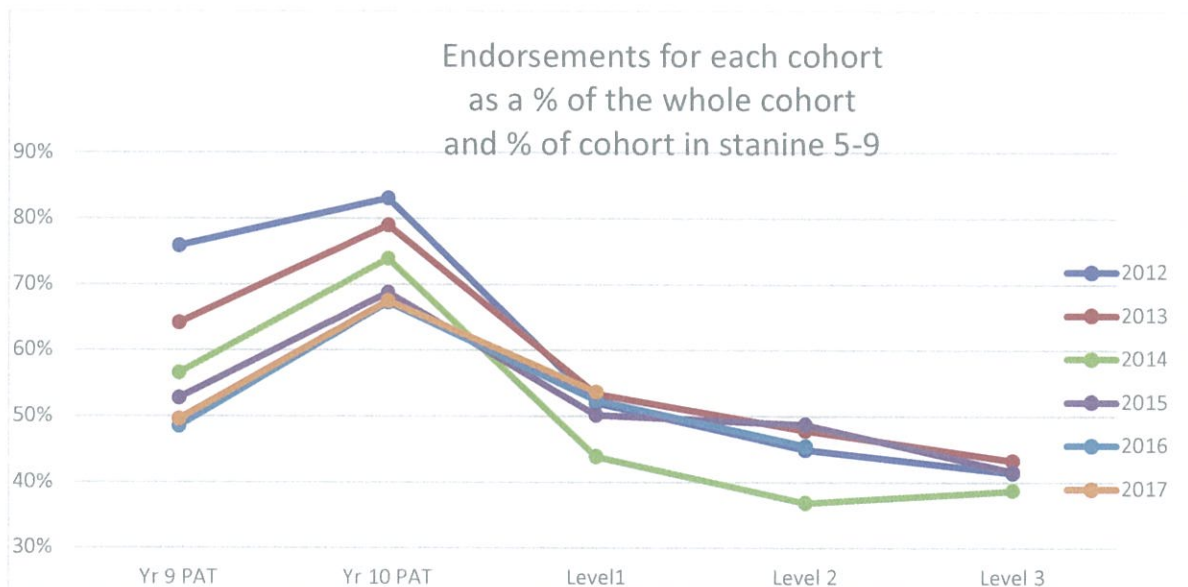
Overall the average endorsement rate is 55.5%.

Academic Year	Year 11 L1	Year 12 L2	Year 13 L3
2015	61.6	49.0	52.4
2016	51.8	52.2	52.4
2017	59.7	49.2	58.0
2018	62.1	53.1	48.4
2019	62.2	53.4	51.0

The Endorsement rate improved at each level.

When we look at the data from a different perspective, comparing the endorsement rates as a percentage of the original cohort and the percentage of the cohort with reading comprehension in stanine 5-9.

From this perspective we can see that while the reading comprehension levels have dropped for the cohorts we have been able to maintain the levels of endorsements.



2019 Target:

“NCEA Endorsements across all Levels is at least 55% (average of the three levels)”.

Target Four

- **“Māori and Pasifika achievement is at least as high as the school-wide averages”**

	Whole school	Maori	Pasifika
Level 1	85.2%	73.6%	69%
Level 2	88.1%	77.8%	82.6%
Level 3	78.3%	71.9%	61.5%
UE	62.7%	46.9%	46.2%

Unfortunately, we failed to meet this target at any level.

The rates of endorsements were also behind the school wide averages; however, a detailed analysis shows the small numbers create significant fluctuations due to the small numbers.

We had been generally improving the pass rates for our Maori and Pasifika students over time, however these results are disappointing. We have analysed the data in depth and looked at the background story behind each student. The vast majority of students achieved a valued outcome and almost all the Year 11 & 12 students continue to be engaged in school.

On the positive side of this disappointing result, these results are above the National averages for Decile 4-7 and Decile 8-10 schools. Comparatively good, but not good enough for us.

2019 Target:

“Māori and Pasifika achievement is as high, or higher, than the school-wide averages”

We need to keep this target in front of us.

Target Five

- **“Literacy - That Year 9 students who are identified as working at PAT Stanine 1-3 for reading comprehension’ are accelerated by more than one asTTLe reading level by the end of the year (for example, a student working at 2b would be accelerated to at least a 3p).”**

Only 24% of the target group reached the target.

But 52% accelerated their reading comprehension by one year in six months, which is good.

The intervention that was used was that all the students identified in the category were placed in literacy classes which are designed to accelerate progress in literacy. The intervention was a six-month placement in the literacy class. The class focused on developing reading comprehension skills, vocabulary acquisition across a variety of subject areas, and writing skills. Data is gathered at the start and end of the six-month intervention.

While the intervention was only partially successful, it did make a significant difference for a number of students and those students who did not benefit from the intervention had many other learning and social problems.

We will continue with the intervention and the target for 2020.

2019 Target:

“Literacy - That Year 9 students who are identified as working at PAT stanine 1-3 for reading comprehension’ are accelerated by at least one asTTLe reading level by the end of the intervention (for example, a student working at 2b would be accelerated to at least a 3b).”

Target Six Co-Curricular Participation

- ***“Co-curricular participation rate exceeds 75%”***

This Target has been chosen because as a school we place significant importance in a holistic education and a belief that the learning habits and many of the personal attributes we value can be developed through participation in co-curricular activities.

Overall, 1,291 students were involved in over 100 co-curricular activities – this represents 59% of the student population at the college. This is a trending decrease of -2% on 2018 participation rates and -7% on 2017 participation rates.

Girls were significantly more involved than the boys – with 66% of the girls taking part compared with only 53% of the boys. A breakdown by year group and gender is below;

	Boys %	Girls %	Total for Year Group %
Year 9	51	62	57
Year 10	46	61	54
Year 11	52	70	61
Year 12	59	69	64
Year 13	56	66	61
TOTALS	53	66	59

Year 10 boys have the fewest number of actively engaged students in co-curricular activities; whereas female participation is reasonably steady across all year levels and the highest in Year 11. Year 10 has seen the largest decrease from 2018 in participation rates (-13%).

The co-curricular programme continues to provide rich and diverse opportunities for our students, with a number of students being involved in numerous groups, teams and activities over the year. 109 activities and opportunities over the year were offered to the students; an additional seven new activities from the previous year. 59% of our students were involved in at least one co-curricular activity and some students were involved in up to 14 different activities!

While we failed to reach this aspirational target, we still place a high level of importance on it and are resourcing it heavily. All school are struggling to maintain co-curricular involvement and there are many factors behind this from changing community expectation, to increasingly busy lives. To maintain the level is probably an achievement in the current climate.

We will keep the target for 2020 as we wish to continue to promote higher levels of participation.

2020 Target: *“Co-curricular participation rate exceeds 75%”*

Section 2

Pakuranga 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.

Nicola Troughtear
Full Name of Board Chairperson

Michael Williams
Full Name of Principal

Signature of Board Chairperson

Signature of Principal

26/05/20
Date:

26/05/20
Date:

Pakuranga 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	19,306,727	18,451,790	18,518,190
Locally Raised Funds	3	1,703,994	961,269	1,590,854
Interest income		169,840	100,350	193,205
International Students	4	3,026,546	1,983,342	3,073,759
		<u>24,207,107</u>	<u>21,496,751</u>	<u>23,376,008</u>
Expenses				
Locally Raised Funds	3	1,228,187	715,981	972,156
International Students	4	945,773	759,723	882,955
Learning Resources	5	14,026,021	13,607,700	13,716,019
Administration	6	808,807	787,243	804,130
Finance		15,844	26,084	19,754
Property	7	5,346,074	5,091,627	5,607,751
Depreciation	8	798,862	750,000	809,464
Loss on Disposal of Property, Plant and Equipment		-	-	294,096
		<u>23,169,568</u>	<u>21,738,358</u>	<u>23,106,325</u>
Net Surplus / (Deficit) for the year		1,037,539	(241,607)	269,683
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>1,037,539</u>	<u>(241,607)</u>	<u>269,683</u>

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

Pakuranga College**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	Not es	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		9,639,070	9,688,017	9,329,285
Total comprehensive revenue and expense for the year		1,037,539	(241,607)	269,683
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		78,730	(800,000)	40,102
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	25	10,755,339	8,646,410	9,639,070
Retained Earnings		10,755,339	8,646,410	9,639,070
Equity at 31 December		10,755,339	8,646,410	9,639,070

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.

Pakuranga 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	3,419,642	901,712	2,284,586
Accounts Receivable	10	932,956	849,454	855,098
Prepayments		21,613	106,485	79,560
Inventories	11	13,133	14,598	13,102
Investments	12	3,500,000	3,460,600	5,000,000
		<u>7,887,344</u>	<u>5,332,849</u>	<u>8,232,346</u>
Current Liabilities				
GST Payable		41,717	42,101	37,953
Accounts Payable	14	1,229,696	1,198,954	1,497,477
Revenue Received in Advance	15	2,864,530	2,903,631	3,258,854
Provision for Cyclical Maintenance	16	-	53,042	290,783
Painting Contract Liability - Current Portion	17	113,196	113,436	115,127
Finance Lease Liability - Current Portion	18	89,202	122,417	114,852
Funds held for Capital Works Projects	19	-	-	159,628
		<u>4,338,341</u>	<u>4,433,581</u>	<u>5,474,674</u>
Working Capital Surplus/(Deficit)		3,549,003	899,268	2,757,672
Non-current Assets				
Property, Plant and Equipment	13	7,812,469	8,325,411	7,199,278
Work in Progress		14,310	-	109,133
		<u>7,826,779</u>	<u>8,325,411</u>	<u>7,308,411</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	481,082	386,581	320,271
Painting Contract Liability	17	112,999	103,976	-
Finance Lease Liability	18	26,362	87,712	106,742
		<u>620,443</u>	<u>578,269</u>	<u>427,013</u>
Net Assets		<u>10,755,339</u>	<u>8,646,410</u>	<u>9,639,070</u>
Equity		<u>10,755,339</u>	<u>8,646,410</u>	<u>9,639,070</u>

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

Pakuranga 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		4,213,591	4,535,709	4,075,889
Locally Raised Funds		1,637,910	987,454	1,539,862
International Students		2,834,861	1,439,913	3,020,765
Goods and Services Tax (net)		3,764	74,972	(4,148)
Payments to Employees		(2,952,228)	(3,008,401)	(3,075,081)
Payments to Suppliers		(4,506,388)	(3,283,323)	(3,826,256)
Cyclical Maintenance Payments in the year		(158,668)	2,861	(104,293)
Interest Paid		(15,844)	(26,084)	(19,754)
Interest Received		197,917	100,350	188,186
Net cash from Operating Activities		1,254,915	823,451	1,795,170
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	221,500	-
Purchase of PPE (and Intangibles)		(1,306,758)	(1,628,776)	(754,332)
Purchase of Investments		1,500,000	212,860	(739,400)
Proceeds from Sale of Investments		-	-	-
Net cash from Investing Activities		193,242	(1,194,416)	(1,493,732)
Cash flows from Financing Activities				
Furniture and Equipment Grant		78,734	-	40,102
Finance Lease Payments		(116,502)	(342,000)	(87,265)
Painting contract payments		(115,705)	44,555	(107,598)
Loans Received/ Repayment of Loans		-	-	-
Funds Held for Capital Works Projects		(159,628)	84,986	225,728
Net cash from Financing Activities		(313,101)	(212,459)	70,967
Net increase/(decrease) in cash and cash equivalents		1,135,056	(583,424)	372,405
Cash and cash equivalents at the beginning of the year	9	2,284,586	1,485,136	1,912,181
Cash and cash equivalents at the end of the year	9	3,419,642	901,712	2,284,586

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..

Pakuranga College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 28.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$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:

Buildings and improvements	50 years
Furniture and equipment	10 years
Ground improvements	20 years
Information and communication technology	3 years
Motor vehicles	5 years
Music equipment	20 years
Sports Equipment	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 + 5 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) Revenue Received in Advance

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

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

o) 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).

p) 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.

q) Borrowings

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

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

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

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	3,747,312	3,650,140	3,647,790
Teachers' Salaries Grants	11,010,723	10,500,000	10,468,365
Use of Land and Buildings Grants	3,985,935	3,930,451	3,930,451
Other MoE Grants	43,142	43,407	43,487
Other Government Grants	519,615	327,792	428,097
	19,306,727	18,451,790	18,518,190

3. Locally Raised Funds

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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	298,563	313,000	317,192
Activities	652,835	322,730	667,200
Trading	295,916	295,539	270,041
Fundraising	107,618	30,000	200,918
Other Revenue (Overseas Travel)	349,062	-	135,496
	1,703,994	961,269	1,590,847
Expenses			
Activities	773,435	625,681	732,259
Trading	105,690	90,300	104,401
Other Locally Raised Funds Expenditure (Overseas Travel)	349,062	-	135,496
	1,228,187	715,981	972,156
Surplus for the year Locally raised funds	475,807	245,288	618,691

During the year ended December 2019 the following overseas visits took place.

Basketball tour to California, USA for 24 Students and 4 Staff members at a cost of \$147,547, this was to represent the College in the Swoosh Basketball Tournament and play matches against local USA high schools. The tour was funded by locally raised funds and \$10,000 from the Sports budget.

Classical Studies tour of Greece and Italy for 16 students and 3 staff members at a cost of \$117,407. It enabled students to visit and experience ancient sites directly related to their coursework. Students also further developed their independent and social skills as they had to manage their own spending money, shared accommodation with others and live and work together as a group for 10 days. The tour was funded by locally raised funds.

Japanese Language tour to Japan for 16 Students and 3 Staff members at a cost of \$84,108. The trip enabled students to put their language learning into practice in an authentic environment while experiencing a different culture and building on their intercultural understanding. The tour was funded by locally raised funds.

4. International Student Revenue and Expenses

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	Number	Number	Number
International Student Roll	186	130	208
	2019	2019	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
International Student Fees	3,026,546	1,983,342	3,073,759
Expenses			
Advertising	240	1,000	246
Commissions	348,429	256,304	331,826
Recruitment	25,870	15,000	12,068
International Student Levy	69,450	49,764	42,565

Employee Benefit - Salaries	332,530	294,862	318,147
Overseas Travel - Marketing	49,764	40,000	41,523
Other Expenses	119,490	102,793	136,580
	<u>945,773</u>	<u>759,723</u>	<u>882,955</u>
<i>Surplus for the year International Students'</i>	<u>2,080,773</u>	<u>1,223,619</u>	<u>2,190,804</u>

During the year ended December 2019 the Director of International Students travelled to Europe South America and Vietnam, the Principal travelled to Hong Kong, the Chinese marketer travelled to China at a cost of \$49,764 for the purpose of recruiting new students for the College. The travel was funded from the net surplus from the international students fee income.

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	474,743	577,633	563,188
Equipment Repairs	10,771	24,370	12,032
Information and Communication Technology	207,373	185,606	199,624
Extra-Curricular Activities	243,018	81,500	221,983
Library Resources	10,044	11,850	7,672
Employee Benefits - Salaries	12,997,662	12,633,241	12,613,658
Staff Development	82,410	93,500	97,862
	<u>14,026,021</u>	<u>13,607,700</u>	<u>13,716,019</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	11,460	11,460	11,180
Board of Trustees Fees	5,550	6,000	5,415
Board of Trustees Expenses	22,578	17,750	9,201
Communication	44,020	53,250	66,063
Consumables	27,839	23,100	16,695
Legal Fees	-	1,500	-
Other	77,074	78,479	124,052
Employee Benefits - Salaries	560,958	535,466	514,131
Insurance	59,328	60,238	57,393
	<u>808,807</u>	<u>787,243</u>	<u>804,130</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	261,787	247,400	256,907
Cyclical Maintenance Provision	96,801	100,000	428,423
Grounds	168,566	154,200	199,584
Heat, Light and Water	240,196	278,000	318,940
Rates	-	-	1,077
Repairs and Maintenance	440,668	226,700	348,222
Use of Land and Buildings	3,985,935	3,930,451	3,930,451
Security	20,324	13,000	17,589
Employee Benefits - Salaries	131,797	141,876	106,558
	<u>5,346,074</u>	<u>5,091,627</u>	<u>5,607,751</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 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings & Improvements	131,763	110,000	116,220
Furniture and Equipment	157,770	125,000	150,837
Ground Improvements	15,593	18,000	20,486
Information and Communication Technology	292,410	300,000	310,071
Motor Vehicles	20,722	25,000	26,540
Music Equipment	5,797	6,500	7,111
Sports Equipment	35,788	10,000	11,617
Textbooks	12,723	18,000	19,261
Leased Assets	110,602	125,000	131,461
Library Resources	15,694	12,500	15,860
	<u>798,862</u>	<u>750,000</u>	<u>809,464</u>

9. Cash and Cash Equivalents

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash on Hand	1,764	-	85
Bank Current Account	1,853,840	591,712	1,956,101
Bank Call Account	555,736	300,000	318,400
Bank Omni Account	6,001	10,000	10,000
Short-term Bank Deposits with a Maturity of Three Months or Less	1,002,301	-	-
Cash and cash equivalents for Cash Flow Statement	<u>3,419,642</u>	<u>901,712</u>	<u>2,284,586</u>

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

Of the \$2,417,341 Cash and Cash Equivalents, \$20,000 of unspent grant funding is held by the College. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10. Accounts Receivable

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	51,928	31,924	29,825
Receivables from the Ministry of Education	20,788	-	14,130
Interest Receivable	34,701	62,000	62,778
Teacher Salaries Grant Receivable	825,539	755,530	748,365
	<u>932,956</u>	<u>849,454</u>	<u>855,098</u>
Receivables from Exchange Transactions	86,629	93,924	92,603
Receivables from Non-Exchange Transactions	846,327	755,530	762,495
	<u>932,956</u>	<u>849,454</u>	<u>855,098</u>

11. Inventories

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Stationery	13,133	14,598	13,102
	<u>13,133</u>	<u>14,598</u>	<u>13,102</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	3,500,000	3,460,600	5,000,000
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	3,500,000	3,460,600	5,000,000

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings & Improvements	5,069,324	906,893	-	-	(131,763)	5,844,454
Furniture & Equipment	938,432	141,936	-	-	(157,770)	922,598
Ground Improvements	223,910	-	-	-	(15,593)	208,317
Information & Communication	323,544	269,933	-	-	(292,410)	301,067
Motor Vehicles	27,423	-	-	-	(20,722)	6,701
Music Equipment	48,454	-	-	-	(5,797)	42,657
Sports Equipment	225,886	39,487	-	-	(35,788)	229,585
Textbooks	25,555	14,261	-	-	(12,723)	27,093
Leased Assets	205,729	10,472	-	-	(110,602)	105,599
Library Resources	111,021	29,071	-	-	(15,694)	124,398
Balance at 31 December 2019	7,199,278	1,412,053	-	-	(798,862)	7,812,469

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings & Improvements	6,583,595	(739,141)	5,844,454
Furniture & Equipment	2,601,970	(1,679,372)	922,598
Ground Improvements	417,364	(209,047)	208,317
Information & Communication	3,511,478	(3,210,411)	301,067
Motor Vehicles	194,691	(187,990)	6,701
Music Equipment	149,021	(106,364)	42,657
Sports Equipment	371,987	(142,402)	229,585
Textbooks	207,441	(180,348)	27,093
Leased Assets	405,608	(300,009)	105,599
Library Resources	374,456	(250,058)	124,398
Balance at 31 December 2019	14,817,611	(7,005,142)	7,812,469

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings & Improvements	5,477,247	-	(291,703)	-	(116,220)	5,069,324
Furniture & Equipment	904,098	185,171	-	-	(150,837)	938,432
Ground Improvements	246,791	-	(2,395)	-	(20,486)	223,910
Information & Communication	423,750	209,865	-	-	(310,071)	323,544
Motor Vehicles	53,964	-	-	-	(26,540)	27,424
Music Equipment	51,754	3,811	-	-	(7,111)	48,454
Sports Equipment	29,257	208,246	-	-	(11,617)	225,886
Textbooks	33,889	10,927	-	-	(19,261)	25,555
Leased Assets	121,448	215,743	-	-	(131,461)	205,730
Library Resources	98,519	28,361	-	-	(15,860)	111,020
Balance at 31 December 2018	7,440,717	862,124	(294,098)	-	(809,465)	7,199,278

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	5,676,702	(607,378)	5,069,324
Furniture and Equipment	2,460,034	(1,521,602)	938,432
Ground Improvement	417,364	(193,454)	223,910
Information and Communication Technology	3,241,545	(2,918,001)	323,544
Motor Vehicles	194,691	(167,268)	27,423
Music Equipment	149,021	(100,567)	48,454
Sports Equipment	332,500	(106,614)	225,886
Textbooks	193,180	(167,625)	25,555
Leased Assets	395,136	(189,407)	205,729
Library Resources	345,385	(234,364)	111,021
Balance at 31 December 2018	13,405,558	(6,206,280)	7,199,278

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	185,435	178,294	485,272
Accruals	79,984	105,616	95,278
Banking Staffing Overuse	-	-	34,595
Employee Entitlements - Salaries	920,190	895,044	863,014
Employee Entitlements - Leave Accrual	44,087	20,000	19,318
	1,229,696	1,198,954	1,497,477

Payables for Exchange Transactions	1,229,696	1,198,954	1,497,477
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	1,229,696	1,198,954	1,497,477
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The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	1,707,933	1,709,868	1,899,618
International Student Homestay Fees	1,070,173	1,139,912	1,228,831
Other	86,424	53,851	130,405
	2,864,530	2,903,631	3,258,854

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	611,054	611,054	400,360
Increase/ (decrease) to the Provision During the Year	101,053	(271,431)	99,591
Use of the Provision During the Year	(231,025)	100,000	111,103
Provision at the End of the Year	481,082	439,623	611,054
Cyclical Maintenance - Current	-	53,042	290,783
Cyclical Maintenance - Term	481,082	386,581	320,271
	481,082	439,623	611,054

17. Painting Contract Liability

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Current Liability	113,196	113,436	115,127
Non Current Liability	112,999	103,976	-
	<u>226,195</u>	<u>217,412</u>	<u>115,127</u>

In June 2008 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2008 and 2019, with regular maintenance in subsequent years. The agreement has an annual commitment of \$89,988. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	96,477	122,417	114,852
Later than One Year and no Later than Five Years	27,111	87,712	106,742
Later than Five Years	-	-	-
	<u>123,588</u>	<u>210,129</u>	<u>221,594</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 Contributions	Closing Balances \$
Rive block	<i>completed</i>	117,893	20,000	(240,305)	102,412	-
Tech block	<i>completed</i>	49,139	34,855	(83,994)	-	-
Security System Upgrade	<i>in progress</i>	(7,404)	-	-	7,404	-
Totals		<u>159,628</u>	<u>54,855</u>	<u>(324,299)</u>	<u>109,816</u>	<u>-</u>
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Rive block	<i>in progress</i>	(34,501)	180,000	(27,606)	-	117,893
Tech block	<i>in progress</i>	(2,890)	237,431	(185,402)	-	49,139
Art Block	<i>completed</i>	(28,709)	28,709	-	-	-
Security System Upgrade	<i>in progress</i>	-	-	(7,404)	-	(7,404)
Totals		<u>(66,100)</u>	<u>446,140</u>	<u>(220,412)</u>	<u>-</u>	<u>159,628</u>

20. Related Party Transactions

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

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

Gary Brinsden is a teacher of the College and also owns Innovative 3D Technologies. During the year the College purchased 3D printers and consumables at a market rate. The total value of all transactions for the year was \$2,797 (2018: \$13,443) and no amount is outstanding at balance date. 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.

21. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,550	5,415
Full-time equivalent members	0.18	0.24
<i>Leadership Team</i>		
Remuneration	1,060,590	954,718
Full-time equivalent members	8	9
Total key management personnel remuneration	1,066,140	960,133
Total full-time equivalent personnel	8.18	9.24

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	240-250	220-230
Benefits and Other Emoluments	15-20	15-20
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
110-120	3.00	4.00
100-110	5.00	2.00
	8.00	6.00

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

22. Compensation and Other Benefits Upon Leaving

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

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

23. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

- (a) \$101,165 contract has been entered with New Era for the College's 2020 IT Development Plan.
- (b) \$800,000 contribution has been agreed by the Board with the Ministry Capital Works team to deliver a 12 classroom-teaching block to replace 12 relocatable buildings.
- (c) \$51,910 contract has been entered with Siteworks Limited for drainage remedial work for the gymnasium.
- (d) \$93,755 contract has been entered with Integrated Security Services (1992) Limited for a full security system upgrade.

(Capital commitments at 31 December 2018: \$1,976,918)

(b) Operating Commitments

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

- (a) operating lease for photocopy machines;

	2019 Actual	2018 Actual
	\$	\$
No later than One Year	50,632	110,315
Later than One Year and No Later than Five Years	-	47,891
Later than Five Years	-	-
	<u>50,632</u>	<u>158,206</u>

25. Managing Capital

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

26. Financial Instruments

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

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Cash and Cash Equivalents	3,419,642	901,712	2,284,586
Receivables	932,956	849,454	855,098
Investments - Term Deposits	3,500,000	3,460,600	5,000,000
Total Financial assets measured at amortised cost	<u>7,852,598</u>	<u>5,211,766</u>	<u>8,139,684</u>

Financial liabilities measured at amortised cost

Payables	1,229,696	1,198,954	1,497,477
Finance Leases	115,564	210,129	221,594
Painting Contract Liability	226,195	217,412	115,127
Total Financial Liabilities Measured at Amortised Cost	<u>1,571,455</u>	<u>1,626,495</u>	<u>1,834,198</u>

27. 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 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 effect on the school that we have identified, resulting from the COVID-19 pandemic:

A reduction in revenue from student fees & charges from International students, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

The school has sufficient cash reserves to ensure that operations are met when they fall due, even with a reduction in revenue from international students. The Board is confident that the school will continue to be a going concern for the next twelve months.

28. 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

29. Comparatives

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

Independent Auditor's Report

To the readers of Pakuranga College's Financial statements For the year ended 31 December 2019

The Auditor-General is the auditor of Pakuranga College (the School). The Auditor-General has appointed me, Elaine Yong, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on section 2, pages 2 to 19, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 26 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 27 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information includes the statement of responsibility, board member list, analysis of variance and kiwisport report, but does not include the financial statements, and our auditor's report thereon.

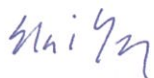
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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

A handwritten signature in blue ink, appearing to read 'Elaine Yong'.

Elaine Yong
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand