

ONslow COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	0269
Principal:	Sheena Millar
School Address:	Burma Rd, Johnsonville, Wellington 6035
School Postal Address:	Private Bag 13906, Johnsonville, Wellington 6440
School Phone:	(+64 4) 478 8189
School Email:	info@onslow.school.nz

Members of the Board of Trustees

Name	Position
Michelle Rush	Chairperson
Sheena Millar	Principal
Mark Patchett	Parent Representative
Bridget Rhodes	Parent Representative
Michelle Rush	Parent Representative
Apanui Williams	Parent Representative
Mike Doogan	Parent Representative
Dan Harward-Jones	Student Representative
Bianca Ellis	Student Representative
Phil Moir	Staff Representative

Accountant / Service Provider:	Miles Group Chartered Accountants & Business Advisors
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ONSLOW COLLEGE

Annual Report - For the year ended 31 December 2018

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Onslow College

Statement of Responsibility

For the year ended 31 December 2018

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

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

Michelle Rush

Full Name of Board Chairperson

Michelle Rush

Signature of Board Chairperson

31/05/2019

Date:

Sheena Millar

Full Name of Principal

Sheena Millar

Signature of Principal

31/05/2019

Date:

Onslow College**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	11,163,157	11,170,000	11,256,169
Locally Raised Funds	3	1,406,678	870,000	1,040,692
Interest Earned		79,666	75,000	87,297
International Students	4	840,452	759,996	883,701
		<hr/>	<hr/>	<hr/>
		13,489,953	12,874,996	13,267,859
Expenses				
Locally Raised Funds	3	661,700	354,996	370,413
International Students	4	228,641	189,996	203,431
Learning Resources	5	8,391,300	8,300,004	8,410,453
Administration	6	1,395,888	1,102,836	1,199,667
Finance		9,283	-	6,876
Property	7	2,708,802	2,752,240	2,801,465
Depreciation	8	220,002	180,000	191,175
Loss on Uncollectable Accounts Receivable		242	-	1,756
		<hr/>	<hr/>	<hr/>
		13,615,858	12,880,072	13,185,236
Net Surplus / (Deficit) for the year		(125,905)	(5,076)	82,623
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		(125,905)	(5,076)	82,623

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

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

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>2,625,815</u>	<u>2,543,188</u>	<u>2,488,951</u>
Total comprehensive revenue and expense for the year	(125,905)	(5,076)	82,623
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	54,241
Equity at 31 December	<u>2,499,910</u>	<u>2,538,112</u>	<u>2,625,815</u>
 Retained Earnings	 2,499,910	 2,538,112	 2,625,815
Equity at 31 December	<u>2,499,910</u>	<u>2,538,112</u>	<u>2,625,815</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Onslow College
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	93,693	944,080	944,081
Accounts Receivable	10	816,651	718,311	718,311
Investments	11	2,227,715	1,400,000	1,400,000
		<u>3,138,059</u>	<u>3,062,391</u>	<u>3,062,393</u>
Current Liabilities				
GST Payable		18,497	84,541	84,541
Accounts Payable	13	927,921	724,627	724,628
Revenue Received in Advance	14	580,317	503,377	503,377
Provision for Cyclical Maintenance	15	159,500	71,111	71,111
Finance Lease Liability - Current Portion	16	7,749	2,453	2,453
Funds held in Trust	17	622,168	678,984	591,283
Funds held for Capital Works Projects	18	20,352	-	-
		<u>2,336,504</u>	<u>2,065,094</u>	<u>1,977,394</u>
Working Capital Surplus/(Deficit)		801,555	997,298	1,084,999
Non-current Assets				
Property, Plant and Equipment	12	1,720,771	1,628,549	1,628,550
		<u>1,720,771</u>	<u>1,628,549</u>	<u>1,628,550</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	18,613	84,375	84,375
Finance Lease Liability	16	3,803	3,359	3,359
		<u>22,416</u>	<u>87,734</u>	<u>87,734</u>
Net Assets		<u>2,499,910</u>	<u>2,538,112</u>	<u>2,625,815</u>
Equity		<u>2,499,910</u>	<u>2,538,112</u>	<u>2,625,815</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		2,497,772	2,081,511	2,594,956
Locally Raised Funds		1,307,483	870,000	1,072,758
International Students		923,086	759,996	709,309
Goods and Services Tax (net)		(66,044)	-	(35,436)
Payments to Employees		(2,340,809)	(1,551,715)	(2,041,341)
Payments to Suppliers		(2,162,583)	(2,052,816)	(2,284,725)
Cyclical Maintenance Payments in the year		-	-	(438)
Interest Paid		(9,283)	-	(6,876)
Interest Received		82,952	67,948	89,908
Net cash from / (to) the Operating Activities		232,574	174,924	98,115
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)*		-	-	3,244
Purchase of PPE (and Intangibles)		(296,336)	(180,000)	(274,963)
Purchase of Investments		(827,715)	-	1,000,581
Net cash from / (to) the Investing Activities		(1,124,051)	(180,000)	728,862
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	54,241
Finance Lease Payments		(10,148)	-	(1,392)
Painting contract payments		-	-	-
Funds Administered on Behalf of Third Parties		30,885	87,701	(68,111)
Funds Held for Capital Works Projects		20,352	-	-
Net cash from Financing Activities		41,089	87,701	(15,262)
Net increase/(decrease) in cash and cash equivalents		(850,388)	82,625	811,715
Cash and cash equivalents at the beginning of the year		944,081	861,455	132,366
Cash and cash equivalents at the end of the year	9	93,693	944,080	944,081

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.

*Purchases for lease assets are considered to be non-cash items.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Onslow College

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) 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.

o) Employee Entitlements*Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) 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 Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

v) 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.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	2,227,214	2,520,000	2,185,726
Teachers' salaries grants	6,610,934	6,600,000	6,558,663
Use of Land and Buildings grants	2,061,503	2,050,000	2,095,498
Other MoE Grants	263,506	-	349,691
Other government grants	-	-	66,591
	<u>11,163,157</u>	<u>11,170,000</u>	<u>11,256,169</u>

3. Locally Raised Funds

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

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	546,632	270,000	552,652
Activities	537,496	500,004	272,475
Trading	130,950	99,996	116,335
Fundraising	51,437	-	31,663
Other Revenue	140,163	-	67,567
	<u>1,406,678</u>	<u>870,000</u>	<u>1,040,692</u>
Expenses			
Activities	597,223	300,000	299,276
Trading	44,826	54,996	59,086
Fundraising costs	19,651	-	12,051
	<u>661,700</u>	<u>354,996</u>	<u>370,413</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>744,978</u>	<u>515,004</u>	<u>670,279</u>

The Ministry of Education has provided updated guidance that curriculum recoveries should be treated as voluntary payments and as a result have been reclassified as donations.

4. International Student Revenue and Expenses

	2018	2018	2017
	Actual	Budget	
	Number	(Unaudited)	Actual
		Number	Number
International Student Roll	73	66	77
	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International student fees	840,452	759,996	883,701
Expenses			
Advertising	14,884	15,000	24,746
Commissions	120,653	89,996	94,876
Other Expenses	93,104	85,000	83,809
	228,641	189,996	203,431
<i>Surplus/ (Deficit) for the year International Students'</i>	611,811	570,000	680,270

5. Learning Resources

	2018	2018	2017
	Actual	Budget	
	\$	(Unaudited)	Actual
		\$	\$
Curricular	467,948	560,004	479,639
Equipment repairs	9,043	-	4,313
Information and communication technology	65,099	80,004	60,345
Library resources	11,202	-	11,145
Employee benefits - salaries*	7,805,454	7,620,000	7,834,454
Staff development	32,554	39,996	20,557
	8,391,300	8,300,004	8,410,453

*The Ministry of Education has provided updated guidance that resource assistant costs should be consolidated with teacher salaries under the title employee benefits. As a result resource assistant costs have been reclassified into employee benefits.

6. Administration

	2018	2018	2017
	Actual	Budget	
	\$	(Unaudited)	Actual
		\$	\$
Audit Fee	8,700	8,700	8,700
Board of Trustees Fees	2,950	-	2,675
Board of Trustees Expenses	20,966	9,000	10,486
Communication	30,281	50,004	42,392
Consumables	62,385	6,000	77,295
Operating Lease	44,671	-	81,035
Legal Fees	-	-	870
Other	81,098	204,132	71,412
Employee Benefits - Salaries	980,268	825,000	745,377
Insurance	23,989	-	23,795
Service Providers, Contractors and Consultancy	140,580	-	135,630
	1,395,888	1,102,836	1,199,667

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	63,696	249,996	75,199
Consultancy and Contract Services	194,567	-	220,009
Cyclical Maintenance Expense	22,627	-	(37,839)
Heat, Light and Water	96,117	99,996	94,308
Rates	11,595	24,996	13,967
Repairs and Maintenance	92,676	174,996	177,926
Use of Land and Buildings	2,061,503	2,050,000	2,095,498
Employee Benefits - Salaries	166,021	152,256	162,397
	<u>2,708,802</u>	<u>2,752,240</u>	<u>2,801,465</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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	24,039	180,000	23,446
Furniture and Equipment	75,910	-	74,156
Information and Communication Technology	91,723	-	73,600
Motor Vehicles	8,056	-	6,466
Textbooks	1,320	-	3,816
Leased Assets	10,668	-	1,517
Library Resources	8,286	-	8,174
	<u>220,002</u>	<u>180,000</u>	<u>191,175</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	2,031	2,144	2,144
Bank Current Account	97,013	944,630	944,630
Bank Call Account	409	211	211
Bank Overdraft	(5,760)	(2,904)	(2,904)
	<u>93,693</u>	<u>944,080</u>	<u>944,081</u>

Cash and cash equivalents for Cash Flow Statement

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

The following notes should be used where applicable:

Of the \$93,693 Cash and Cash Equivalents, \$20,352 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	342,269	249,010	249,010
Receivables from the Ministry of Education	-	445,541	7,052
Interest Receivable	13,422	23,760	16,708
Teacher Salaries Grant Receivable	460,960	-	445,541
	<u>816,651</u>	<u>718,311</u>	<u>718,311</u>
Receivables from Exchange Transactions	355,691	272,770	265,718
Receivables from Non-Exchange Transactions	460,960	445,541	452,593
	<u>816,651</u>	<u>718,311</u>	<u>718,311</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	2,227,715	1,400,000	1,400,000
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	784,837	64,438			(24,039)	825,236
Furniture and Equipment	502,560	81,389			(75,910)	508,039
Information and Communication	238,092	135,674			(91,723)	282,043
Motor Vehicles	25,898				(8,056)	17,842
Textbooks	6,044	4,952			(1,320)	9,676
Leased Assets	5,651	15,887			(10,668)	10,869
Library Resources	65,468	9,883			(8,286)	67,065
Balance at 31 December 2018	<u>1,628,550</u>	<u>312,223</u>	<u>-</u>	<u>-</u>	<u>(220,002)</u>	<u>1,720,771</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	1,253,715	(428,479)	825,236
Furniture and Equipment	1,148,434	(640,396)	508,038
Information and Communication	1,352,590	(1,070,547)	282,043
Motor Vehicles	40,278	(22,435)	17,843
Textbooks	132,710	(123,034)	9,676
Leased Assets	23,441	(12,571)	10,870
Library Resources	213,462	(146,397)	67,065
Balance at 31 December 2018	4,164,630	(2,443,859)	1,720,771

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	785,262	23,021			(23,446)	784,837
Furniture and Equipment	506,816	69,900			(74,156)	502,560
Information and Communication Technology	158,943	152,749			(73,600)	238,092
Motor Vehicles	21,764	10,600			(6,466)	25,898
Textbooks	5,169	4,691			(3,816)	6,044
Leased Assets	1,159	6,009			(1,517)	5,651
Library Resources	64,641	9,001			(8,174)	65,468
Balance at 31 December 2017	1,543,754	275,971	-	-	(191,175)	1,628,550

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	1,189,277	(404,440)	784,837
Furniture and Equipment	1,067,046	(564,486)	502,560
Information and Communication Technology	1,216,917	(978,825)	238,092
Motor Vehicles	40,278	(14,380)	25,898
Textbooks	127,758	(121,714)	6,044
Leased Assets	7,554	(1,903)	5,651
Library Resources	203,578	(138,110)	65,468
Balance at 31 December 2017	3,852,408	(2,223,857)	1,628,550

Possible Future Building Impairment

The school is currently in discussion with the Ministry regarding weather-tightness issues in the Admin Block. At this time it is uncertain as to what action will be taken to remedy the situation, however because the school has a financial interest of \$192,757 in the Admin Block (which is included in the Property, Plant and Equipment balance for "Buildings" of \$ 825,236.) there may need to be an impairment adjustment to this balance once it becomes more clear as to what action will be taken. In the event the Admin Block was to be demolished, the school would need to expense any loss, after any insurance or Ministry negotiated recoveries were established.

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	281,933	97,337	97,337
Accruals	185,028	181,749	181,749
Employee Entitlements - salaries	460,960	445,541	445,542
	<u>927,921</u>	<u>724,627</u>	<u>724,628</u>
Payables for Exchange Transactions	927,921	724,627	724,628
	<u>927,921</u>	<u>724,627</u>	<u>724,628</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	571,286	488,652	488,652
Other	9,031	14,725	14,725
	<u>580,317</u>	<u>503,377</u>	<u>503,377</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	155,486	155,486	193,763
Increase/ (decrease) to the Provision During the Year	22,627	-	(438)
Use of the Provision During the Year	-	-	(37,839)
Provision at the End of the Year	<u>178,113</u>	<u>155,486</u>	<u>155,486</u>
Cyclical Maintenance - Current	159,500	71,111	71,111
Cyclical Maintenance - Term	18,613	84,375	84,375
	<u>178,113</u>	<u>155,486</u>	<u>155,486</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	7,749	2,453	2,453
Later than One Year and no Later than Five Years	3,803	3,359	3,359
	<u>11,552</u>	<u>5,812</u>	<u>5,812</u>

17. Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	622,168	678,984	591,283
	<u>622,168</u>	<u>678,984</u>	<u>591,283</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

18. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Roofing Project <i>in progress</i>		-	50,029	(21,932)	-	28,097
Electrical Distribution Boards <i>in progress</i>		-	-	(4,995)	-	(4,995)
Block M Toilet Upgrade <i>in progress</i>		-	-	(2,750)	-	(2,750)
Totals		<u>-</u>	<u>50,029</u>	<u>(29,677)</u>	<u>-</u>	<u>20,352</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	20,352
Funds Due from the Ministry of Education	
	<u>20,352</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Block I - Improvements and Modernisation <i>completed</i>		-	-	-	-	-
Totals		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

19. 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.

20. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	2,950	2,675
Full-time equivalent members	0.45	0.45
<i>Leadership Team</i>		
Remuneration	509,963	486,338
Full-time equivalent members	4	4
Total key management personnel remuneration	512,913	489,013
Total full-time equivalent personnel	4.45	4.45

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

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	160 - 170

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

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

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

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

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

Nil

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

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

(a) operating lease for photocopiers

23. Managing Capital

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

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	93,693	944,080	944,081
Receivables	816,651	718,311	718,311
Investments - Term Deposits	2,227,715	1,400,000	1,400,000
Total Loans and Receivables	3,138,059	3,062,391	3,062,392

Financial liabilities measured at amortised cost

Payables	927,921	724,627	724,628
Finance Leases	11,552	5,812	5,812
Total Financial Liabilities Measured at Amortised Cost	939,473	730,439	730,440

25. Events After Balance Date

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

26. Comparatives

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