



AVONDALE
COLLEGE

OUR AIM IS EXCELLENCE



ANNUAL REPORT

FOR THE YEAR ENDED ► 31 DECEMBER 2022

AVONDALE COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	78
Principal:	Lyndy Watkinson
School Address:	Avondale College, Victor Street, Avondale
School Postal Address:	Avondale College, Victor Street, Avondale
School Phone:	09-828 7024
School Email:	zyas@avcol.school.nz

Members of The Avondale College School Board

Position	Name
Presiding Member	Dave Erson
Deputy Presiding Member	Jenni Tupu
Board Member	Eileen Joy
Board Member	Mike Allison
Board Member	Hinewhare Watts
Board Member	Yasmin Farry
Board Member	Nua Silipa
Co-opted Board Member	Brodie Rawiri
Staff Rep	Sarah Lane
Student Rep	Zoheb Khan

AVONDALE COLLEGE

Annual Report - For the year ended 31 December 2022

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Avondale College

Statement of Responsibility

For the year ended 31 December 2022

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

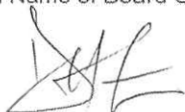
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Mr Dave Erson

Full Name of Board Chairperson



Signature of Board Chairperson

12/05/2023

Date:

Mrs Lyndy Watkinson

Full Name of Principal



Signature of Principle

12-5-2023.

Date:

Avondale College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	27,360,173	26,745,453	26,672,394
Locally Raised Funds	3	2,414,437	2,061,748	2,209,979
Interest Earned		170,404	92,100	49,088
Early Childhood Education Centre	4	430,086	547,000	490,514
Total Revenue		30,375,101	29,446,301	29,421,977
Expenses				
Locally Raised Funds	3	1,826,332	1,594,685	1,733,985
Early Childhood Education Centre	4	506,076	533,300	521,964
Learning Resources	5	18,990,758	18,729,775	18,827,972
Administration	6	1,466,963	1,306,572	1,273,353
Property	7	7,309,932	7,213,932	7,028,157
Loss on Disposal of Property, Plant and Equipment		6,924	3,000	18,622
		30,106,983	29,381,264	29,404,054
Net Surplus / (Deficit) for the year		268,118	65,037	17,923
Total Comprehensive Revenue and Expense for the Year		268,118	65,037	17,922

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

Avondale College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Actual 2022 \$	Budget (Unaudited) 2022 \$	Actual 2021 \$
Balance at 1 January	12,746,199	12,900,519	12,687,180
Total comprehensive revenue and expense for the year	268,118	65,037	17,922
Capital Contributions from the Ministry of Education		-	93,277
Reserved Equity	(5,162)	(591)	(52,180)
Equity at 31 December	13,009,155	12,964,963	12,746,199
Accumulated comprehensive revenue and expense	13,009,155	12,964,963	12,746,199
Equity at 31 December	13,009,155	12,964,963	12,746,199

Included in Retained earnings is the following trust funds:

Alistair Reid Trust	52,171	52,000	52,199
Claire Achmad Trust	866	1,000	1,033
Gordon Cole Trust	23,933	24,000	23,888
McKenzie Trust	5,790	6,000	5,709
Paul Kemp Trust	4,926	5,000	4,987
Phil Raffills Trust	3,595	8,000	8,595
Rotary Trust	31,138	31,000	31,179
Closing Balance	122,420	127,000	127,591

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

References to Equity Statement are to meet the requirements of **PBE Accounting Standards Reduced Disclosure Regime** and the accompanying notes form part of these financial statements.

Avondale College
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	4,424,612	3,216,506	6,324,305
Accounts Receivable	9	1,323,315	1,160,000	1,171,391
GST Receivable		-	-	66,934
Prepayments		7,410	20,000	17,104
Inventories	10	275,922	125,000	127,664
Investments	11	2,300,000	6,000,000	1,800,000
		<u>8,331,259</u>	<u>10,521,506</u>	<u>9,507,398</u>
Current Liabilities				
Accounts Payable	13	1,953,721	1,916,500	2,221,760
GST Payable		20,089	20,000	-
Revenue Received in Advance	14	781,290	565,000	269,888
Painting Contract Liability - Current Portion	16	108,800	130,000	49,522
Finance Lease Liability - Current Portion	17	117,147	115,000	105,956
Funds held for Capital Works Projects	19	305,626	120,000	140,676
		<u>3,286,673</u>	<u>2,866,500</u>	<u>2,787,802</u>
Working Capital Surplus/(Deficit)		<u>5,044,586</u>	<u>7,655,006</u>	<u>6,719,596</u>
Non-current Assets				
Investments	11	-	-	-
Property, Plant and Equipment	12	6,787,568	7,742,748	7,533,367
		<u>6,787,568</u>	<u>7,742,748</u>	<u>7,533,367</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	450,000	450,000	337,500
Painting Contract Liability	16	-	-	87,335
Finance Lease Liability	17	149,117	200,000	262,920
Funds held in Trust	18	1,223,882	782,790	819,007
		<u>1,822,999</u>	<u>1,432,790</u>	<u>1,506,762</u>
Net Assets		<u>10,009,155</u>	<u>13,964,963</u>	<u>12,746,199</u>
Equity		<u>13,009,155</u>	<u>12,964,963</u>	<u>12,746,199</u>

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

Avondale College

Statement of Cash Flow

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		6,364,431	6,209,641	6,772,837
Locally Raised Funds		1,917,969	1,858,935	1,621,963
ECEC		430,086	547,000	490,516
International Students		1,005,957	244,113	307,377
Goods and Services Tax (net)		(87,023)	(30,000)	(47,171)
Payments to Employees		(4,757,332)	(4,199,676)	(3,516,186)
Payments to Suppliers		(5,389,425)	(4,947,430)	(4,615,924)
Interest Received		117,702	105,913	67,059
Net cash from/(to) Operating Activities		(397,636)	(211,504)	1,080,471
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		6,924	3,000	18,617
Purchase of Property Plant & Equipment (and Intangibles)		(243,542)	(225,000)	(1,103,400)
Purchase of Investments		(400,000)	(3,950,000)	4,574,885
Net cash from/(to) Investing Activities		(636,618)	(4,172,000)	3,490,102
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	93,277
Finance Lease Payments		102,613	265,000	318,925
Other Equity		(5,162)	(591)	(52,180)
Painting contract payments		(108,800)	(142,187)	(102,892)
Funds Administered on Behalf of Third Parties		(569,823)	273,483	(330,318)
Funds Administered on Capital Works Projects		(284,267)	(120,000)	255,450
Net cash from/(to) Financing Activities		(865,439)	275,705	182,262
Net increase/(decrease) in cash and cash equivalents		(1,899,693)	(4,107,799)	4,752,834
Cash and cash equivalents at the beginning of the year	8	6,324,305	6,324,305	1,571,471
Cash and cash equivalents at the end of the year	8	4,424,612	2,216,506	6,324,305

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

Avondale College

Reconciliation of Cash Flows

From Operating Activities to Net Surplus

For the year ended 31 December 2022

	2022	2022	2021
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Net Surplus for the Year	268,118	65,037	17,922
	268,118	65,037	17,922
Add Non-Cash Items:			
Depreciation	997,619	1,050,000	1,072,097
Cyclical Maintenance	190,427	450,000	112,500
Charge for painting contract	-	130,000	46,760
	1,188,046	1,630,000	1,231,357
Add/(Less) Movements in other working capital items:			
(Increase)/decrease in receivables	(151,924)	11,391	13,093
(Increase)/decrease in prepayments	9,694	(2,896)	11,741
(Increase)/decrease in inventories	(148,258)	2,664	156,452
Increase/(decrease) in accounts payable	(268,039)	(305,260)	21,111
Increase/(decrease) in fees in advance	511,402	834,888	(321,529)
(Increase)/decrease in net GST	(96,717)	(84,038)	(49,658)
(Increase)/decrease Investment	2,645,078	79,238	-
(Increase)/decrease Finance Lease	(102,612)	53,876	-
(Increase)/decrease Funds Held in Trust	404,875	(47,717)	-
(Increase)/decrease Funds Capital Works Projects	164,948	(20,677)	-
	2,968,447	521,469	(168,790)
	4,424,612	2,216,506	1,080,488

Avondale College

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Avondale College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

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 and Training Act 2020 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 expense 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

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.

*Note - The following disclosures are examples of critical accounting estimates. The school should consider disclosing information about key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a **significant risk** of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. Information should be disclosed that helps users of the financial statements understand the judgments management makes about the future and about other key sources of estimation uncertainty.*

Examples of the types of disclosures made are:

- The nature of the assumption and other estimation uncertainty*
- The sensitivity of carrying amounts to the methods, assumptions, and estimates underlying their calculation, including the reasons for the sensitivity;*
- The expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and*
- An explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.*



Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 17. Future operating lease commitments are disclosed in note 17.

Recognition of grants

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

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 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 Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings 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. 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.

Other Grants where conditions exist

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

Inventories are consumable items held for sale and comprised 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.

i) 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.

j) 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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.

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



Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10 – 75 years
Board Owned Buildings	10 – 75 years
Early Childhood Centre Equipment	8.5 - 10 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Music Equipment	10 years
Other Equipment	1.5 - 10 years
Plant and Machinery	10 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

k) 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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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.

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

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee Entitlements*Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculation are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Funds Held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

r) Shared Funds

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

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 is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

t) Financial Instruments

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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

u) 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.

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.

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

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Government Grants - Ministry of Education	6,332,687	5,646,338	5,691,899
Teachers' salaries grants	14,646,043	14,500,000	14,456,626
Use of Land and Buildings grants	5,774,823	5,774,823	5,442,931
Other Government Grants	606,621	824,292	1,080,938
	<u>27,360,173</u>	<u>26,745,453</u>	<u>26,672,394</u>

The school opted in to the 2022 donations scheme receiving \$402,150 for the year ended 31 December 2022 (2021: \$406,200)

3. Locally Raised Funds

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

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Revenue			
Donations & Bequests	292,736	306,500	56,954
Fees for Extra Curricular Activities	89,013	96,660	68,128
Trading	555,608	533,000	514,767
Fundraising & Community Grants	113,706	20,310	52,418
Other Revenue	712,190	839,065	666,318
International Student Fees	467,302	244,113	588,015
	<u>2,414,437</u>	<u>2,061,748</u>	<u>2,209,981</u>
Expenses			
Extra Curricular Activities Costs	488,348	392,927	393,954
Trading	484,041	447,818	424,432
Other Locally Raised Funds Expenditure	389,043	511,173	466,039
International Student - Student Recruitment	81,245	24,913	39,503
International Student - Employee Benefit - Salaries	261,829	186,158	351,452
International Student - Other Expenses	121,826	31,696	58,605
	<u>1,826,332</u>	<u>1,594,685</u>	<u>1,733,985</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>588,105</u>	<u>467,063</u>	<u>475,996</u>

During the year the School hosted 54 International students (2021:31)

4. Early Childhood Education Centre

	2022	2022 Budget (Unaudited)	2021
	Actual Number	Number	Actual Number
Early Childhood Education Centre Financial Performance			
Child Funded Hrs - Under 2	6,311	3,900	6,390
Child Funded Hrs - Over 2	25,075	20,750	29,082
	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Revenue			
Government Grants	287,575	365,000	333,036
Parent Fees	140,953	180,000	126,403
Other Income	1,558	2,000	31,077
	<u>430,086</u>	<u>547,000</u>	<u>490,514</u>
Expenses			
Other Hostel Expense	-	-	-
Administration	2,206	2,000	1,407
Property	113,188	118,300	22,864
Employee Benefit - Salaries	390,682	413,000	497,695
	<u>506,076</u>	<u>533,300</u>	<u>521,966</u>
Surplus/ (Deficit) for the year Early Childhood Education Centre	<u>(75,990)</u>	<u>13,700</u>	<u>(31,453)</u>

5. Learning Resources

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Curricular	1,235,938	1,051,806	1,120,634
Equipment repairs	4,947	10,318	10,117
Information and Communication Technology	247,303	291,806	295,444
Library resources	10,442	13,667	12,627
Employee benefits - salaries	16,456,846	16,242,178	16,282,897
Staff development	37,662	70,000	34,156
Overseas Travel	-	-	-
Depreciation	997,619	1,050,000	1,072,098
	<u>18,990,758</u>	<u>18,729,775</u>	<u>18,827,973</u>

6. Administration

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Audit Fee	18,184	17,200	17,281
Board Fees	-	-	-
Board Expenses	48,173	33,864	53,723
Communication	89,117	98,340	92,386
Consumables	25,371	24,950	25,823
Other	368,941	355,660	344,898
Employee Benefits - Salaries	856,264	716,258	681,213
Insurance	25,828	27,750	24,577
Service Providers, Contractors and Consultancy	35,085	32,550	33,454
	<u>1,466,963</u>	<u>1,306,572</u>	<u>1,273,353</u>

7. Property

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Caretaking and Cleaning Consumables	54,275	58,000	56,129
Consultancy and Contract Services	312,122	300,060	288,067
Cyclical Maintenance Expense	190,427	84,733	112,500
Grounds	43,094	31,300	32,870
Heat, Light and Water	203,230	229,420	184,974
Rates	397	220	(248)
Repairs and Maintenance	439,115	468,543	628,038
Use of Land and Buildings	5,774,823	5,774,823	5,442,931
Security	97,855	97,413	110,295
Employee Benefits - Salaries	194,593	169,420	172,601
	<u>7,309,932</u>	<u>7,213,932</u>	<u>7,028,157</u>

The use of land and buildings figure represents 5% 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. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts-Call Account	1,966,352	1,000,000	952,021
Bank Accounts-Current Account	158,260	1,216,506	272,284
Short-term bank deposits	2,300,000	1,000,000	5,100,000
Cash and cash equivalents for Cash Flow Statement	<u>4,424,612</u>	<u>3,216,506</u>	<u>6,324,305</u>

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

Of the \$4,424,612 Cash and Cash Equivalents, \$31,639 of unspent ECEC grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$4,24,612 Cash and Cash Equivalents, \$305,626 is held by the school on behalf of the Ministry of Education. These funds have been provided by Ministry as part of the school's 5 year agreement funding for upgrades to the school's building. The funds are required to be spent on 2022 on Crown owned school building.

9. Account Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	14,631	25,000	7,390
Receivables from the Ministry of Education (Other Receivables)	166	25,000	37,237
Interest Receivable	58,889	10,000	6,187
Teacher Salaries Grant Receivable	1,249,630	1,100,000	1,120,576
Allowance for Impairment of Receivables	-	-	-
	<u>1,323,315</u>	<u>1,160,000</u>	<u>1,171,391</u>
Receivables from Exchange Transactions	73,519	35,000	13,578
Receivables from Non-Exchange Transactions	1,249,796	1,125,000	1,157,813
	<u>1,323,315</u>	<u>1,160,000</u>	<u>1,171,391</u>

The ageing profile of receivables at year end is detailed below:

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Not past due	1,308,685	1,131,187	1,164,001
Past due 1 - 30 days	(276)	-	18,205
Past due 31 - 60 days	10,475	-	(17,106)
Past due 61 - 90 days	1,603	-	5,025
Past due over 90 days	(5,065)	-	1,267
Total	<u>1,315,422</u>	<u>1,131,187</u>	<u>1,171,391</u>

10. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	275,922	125,000	127,664
	<u>275,922</u>	<u>125,000</u>	<u>127,664</u>

11. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	2,300,000	6,000,000	1,800,000
Long-term Bank Deposits	-	-	-
	<u>2,300,000</u>	<u>6,000,000</u>	<u>1,800,000</u>

12. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Audio Visual	50,605	50,140	-	-	(23,372)	77,375
Buildings - School	5,755,415	15,143	(7,463)	(62)	(263,682)	5,499,351
Carpark	1,345	-	-	-	(1,083)	261
Early Childhood Equipment	51,032	-	-	(103)	(9,921)	41,008
Furniture and Equipment	292,338	4,230	-	14	(84,519)	212,063
Information and Communication Technology	558,453	76,114	-	(8,476)	(353,150)	272,942
Motor Vehicles	23,553	-	-	-	(13,936)	9,616
Musical Equipment	54,436	15,887	-	-	(8,132)	62,192
Other Equipment	70,704	24,551	-	2,225	(13,443)	84,037
Plant and Equipment	112,567	23,446	(164,390)	(11,716)	(19,178)	124,298
Textbooks	41,098	16,910	-	-	(21,661)	36,348
Leased Assets	399,283	5,176	(1,238)	654	(161,608)	242,267
Library Resources	122,538	27,143	-	-	(23,871)	125,811
Balance at 31 December 2022	7,533,367	258,742	(173,091)	(17,464)	(997,557)	6,787,568

The net carrying value of furniture and equipment held under a finance lease is \$241,614 (2021: \$399,284)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

2022	Deprn schedule	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Audio Visual		1,000,374	(922,999)	77,375
Buildings - School		9,561,676	(4,062,325)	5,499,351
Carpark		79,664	(79,403)	261
Early Childhood Equipment		177,283	(136,275)	41,008
Furniture and Equipment		2,236,653	(2,024,590)	212,063
Information and Communication Technology		3,567,369	(3,294,427)	272,942
Motor Vehicles		221,576	(211,960)	9,616
Musical Equipment		303,501	(241,309)	62,192
Other Equipment		736,144	(652,106)	84,038
Plant and Equipment		697,260	(572,963)	124,297
Textbooks		846,321	(809,974)	36,347
Leased Assets		1,379,961	(1,137,694)	242,267
Library Resources		530,112	(404,301)	125,811
Balance at 31 December 2022		21,337,895	(14,550,327)	6,787,568

2021	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Audio Visual	81,617	-	-	-	(31,013)	50,604
Buildings - School	5,940,320	91,140	(12,548)	-	(263,498)	5,755,415
Carpark	2,428	-	-	-	(1,083)	1,345
Early Childhood Equipment	61,330	-	-	-	(10,298)	51,032
Furniture and Equipment	373,811	39,187	(5,144)	-	(115,516)	292,338
Information and Communication Technology	483,885	430,370	-	-	(355,801)	558,454
Motor Vehicles	46,917	-	-	-	(23,363)	23,553
Musical Equipment	43,336	18,582	(507)	-	(6,976)	54,436
Other Equipment	88,946	1,664	-	-	(19,906)	70,704
Plant and Equipment	83,866	49,554	(425)	-	(20,428)	112,567
Textbooks	44,505	18,168	-	-	(21,575)	41,098
Leased Assets	139,212	433,489	-	-	(173,417)	399,283
Library Resources	130,515	21,246	-	-	(29,223)	122,538
Balance at 31 December 2021	7,520,688	1,103,400	(18,624)	-	(1,072,097)	7,533,367

The net carrying value of equipment held under finance leases is \$399,203 (2020: \$139,212)

2021	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Audio Visual	950,234	(899,629)	50,605
Buildings - School	9,553,996	(3,798,581)	5,755,415
Carpark	79,665	(78,321)	1,344
Early Childhood Equipment	177,284	(126,252)	51,032
Furniture and Equipment	2,232,423	(1,940,085)	292,338
Information and Communication Technology	3,491,255	(2,932,802)	558,453
Motor Vehicles	221,577	(198,023)	23,553
Musical Equipment	287,614	(233,178)	54,436
Other Equipment	711,593	(640,889)	70,704
Plant and Equipment	838,204	(725,637)	112,567
Textbooks	829,411	(788,313)	41,098
Leased Assets	1,376,024	(976,740)	399,284
Library Resources	502,969	(380,431)	122,538
Balance at 31 December 2021	21,252,247	(13,718,880)	7,533,367

13. Accounts Payable

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Creditors	7,624	73,500	269,248
Accruals	343,997	415,000	472,240
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	1,484,118	1,300,000	1,352,197
Employee Entitlements - leave accrual	117,982	128,000	128,074
	<u>1,953,721</u>	<u>1,916,500</u>	<u>2,221,760</u>
Payables for Exchange Transactions	351,621	488,500	741,488
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	1,602,100	1,428,000	1,480,272
	<u>1,953,721</u>	<u>1,916,500</u>	<u>2,221,760</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Grants in Advance - Ministry of Education	36,639	45,000	41,966
International Student Fees in Advance	722,318	500,000	183,663
Other revenue in Advance	22,333	20,000	44,258
	<u>781,290</u>	<u>565,000</u>	<u>269,888</u>

15. Provision for Cyclical Maintenance

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Provision at the Start of the Year	337,500	337,500	225,000
Increase/ (decrease) to the Provision During the Year	112,500	112,500	112,500
Provision at the End of the Year	<u>450,000</u>	<u>450,000</u>	<u>337,500</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Non Current	450,000	450,000	337,500
	<u>450,000</u>	<u>450,000</u>	<u>337,500</u>

16. Painting Contract Liability

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Current Liability	108,800	130,000	49,522
Non Current Liability	-	-	87,335
	<u>108,800</u>	<u>130,000</u>	<u>136,857</u>

In 2011 the Board signed an agreement with Programmed Service Maintenance Ltd (the contractor) for an agreed programme of work covering an Twelve year period. The programme provides for exterior repaint of the Ministry owned buildings in year 1 and year 7, with regular maintenance in subsequent years. 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.

17. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	137,646	135,499	136,145
Later than One Year and no Later than Five Years	162,546	213,429	296,460
<i>Total minimum lease payments</i>	<u>300,192</u>	<u>348,928</u>	<u>432,605</u>
Future finance cost/(revenue) (lease discount)	33,928	33,934	(63,729)
<i>Present value of minimum lease payments</i>	<u>266,264</u>	<u>314,994</u>	<u>368,876</u>
Present value of minimum lease payments payable:			
No Later than One Year	117,147	115,000	105,956
Later than One Year and no Later than Five Years	149,117	200,000	262,920
<i>Present value of minimum lease payments</i>	<u>266,264</u>	<u>315,000</u>	<u>368,876</u>

18. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,223,882	771,290	819,007
Funds Held in Trust on Behalf of Third Parties - Non-current	1,223,882	771,290	819,007

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.

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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

	2022	Opening Balances \$	Receipts from MoE \$	Payments/ Transfers \$	BOT Contribution	Closing Balances \$
5YA 2017/18 E Block/Transverse Corridor	<i>completed</i>	(1,834)	1,834			-
5YA 2019 Stadium Gutter	<i>completed</i>	2,000	(2,000)			-
5YA 2019 B14-B17 Roof & Gutter replacement	<i>completed</i>	(1,580)	1,580			-
5YA 2018 Atrium Bird proofing	<i>completed</i>	4,952		(3,356)		1,596
5YA 2017/2020 Music/Art/Deck Refurb	<i>in progress</i>	(9,170)				(9,170)
5YA PAC R&R WT Project	<i>in progress</i>	68,894		(49,194)		19,700
5YA Art Interior Refurbishment	<i>in progress</i>	-		(5,395)		(5,395)
5YA Carpet Replacement 2022/23	<i>in progress</i>	-	207,000	(2,029)		204,971
5YA 2020 SIP Projects Courtyard	<i>completed</i>	10,587	23,927	(79,000)	44,486	-
5YA 2020 SIP Projects Staffroom Deck	<i>in progress</i>	67,108		(81,502)		(14,393)
5YA 2020 SIP Projects - IT	<i>completed</i>	(281)			281	-
5YA ART Roof Replacement	<i>in progress</i>	-	144,000	(35,149)		108,851
5YA 2022/2023 - Light & Heating Income	<i>in progress</i>	-	(534)			(534)
Totals		140,676	375,807	(255,625)	44,767	305,625

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Receivable from the Ministry of Education

335,118
(29,493)
305,625

	2021	Opening Balances \$	Receipts from MoE \$	Payments/ Transfers \$	BOT Contribution	Closing Balances \$
5YA 2017/18 E Block/Transverse Corridor	<i>completed</i>	(47,909)	46,075	-		(1,834)
5YA 2019 Stadium Gutter	<i>completed</i>	849	1,152	-		2,000
5YA 2019 B14-B17 Roof & Gutter replacement	<i>completed</i>	(9,423)	7,843	-		(1,580)
5YA 2018 Atrium Bird proofing	<i>completed</i>	-	4,952	-		4,952
5YA 2017/18 Music/Art/Deck Refurb	<i>in progress</i>	(9,170)	-	-		(9,170)
5YA PAC R&R WT Project	<i>in progress</i>	(11,920)	130,000	(49,186)		68,894
5YA 2020 SIP Projects Courtyard	<i>in progress</i>	(14,248)	215,347	(190,511)		10,587
5YA 2020 SIP Projects Staffroom Deck		(22,671)	117,000	(27,221)		67,108
5YA 2020 SIP Projects - IT		(281)	27,000	(27,000)		(281)
Totals		(114,773)	549,369	(293,917)	-	140,677

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

153,542
(12,865)
140,677

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.

There were no related party transactions between the school and the Board of Trustees during the year. (2021: nil). The school contributed \$18,000 (2021: \$18,000) during the year towards the expenditures of the Avondale College Community Sports Trust.

The school also received a contribution from the trust of \$35,500 (2021: \$35,500) during the year for the administration and management role performed on the trust's behalf. At balance date, the school held funds on behalf of the trust of \$ 177,688.00 (2021: \$138,340).

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.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	10,235	11,545
Full-time equivalent members	1.03	1.01
<i>Leadership Team</i>		
Remuneration	3,813,441	3,792,152
Full-time equivalent members	34	34
Total key management personnel remuneration	3,823,676	3,803,697
Total full-time equivalent personnel	35.03	35.01

There are 11 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has 2 Finance and Property members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	260-270	250-260
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-
Termination Benefits	-	-

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
140 - 150	1	1
130 - 140	6	4
120 - 130	0	2
110 - 120	9	8
100 - 110	27	24
	43	39

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 was payable was as follows:

	2022 Actual	2021 Actual
Total	-	\$25,000
Number of People	-	1

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

The Ministry reviews of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up payment

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is [confirmed/probable], the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

24. Commitments

Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows; Carpet Replacement contract for \$230,000. This project is fully funded by Ministry and \$207,000 has been received of which \$2,029 has been spent on project to date. Art Roof Replacement contract \$162,160. This project is fully funded by Ministry and no funds has been received to date however \$35,149 has been spent on project to date. Courtyard remedial contract for \$274,797. This project was partially funded by Ministry and \$215,346 has been received of which \$204,759 was spent. Deck upgrade contract for \$131,797. This project was partially funded by Ministry and \$117,000 has been received of which \$49,891 was spent. WeatherTightness project contract for \$339,150. This project is partially funded by Ministry and \$130,000 was received of which \$110,300 was spent.

25. 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

Financial assets measured at amortised cost (Loans and receivables)

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and Cash Equivalents	4,424,612	3,216,506	6,324,305
Receivables	1,323,315	1,160,000	1,171,391
Investments - Term Deposits	2,300,000	6,000,000	1,800,000
Total Financial assets measured at amortised cost	8,047,927	10,376,506	9,295,696

Financial liabilities measured at amortised cost

Payables	1,953,721	1,916,500	2,221,760
Finance Leases	266,264	315,000	368,876
Painting Contract Liability	-	130,000	136,857
Total Financial Liabilities Measured at Amortised Cost	2,219,985	2,361,500	2,727,493

Fair Value

The fair value of financial instruments is the carrying value. See notes 8 and 11 for the fair value of deposits.

Credit Risk

The maximum exposure to credit risk is disclosed in the Statement of Financial Position.

Credit risk is the risk that a third party will default on its obligations to Avondale College, causing the school to incur a loss.

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial assets. Maximum credit risks are disclosed in the Statement of Financial Position. The concentration of credit risk in respect of cash and cash equivalents is mitigated by investing with high credit

Receivables include grants and funding due from MOE. No collateral is held to mitigate the risk of loss as a result of default.

26.Events After Balance Date

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

27.Comparatives

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF AVONDALE COLLEGE'S FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Avondale College (the School). The Auditor-General has appointed me, Brendan Lyon, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 1 to 23, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 Standards.

Our audit was completed on 12 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibilities of the Board for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 school 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 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 is responsible for the other information. The other information comprises the Analysis of Variance and Kiwi Sport Note, 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 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read "B. Lyon", with a long horizontal flourish extending to the right.

Brendan Lyon
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand



AVONDALE
COLLEGE

ANALYSIS OF VARIANCE REPORTING

School Name:	Avondale College 2022	School Number:	78
Strategic Aim:	Continual Improvement: Ongoing use of self-review and evaluation to drive continual improvement for excellence and equity.		
Annual Aim:	<ul style="list-style-type: none">Define explicit, relevant achievement outcome goals for all classes. Conduct self-review in Term 1. Continue to prepare for the changes required by NCEA Review. Review of Junior Curriculum with particular focus on Year 10, in anticipation of new Level 1 in 2023/2024. Develop a process to track a student's personal academic growth. Introduce Aotearoa New Zealand Histories through Junior Social Sciences.		
Target and Baseline Data:	<ul style="list-style-type: none">Mixed model achievement 94% - progress made towards target (89%)85% NCEA students achieve 14+ credits – progress made towards target (72%)94% NCEA students achieve year-level qualification – progress made towards target (89%)NCEA grades are endorsement targets L1 56%, L2 47%, L3 44% – progress made towards all targets: L1 (36%), L2 (33%), L3 (27%).		
Progress towards Goal/Outcome:	<ul style="list-style-type: none">92% CAIE students achieve year-level qualification – progress made towards target (87%)CAIE targets for A*-B grades IG 71%, AS 53%, A2 70% – progress made towards all targets IG (67%), AS (52%), A2 (64%)76% of participating Y13 students achieve UE – progress made towards target (64%)Achieve 40 Scholarships – progress made towards target (30 achieved)Junior achievement outcomes for Y9 and Y10 over 90% - progress made towards this target (88%)85% of Year 10 achieve 20+ credits – progress made towards this target (56%).Achieve 2000+ industry certifications, from 620+ students – progress made towards this goal (723 certifications from 240 students).		



**AVONDALE
COLLEGE**

ANALYSIS OF VARIANCE REPORTING

School Name:	Avondale College 2022	School Number:	78
Strategic Aim:	Student Engagement & Wellbeing: The environment of Avondale College supports student learning, engagement and wellbeing.		
Annual Aims:	<ul style="list-style-type: none">• Consideration of recommendations and implementation of targeted suggestions of pastoral care system review.• Track attendance and HEART awards using benchmarks from 2021.• Develop and implement action plan for Restorative Practices across the school.• Develop processes / systems to use positive incident reporting / reward system.• Ongoing implementation of mixed- attainment Home Room classes.		
Target and Baseline Data:	<ul style="list-style-type: none">• Suspension, Stand down and DPs' Study Room data presented to Exec for discussion each term.• 92% Attendance.• Aim for a higher number of students to gain HEART awards (50%).• Wellbeing at School survey outcomes analysed upon receipt of final report and action plan developed.		
Progress towards Goal/Outcome:	Three targeted areas were identified from the pastoral care review and action for each developed. Tracking and analysis of Suspension, Stand-down and DP Study Room data was regularly collected and presentation to Executive will be a priority for 2023. Attendance on site continued to be affected by COVID-19. Attendance data affected the levels of HEART awards. Data from the Wellbeing at School Survey was reviewed with the assistance of the external provider.		



**AVONDALE
COLLEGE**

ANALYSIS OF VARIANCE REPORTING

School Name:	Avondale College 2022	School Number:	78
Strategic Aim:	Māori & Pasifika Success: The Avondale College curriculum supports student learning and achievement in a culturally sustaining way.		
Annual Aim:	<ul style="list-style-type: none"> • Develop cultural competencies of staff • Further develop ways to ensure Māori and Pasifika learners will see and feel their identity, language and culture celebrated. • Further build partnerships with Māori and Pasifika families. • Through curriculum review, curriculum development and RAS seek to reflect local tikanga Māori, mātauranga Māori and te ao Māori in the Avondale College Curriculum. • School wide Inquiry Projects focus on success for Māori and Pasifika students. 		
Target and Baseline Data:	<ul style="list-style-type: none"> • 93% Māori achieve year level qual – progress made towards target (68%) • 93% Pasifika achieve year level qual – progress made towards target (77%) • Māori NCEA: Y11 95%, Y12 95%, Y13 93% UE 64% – progress made towards targets - Y11 67% Y12 72% Y13 65% UE 42% • Pasifika NCEA: Y11 95% Y12 94%, Y13 88% UE 52% – progress made towards targets - Y11 82% Y12 80% Y13 66% UE 37% • 85% of Year 10 Māori and Pasifika learners gain 20 NCEA credits - progress made towards these targets, i.e. 31% and 33% respectively. 		
Progress towards Goal/Outcome:	<ul style="list-style-type: none"> • Year 9 and 10 Māori and Pasifika students achieve over 90% (as per column 1), with endorsements 'on par' with the cohort – progress made towards target (78% and 81% respectively). Overall Merit and above grades were 60%, for Māori Merit and above grades were 27%, for Pasifika Merit and above grades were 37%. • Endorsement targets for Māori and Pasifika students are as per cohort goals in column 1. Progress made towards Overall NCEA targets: Māori L1 19% L2 19% L3 14%; Pasifika L1 21% L2 14% L3 19% 		



**AVONDALE
COLLEGE**

ANALYSIS OF VARIANCE REPORTING

School Name:	Avondale College 2022	School Number:	78
Strategic Aim:	Digital Future: Equip students, staff, families and communities for a digital future.		
Annual Aim:	<ul style="list-style-type: none">• Implement BYOD across the school.• Continue to implement Digital Strategy Phase 1-3, but with a greater emphasis on Curriculum, and ongoing progress with Mobility and Culture.• Develop and share pedagogical approaches that effectively utilise digital technology.• Trial digital assessments in two Level 1 subjects.		
Target and Baseline Data:	<ul style="list-style-type: none">• Process for roll-out of equity devices established.• Targets established for schoolwide BYOD implementation.• All students have a digital device to use in class.• Ratio of in-school emails to Teams chat is 1:1.• Frequency of student logins to school network is monitored and increases.• Departmental digital storage allows for efficient set up of class Teams in 2023.		
Progress towards Goal/Outcome:	<ul style="list-style-type: none">• Equity devices were distributed to students who needed them.• Targets for schoolwide BYOD implementation were established.• The ratio of in-school emails to Team chat of 1:1 was exceeded in favour of Team chat.• Department SharePoint sites were created by all Departments to allow for efficient set up of class Teams centrally.		

KIWISPORT

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2022 the school received a total of \$68,569. The funding was spent on the purchase of equipment for Netball, Rugby, Soccer, Table Tennis, Badminton, Cricket, Basketball and Hockey. Payment was also spent on sports coaching fees. In 2022 students participating in organised sport was 22% and in 2021 was 25%. Sports team are working to increase student participation in all areas of Sports at the College.

GOOD EMPLOYER ASSURANCE

As a good employer, Avondale College operates an employment policy that contains provisions that are necessary for the fair and proper treatment of employees in all aspects of their employment including;

- follow Health and Safety procedures and monitor staff wellbeing.
- abide by the Equal Employment Opportunities requirements.
- opportunities to explore further professional development.
- recognition of ethnic and cultural needs and differences.