

AVONDALE COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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: | zknn@avcol.school.nz |

Members of The Avondale College School Board

| Position | Name |
|-----------------------|------------------|
| Presiding Member | Dave Erson |
| Board Member | Nua Silipa |
| Board Member | Mike Allison |
| Board Member | Tanya Samu |
| Board Member | Jenni Tupu |
| Board Member | Eileen Joy |
| Co-opted Board Member | Hine Watts |
| Staff Rep | Rhonda Donaldson |
| Student Rep | Hirimaia Eketone |

AVONDALE COLLEGE

Annual Report - For the year ended 31 December 2021

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Avondale College

Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Mr Dave Erson

Full Name of Board Chairperson



Signature of Board Chairperson

27 May 2022

Date:

Mrs Lyndy Watkinson

Full Name of Principal



Signature of Principal

27 May 2022

Date:

Avondale College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

| | | 2021 | 2021 | 2020 |
|---|-------|----------------------|-----------------------------|-----------------------|
| | Notes | Actual \$ | Budget (Unaudited) \$ | Actual \$ |
| Revenue | | | | |
| Government Grants | 2 | 26,672,394 | 26,120,027 | 27,766,285 |
| Locally Raised Funds | 3 | 1,621,963 | 1,857,116 | 1,647,527 |
| Interest Earned | | 49,088 | 127,099 | 129,070 |
| Early Childhood Education Centre | 4 | 490,516 | 519,800 | 629,044 |
| International Students | 5 | 588,015 | 729,827 | 1,800,584 |
| | | <u>29,421,977</u> | <u>29,353,869</u> | <u>31,972,510</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 1,284,422 | 1,340,716 | 1,267,119 |
| Early Childhood Education Centre | 4 | 521,966 | 499,665 | 546,226 |
| International Students | 5 | 449,561 | 579,262 | 1,340,364 |
| Learning Resources | 6 | 17,755,875 | 17,559,587 | 16,634,549 |
| Administration | 7 | 1,273,353 | 1,296,285 | 1,336,212 |
| Property | 8 | 7,028,157 | 6,876,026 | 9,091,904 |
| Depreciation | 9 | 1,072,097 | 1,125,000 | 1,073,619 |
| Loss on Disposal of Property, Plant and Equipment | | 18,624 | 3,000 | 4,726 |
| | | <u>29,404,054</u> | <u>29,279,541</u> | <u>31,294,718</u> |
| Net Surplus / (Deficit) for the year | | 17,922 | 74,328 | 677,792 |
| Total Comprehensive Revenue and Expense for the Year | | <u>17,922</u> | <u>74,328</u> | <u>677,792</u> |

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

Avondale College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

| | Actual 2021 \$ | Budget (Unaudited) 2021 \$ | Actual 2020 \$ |
|--|----------------------|-------------------------------------|----------------------|
| Balance at 1 January | <u>12,687,180</u> | <u>12,687,180</u> | <u>12,007,412</u> |
| Total comprehensive revenue and expense for the year | 17,922 | 74,328 | 677,792 |
| Capital Contributions from the Ministry of Education | 93,277 | - | - |
| Reserved Equity | (52,180) | - | 1,976 |
| Equity at 31 December | <u>12,746,199</u> | <u>12,761,508</u> | <u>12,687,180</u> |
| Retained Earnings | 12,746,199 | 12,761,508 | 12,687,180 |
| Reserves | - | - | - |
| Equity at 31 December | <u>12,746,199</u> | <u>12,761,508</u> | <u>12,687,180</u> |

Included in Retained earnings is the following trust funds:

| | | | |
|------------------------|----------------|----------------|----------------|
| Alistair Reid Trust | 52,199 | 51,000 | 52,344 |
| Claire Achmad Trust | 1,033 | 1,000 | 1,085 |
| Gordon Cole Trust | 23,888 | 24,000 | 24,228 |
| McKenzie Trust | 5,709 | 6,000 | 5,671 |
| Paul Kemp Trust | 4,987 | 5,000 | 5,081 |
| Phil Raffills Trust | 8,595 | 60,000 | 59,829 |
| Rotary Trust | 31,179 | 31,000 | 31,533 |
| Closing Balance | <u>127,591</u> | <u>178,000</u> | <u>179,771</u> |

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

Avondale College
Statement of Financial Position
As at 31 December 2021

| | | 2021 | 2021 | 2020 |
|---|-------|-------------------|-------------------|-------------------|
| | Notes | Actual | Budget | Actual |
| | | \$ | (Unaudited) | \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 10 | 6,324,305 | 1,056,442 | 1,571,471 |
| Accounts Receivable | 11 | 1,171,391 | 1,222,500 | 1,184,483 |
| GST Receivable | | 66,934 | 10,000 | 17,278 |
| Prepayments | | 17,104 | 35,000 | 28,845 |
| Inventories | 12 | 127,664 | 140,000 | 284,116 |
| Investments | 13 | 1,800,000 | 6,950,000 | 6,374,885 |
| | | <u>9,507,397</u> | <u>9,413,942</u> | <u>9,461,079</u> |
| Current Liabilities | | | | |
| Accounts Payable | 15 | 2,221,760 | 1,547,000 | 2,200,658 |
| Revenue Received in Advance | 16 | 269,888 | 813,700 | 591,417 |
| Painting Contract Liability - Current Portion | 18 | 49,522 | 110,000 | 49,522 |
| Finance Lease Liability - Current Portion | 19 | 105,956 | 50,000 | 49,951 |
| Funds held in Trust | 20 | 819,007 | 889,470 | 1,149,344 |
| Funds held for Capital Works Projects | 21 | 140,677 | 27,329 | (114,773) |
| | | <u>3,606,809</u> | <u>3,437,499</u> | <u>3,926,120</u> |
| Working Capital Surplus/(Deficit) | | 5,900,588 | 5,976,443 | 5,534,959 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 14 | 7,533,367 | 7,372,565 | 7,520,688 |
| | | <u>7,533,367</u> | <u>7,372,565</u> | <u>7,520,688</u> |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 17 | 337,500 | 337,500 | 225,000 |
| Painting Contract Liability | 18 | 87,335 | 250,000 | 143,467 |
| Finance Lease Liability | 19 | 262,920 | - | - |
| | | <u>687,755</u> | <u>587,500</u> | <u>368,467</u> |
| Net Assets | | <u>12,746,199</u> | <u>12,761,508</u> | <u>12,687,180</u> |
| Equity | | <u>12,746,199</u> | <u>12,761,508</u> | <u>12,687,180</u> |

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



Avondale College
Statement of Cash Flows
For the year ended 31 December 2021

| | | 2021 | 2021 | 2020 |
|---|------|------------------|------------------|------------------|
| | Note | Actual | Budget | Actual |
| | | \$ | (Unaudited) | \$ |
| Cash flows from Operating Activities | | | | |
| Government Grants | | 6,772,837 | 6,220,027 | 6,566,002 |
| Locally Raised Funds | | 1,621,963 | 1,857,116 | 1,647,527 |
| Early Childhood Centre | | 490,516 | 519,800 | 629,044 |
| International Students | | 307,377 | 942,677 | 1,095,342 |
| Goods and Services Tax (net) | | (47,171) | (56,676) | 5,160 |
| Payments to Employees | | (3,516,186) | (3,665,110) | (3,673,954) |
| Payments to Suppliers | | (4,615,924) | (4,835,988) | (4,883,689) |
| Interest Received | | 67,059 | 131,258 | 152,422 |
| Net cash from / (to) the Operating Activities | | 1,080,470 | 1,113,104 | 1,537,854 |
| Cash flows from Investing Activities | | | | |
| Purchase of PPE (and Intangibles) | | (1,103,400) | (988,554) | (399,090) |
| (Purchase)/Sale of Investments | | 4,574,885 | (575,115) | (78,041) |
| Sale of PPE | | 18,617 | - | 26,467 |
| Net cash from / (to) the Investing Activities | | 3,490,102 | (1,563,669) | (450,664) |
| Cash flows from Financing Activities | | | | |
| Finance Lease Payments | | 318,925 | 49 | (171,247) |
| Other Equity | | (52,180) | - | - |
| Furniture & Equipment Grant | | 93,277 | - | 1,980 |
| Funds Administered on Behalf of Third Parties | | (330,318) | (259,855) | (835,478) |
| Funds Held for Capital Works Projects | | 255,450 | 142,102 | (108,915) |
| Payment of Painting Contract | | (102,892) | 53,240 | (99,755) |
| Net cash from Financing Activities | | 182,262 | (64,464) | (1,213,415) |
| Net increase/(decrease) in cash and cash equivalents | | <u>4,752,834</u> | <u>(515,029)</u> | <u>(126,225)</u> |
| Cash and cash equivalents at the beginning of the year | 10 | 1,571,471 | 1,571,471 | 1,697,696 |
| Cash and cash equivalents at the end of the year | 10 | <u>6,324,305</u> | <u>1,056,442</u> | <u>1,571,471</u> |

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

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

Avondale College
Reconciliation of Cash Flows
From Operating Activities to Net Surplus
For the year ended 31 December 2021

| | 2021 | 2021 | 2020 |
|---|-------------------------|-------------------------|-------------------------|
| Note | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| | | \$ | |
| Net Surplus for the Year | 17,922 | 74,328 | 677,792 |
| | <u>17,922</u> | <u>74,328</u> | <u>677,792</u> |
| Add Non-Cash Items: | | | |
| Depreciation | 1,072,097 | 1,125,000 | 1,073,619 |
| Cyclical Maintenance | 112,500 | 112,500 | 112,500 |
| Charge for painting contract | 46,760 | 113,771 | 46,760 |
| | <u>1,231,357</u> | <u>1,351,271</u> | <u>1,232,879</u> |
| Add/(Less) Movements in other working capital items: | | | |
| (Increase)/decrease in receivables | 13,093 | (38,014) | (75,432) |
| (Increase)/decrease in prepayments | 11,741 | 32,493 | 29,965 |
| (Increase)/decrease in inventories | 156,452 | (16,791) | 17,237 |
| Increase/(decrease) in accounts payable | 21,111 | (495,606) | 443,101 |
| Increase/(decrease) in fees in advance | (321,529) | 222,283 | (753,420) |
| (Increase)/decrease in net GST | (49,658) | (16,860) | (34,268) |
| | <u>(168,790)</u> | <u>(312,495)</u> | <u>(372,817)</u> |
| | <u><u>1,080,489</u></u> | <u><u>1,113,104</u></u> | <u><u>1,537,854</u></u> |

The above Reconciliation of Cash Flows should be read in conjunction with the accompanying notes.

Avondale College

Notes to the Financial Statements

For the year ended 31 December 2021

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 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 2021 to 31 December 2021 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 1 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

In the prior year the total expenditure of the School exceeded \$30 million and as such the School prepared financial statements that complied with Tier 1 requirements. In the current year the total expenditure of the School was less than \$30 million, but the School has continued to prepare financial statements that comply with Tier 1 requirements as the Board expects the School to exceed this threshold for the year ended 31 December 2022.

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.



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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

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 14.

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 19.

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 the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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) 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 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

h) 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.

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.

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.

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

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



Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

| | |
|--|-------------------------|
| Audio Visual Equipment | 5 years |
| Buildings - School | 40 years |
| Carpark | 15 years |
| Early Childhood Centre Equipment | 8.5 - 10 years |
| Furniture and fittings | 10 - 15 years |
| Information and communication technology | 4 years |
| Information and communication technology second hand | 2 years |
| Motor vehicles | 5 years |
| Musical Equipment | 10 years |
| Other Equipment | 1.5 - 10 years |
| Plant & Machinery | 10 years |
| Textbooks | 3 years |
| Library resources | 12.5% Diminishing value |
| Leased Assets held under a Finance Lease | 3 - 5 years |

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 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.

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable and Accruals

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

n) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also 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 twelve 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 calculations 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.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international student fees 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) 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.



r) 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) or another appropriate source of evidence.

s) 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 categorised as 'financial assets measured at amortised cost' 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.

t) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on

u) 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.

v) Budget Figures

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

w) 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

| | 2021 | 2021 Budget (Unaudited) | 2020 |
|---|-------------------|-------------------------------|-------------------|
| | Actual \$ | \$ | Actual \$ |
| Operational grants | 5,427,356 | 5,302,170 | 5,339,672 |
| Teachers' salaries grants | 14,456,626 | 14,450,000 | 13,836,627 |
| Use of Land and Buildings grants | 5,442,931 | 5,450,000 | 7,363,656 |
| Resource teachers learning and behaviour grants | 264,542 | 304,246 | 268,434 |
| Other MOE grants | 1,080,938 | 613,611 | 957,897 |
| | <u>26,672,394</u> | <u>26,120,027</u> | <u>27,766,285</u> |

The school opted in to the 2021 donations scheme receiving \$406,200 for the year ended 31 December 2021 (2020: \$393,300)

Other MOE grants total includes additional COVID-19 funding totalling \$442,468 for the year ended 31 December 2021 for student laptops and international student transition fund (2020: \$377,468)

3. Locally Raised Funds

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

| | 2021 | 2021 Budget (Unaudited) | 2020 |
|---|------------------|-------------------------------|------------------|
| | Actual \$ | \$ | Actual \$ |
| Revenue | | | |
| Donations | 50,251 | 195,500 | 47,965 |
| Activities | 370,488 | 110,475 | 298,578 |
| Trading | 900,904 | 1,131,334 | 925,011 |
| Fundraising | 38,976 | 36,507 | 72,284 |
| Other Revenue | 261,344 | 383,300 | 303,689 |
| | <u>1,621,963</u> | <u>1,857,116</u> | <u>1,647,527</u> |
| Expenses | | | |
| Activities | 851,473 | 870,996 | 787,189 |
| Trading | 432,948 | 469,720 | 479,930 |
| | <u>1,284,422</u> | <u>1,340,716</u> | <u>1,267,119</u> |
| Surplus/ (Deficit) for the year Locally raised funds | <u>337,542</u> | <u>516,400</u> | <u>380,408</u> |

Overseas Travel

As a result of the global COVID19 pandemic in 2021 there was no student travel to overseas countries (2020: nil).

4. Early Childhood Education Centre

| | 2021 | 2021 Budget (Unaudited) | 2020 |
|---|------------------|-------------------------------|------------------|
| | Actual Number | Number | Actual Number |
| Early Childhood Education Centre Financial Performance | | | |
| Child Funded Hrs - Under 2 | 6,390 | 7,528 | 10,239 |
| Child Funded Hrs - Over 2 | 29,082 | 29,004 | 28,630 |

| | 2021 | 2021 Budget (Unaudited) | 2020 |
|---|-----------------|-------------------------------|----------------|
| | Actual \$ | \$ | Actual \$ |
| Revenue | | | |
| Government Grants | 363,310 | 341,200 | 489,252 |
| Parent Fees | 126,403 | 175,000 | 137,092 |
| Other Income | 803 | 3,800 | 2,700 |
| | <u>490,516</u> | <u>519,800</u> | <u>629,044</u> |
| Expenses | | | |
| Employee Benefit - Salaries | 448,099 | 425,950 | 473,473 |
| Administration | 1,407 | 2,000 | 2,016 |
| Property | 22,864 | 22,115 | 21,143 |
| Rental | 49,596 | 49,600 | 49,596 |
| | <u>521,966</u> | <u>499,665</u> | <u>546,228</u> |
| Surplus/ (Deficit) for the year Early Childhood Education Centre | <u>(31,452)</u> | <u>20,135</u> | <u>82,816</u> |

As a result of the global COVID19 pandemic the ECEC government grant includes \$30,216 for Wages Subsidy (2020: \$98,355).

5. International Student Revenue and Expenses

| | 2021 Actual Number | 2021 Budget (Unaudited) Number | 2020 Actual Number |
|--|--------------------------|---|--------------------------|
| International Student Roll | 38 | 39 | 100 |
| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
| Revenue | | | |
| International student fees | 588,015 | 729,827 | 1,800,584 |
| Expenses | | | |
| Advertising | 1,653 | 20,000 | 30,610 |
| Commissions | 37,849 | 55,000 | 171,192 |
| International student levy | 5,274 | 15,000 | 42,520 |
| Employee Benefit - Salaries | 351,452 | 355,762 | 921,639 |
| Other Expenses | 53,333 | 133,500 | 174,402 |
| | 449,561 | 579,262 | 1,340,363 |
| <i>Surplus/ (Deficit) for the year International Students'</i> | 138,454 | 150,565 | 460,221 |

Overseas Travel

During the year ended 31 December 2021 there was no international travel as a result of the global COVID19 Pandemic.

During the year ended 31 December 2020 the International Marketing Manager travelled to Mexico at a cost of \$9,522 for the purpose of recruiting new students for the school, funded from the net surplus from international student fees revenue. This travel occurred prior to the start of the global COVID19 pandemic which resulted in the cancellation of all subsequent 2020 planned travel.

6. Learning Resources

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Curricular | 774,920 | 717,583 | 842,718 |
| Equipment repairs | 10,117 | 13,718 | 8,850 |
| Extra-curricular activities | 393,954 | 374,127 | 290,806 |
| Library resources | 12,627 | 17,840 | 10,703 |
| Employee benefits - salaries | 16,282,897 | 16,118,298 | 15,205,053 |
| Staff development | 34,156 | 70,000 | 46,685 |
| Information and communication technology | 247,204 | 248,021 | 229,734 |
| | 17,755,875 | 17,559,587 | 16,634,549 |

During the year ended 31 December 2021 no staff travelled overseas on curricular related activities as a result of the global COVID19 pandemic.

During the year ended 31 December 2020 no staff travelled overseas on curricular related activities as a result of the global COVID19 pandemic.

7. Administration

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Audit Fee | 17,281 | 16,850 | 20,496 |
| Board of Trustees Fees | 11,545 | 9,100 | 9,069 |
| Board of Trustees Expenses | 42,178 | 22,764 | 38,765 |
| Communication | 92,386 | 107,440 | 111,736 |
| Consumables | 25,823 | 26,450 | 22,087 |
| Other | 248,858 | 247,500 | 274,030 |
| Employee Benefits - Salaries | 777,253 | 811,381 | 802,388 |
| Insurance | 24,577 | 27,750 | 25,133 |
| Service Providers, Contractors and Consultancy | 33,453 | 27,050 | 32,507 |
| | 1,273,353 | 1,296,285 | 1,336,212 |



8. Property

| | 2021 | 2021 Budget | 2020 |
|-------------------------------------|------------------|------------------|------------------|
| | Actual | (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Caretaking and Cleaning Consumables | 56,129 | 58,000 | 82,222 |
| Consultancy and Contract Services | 288,067 | 287,166 | 285,545 |
| Cyclical Maintenance Expense | 112,500 | 110,000 | 112,500 |
| Grounds | 32,870 | 31,300 | 52,659 |
| Heat, Light and Water | 184,974 | 224,420 | 195,983 |
| Rates | (248) | 220 | 245 |
| Repairs and Maintenance | 628,038 | 440,300 | 714,854 |
| Use of Land and Buildings | 5,442,931 | 5,450,000 | 7,363,656 |
| Security | 110,295 | 103,413 | 107,158 |
| Employee Benefits - Salaries | 172,601 | 171,207 | 177,081 |
| | <u>7,028,157</u> | <u>6,876,026</u> | <u>9,091,904</u> |

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align with the Government Capital Charge Rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by the school. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property value are established as part of the nation-wide re-evaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

9. Depreciation

| | 2021 | 2021 Budget | 2020 |
|--|------------------|------------------|------------------|
| | Actual | (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Audio Visual | 31,013 | 32,550 | 41,766 |
| Buildings - School | 263,498 | 276,500 | 263,188 |
| Carpark | 1,083 | 1,100 | 1,085 |
| Early Childhood Equipment | 10,298 | 10,800 | 9,585 |
| Furniture and Equipment | 115,516 | 121,200 | 120,681 |
| Information and Communication Technology | 355,801 | 373,400 | 487,034 |
| Motor Vehicles | 23,363 | 24,500 | 25,656 |
| Musical Equipment | 6,976 | 7,300 | 4,828 |
| Other Equipment | 19,906 | 20,900 | 17,782 |
| Plant and Equipment | 20,428 | 21,400 | 20,451 |
| Textbooks | 21,575 | 22,650 | 17,752 |
| Leased Assets | 173,417 | 182,000 | 32,051 |
| Library Resources | 29,223 | 30,700 | 31,758 |
| | <u>1,072,097</u> | <u>1,125,000</u> | <u>1,073,619</u> |

10. Cash and Cash Equivalents

| | 2021 | 2021 Budget | 2020 |
|---|------------------|------------------|------------------|
| | Actual | (Unaudited) | Actual |
| | \$ | \$ | \$ |
| Cash on Hand | 1,420 | 1,420 | 1,420 |
| Bank Current Account | 270,864 | 75,715 | 115,149 |
| Bank Call Account | 6,052,021 | 979,307 | 1,454,902 |
| Cash and cash equivalents for Cash Flow Statement | <u>6,324,305</u> | <u>1,056,442</u> | <u>1,571,471</u> |

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

Of the \$6,324,305 Cash and Cash Equivalents, \$41,966 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 \$6,324,305 Cash and Cash Equivalents, \$140,677 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 2021 on Crown owned school building.

11. Account Receivable

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables | 7,390 | 60,000 | 50,579 |
| Receivables from the Ministry of Education (Other Receivables) | 37,237 | 42,500 | 41,073 |
| Interest Receivable | 6,187 | 20,000 | 24,158 |
| Teacher Salaries Grant Receivable | 1,120,576 | 1,100,000 | 1,068,673 |
| | <u>1,171,391</u> | <u>1,222,500</u> | <u>1,184,483</u> |
| Receivables from Exchange Transactions | 13,578 | 80,000 | 74,737 |
| Receivables from Non-Exchange Transactions | 1,157,814 | 1,142,500 | 1,109,746 |
| | <u>1,171,391</u> | <u>1,222,500</u> | <u>1,184,483</u> |

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

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|-----------------------|----------------------|----------------------|----------------------|
| Not past due | 1,164,001 | 1,160,000 | 1,133,904 |
| Past due 1 - 30 days | 18,205 | 60,000 | 21,585 |
| Past due 31 - 60 days | (17,106) | - | 26,812 |
| Past due 61 - 90 days | 5,025 | - | 540 |
| Past due over 90 days | 1,267 | 2,500 | 1,642 |
| Total | <u>1,171,391</u> | <u>1,222,500</u> | <u>1,184,483</u> |

12. Inventories

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|-----------------|----------------------|-------------------------------------|----------------------|
| School Uniforms | 127,664 | 140,000 | 284,116 |
| | <u>127,664</u> | <u>140,000</u> | <u>284,116</u> |

13. Investments

The School's investment activities are classified as follows:

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | | | |
| Short-term Bank Deposits | 1,800,000 | 6,950,000 | 6,374,885 |

14. Property, Plant and Equipment

| | Opening Balance (NBV) \$ | Additions \$ | Disposals \$ | Impairment \$ | Depreciation \$ | Total (NBV) \$ |
|--|-----------------------------------|------------------|-----------------|------------------|--------------------|-------------------|
| 2021 | | | | | | |
| Audio Visual | 81,617 | - | - | - | (31,013) | 50,604 |
| Buildings - School | 5,940,320 | 91,140 | (12,548) | - | (263,498) | 5,755,414 |
| 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) | 23,554 |
| Musical Equipment | 43,336 | 18,582 | (507) | - | (6,976) | 54,435 |
| 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 | <u>7,520,688</u> | <u>1,103,400</u> | <u>(18,624)</u> | <u>-</u> | <u>(1,072,097)</u> | <u>7,533,367</u> |



| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ |
| 2021 | | | |
| Audio Visual | 950,234 | (899,629) | 50,604 |
| Buildings - School | 9,553,996 | (3,798,581) | 5,755,414 |
| Carpark | 79,665 | (78,321) | 1,345 |
| 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) | 558,454 |
| Motor Vehicles | 221,577 | (198,023) | 23,554 |
| Musical Equipment | 287,614 | (233,178) | 54,435 |
| 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) | 399,283 |
| Library Resources | 502,969 | (380,431) | 122,538 |
| Balance at 31 December 2021 | 21,252,248 | (13,718,881) | 7,533,367 |

| | Opening Balance (NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|--|-----------------------------|----------------|-----------------|------------|--------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 2020 | | | | | | |
| Audio Visual | 109,485 | 13,900 | - | - | (41,768) | 81,617 |
| Buildings - School | 6,174,919 | 28,589 | - | - | (263,188) | 5,940,320 |
| Carpark | 3,513 | - | - | - | (1,085) | 2,428 |
| Early Childhood Equipment | 54,722 | 16,193 | - | - | (9,585) | 61,330 |
| Furniture and Equipment | 465,621 | 28,871 | - | - | (120,681) | 373,811 |
| Information and Communication Technology | 733,483 | 237,436 | - | - | (487,034) | 483,885 |
| Motor Vehicles | 99,039 | - | (26,466) | - | (25,656) | 46,917 |
| Musical Equipment | 28,750 | 19,414 | - | - | (4,828) | 43,336 |
| Other Equipment | 102,820 | 3,908 | - | - | (17,782) | 88,946 |
| Plant and Equipment | 104,317 | - | - | - | (20,451) | 83,866 |
| Textbooks | 38,785 | 23,472 | - | - | (17,752) | 44,505 |
| Leased Assets | 171,263 | - | - | - | (32,051) | 139,212 |
| Library Resources | 134,967 | 27,306 | - | - | (31,758) | 130,515 |
| Balance at 31 December 2020 | 8,221,684 | 399,089 | (26,466) | - | (1,073,619) | 7,520,688 |

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

| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ |
| 2020 | | | |
| Audio Visual | 1,199,460 | (1,117,843) | 81,617 |
| Buildings - School | 9,487,193 | (3,546,873) | 5,940,320 |
| Carpark | 79,665 | (77,237) | 2,428 |
| Early Childhood Equipment | 177,284 | (115,954) | 61,330 |
| Furniture and Equipment | 2,699,634 | (2,325,823) | 373,811 |
| Information and Communication Technology | 3,253,675 | (2,769,790) | 483,885 |
| Motor Vehicles | 221,577 | (174,660) | 46,917 |
| Musical Equipment | 286,026 | (242,690) | 43,336 |
| Other Equipment | 807,056 | (718,110) | 88,946 |
| Plant and Equipment | 791,046 | (707,180) | 83,866 |
| Textbooks | 811,243 | (766,738) | 44,505 |
| Leased Assets | 942,535 | (803,323) | 139,212 |
| Library Resources | 481,723 | (351,208) | 130,515 |
| Balance at 31 December 2020 | 21,236,117 | (13,717,429) | 7,520,688 |



15. Accounts Payable

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Operating creditors | 269,248 | 295,000 | 360,433 |
| Accruals | 472,240 | 22,000 | 409,040 |
| Employee Entitlements - salaries | 1,352,197 | 1,100,000 | 1,303,141 |
| Employee Entitlements - leave accrual | 128,074 | 130,000 | 128,044 |
| | <u>2,221,760</u> | <u>1,547,000</u> | <u>2,200,658</u> |
| Payables for Exchange Transactions | 741,488 | 317,000 | 769,473 |
| Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates) | 1,480,272 | 1,230,000 | 1,431,185 |
| | <u>2,221,760</u> | <u>1,547,000</u> | <u>2,200,658</u> |

The carrying value of payables approximates their fair value.

16. Revenue Received in Advance

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Grants in Advance - Ministry of Education | 41,966 | 55,000 | 63,118 |
| International Student Fees | 183,663 | 745,000 | 481,666 |
| Other | 44,258 | 13,700 | 46,633 |
| | <u>269,888</u> | <u>813,700</u> | <u>591,417</u> |

17. Provision for Cyclical Maintenance

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Provision at the Start of the Year | 225,000 | 225,000 | 112,500 |
| Increase/ (decrease) to the Provision During the Year | 112,500 | 112,500 | 112,500 |
| Provision at the End of the Year | <u>337,500</u> | <u>337,500</u> | <u>225,000</u> |
| Cyclical Maintenance - Term | 337,500 | 337,500 | 225,000 |
| | <u>337,500</u> | <u>337,500</u> | <u>225,000</u> |

18. Painting Contract Liability

| | 2021 Actual \$ | 2021 Budget (Unaudited) \$ | 2020 Actual \$ |
|-----------------------|----------------------|-------------------------------------|----------------------|
| Current Liability | 49,522 | 110,000 | 49,522 |
| Non Current Liability | 87,335 | 250,000 | 143,467 |
| | <u>136,857</u> | <u>360,000</u> | <u>192,989</u> |

In 2011 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an twelve year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2011, with regular maintenance in subsequent years. The agreement has an annual commitment of \$58,481. 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.



19. Finance Lease Liability

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

| | 2021 Actual | 2021 Budget (Unaudited) | 2020 Actual |
|--|----------------|-------------------------------|----------------|
| No Later than One Year | \$ 136,145 | \$ 53,250 | \$ 50,530 |
| Later than One Year and no Later than Five Years | 296,460 | 3,250 | - |
| <i>Total minimum lease payments</i> | <u>432,606</u> | <u>56,500</u> | <u>50,530</u> |
| Future finance cost/(revenue) (lease discount) | 63,729 | (6,500) | (579) |
| <i>Present value of minimum lease payments</i> | <u>368,876</u> | <u>50,000</u> | <u>49,951</u> |
| Present value of minimum lease payments payable: | | | |
| No Later than One Year | 105,956 | 50,000 | 49,951 |
| Later than One Year and no Later than Five Years | 262,920 | - | - |
| <i>Present value of minimum lease payments</i> | <u>368,876</u> | <u>50,000</u> | <u>49,951</u> |

20. Funds held in Trust

| | 2021 Actual | 2021 Budget (Unaudited) | 2020 Actual |
|--|----------------|-------------------------------|------------------|
| Funds Held in Trust on Behalf of Third Parties - Current | \$ 819,007 | \$ 889,470 | \$ 1,149,325 |
| | <u>819,007</u> | <u>889,470</u> | <u>1,149,325</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.

21. 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:

| | 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 2017/18 Music/Art/Deck Refurb | <i>completed</i> | (9,170) | - | - | - | (9,170) |
| 5YA 2019 Stadium Gutter | <i>completed</i> | 849 | 1,152 | - | - | 2,000 |
| 5YA 2020 SIP Projects | <i>in progress</i> | (37,200) | 332,347 | (217,731) | - | 77,415 |
| 5YA 2020 Theatre W/T Project | <i>in progress</i> | (11,920) | 130,000 | (49,186) | - | 68,894 |
| 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 |
| Totals | | <u>(114,773)</u> | <u>522,369</u> | <u>(266,917)</u> | <u>-</u> | <u>140,677</u> |
| Represented by: | | | | | | |
| Funds Held on Behalf of the Ministry of Education | | | | | | 140,677 |
| | | | | | | <u>140,677</u> |

| | 2020 | Opening Balances \$ | Receipts from MoE \$ | Payments/ Transfers \$ | BOT Contribution | Closing Balances \$ |
|--|--------------------|---------------------------|----------------------------|------------------------------|---------------------|---------------------------|
| 5YA 2017/18 E Block/Transverse Corridor | <i>completed</i> | 13,070 | - | (60,979) | - | (47,909) |
| 5YA 2017/18 Auditorium | <i>completed</i> | (24,667) | - | 24,667 | - | - |
| 5YA 2017/18 Music/Art/Deck Refurb | <i>completed</i> | (9,170) | - | - | - | (9,170) |
| 5YA 2017/18 Mobility Infrastructure | <i>completed</i> | (5,517) | - | 5,517 | - | - |
| 5YA 2017/18 Site/Pavement Works | <i>completed</i> | 5,682 | - | (5,682) | - | - |
| 5YA 2018 Atrium Bird proofing | <i>completed</i> | (500) | - | 500 | - | - |
| 5YA 2019 Stadium Gutter | <i>completed</i> | 849 | - | - | - | 849 |
| 5YA 2020 SIP Projects | <i>in progress</i> | - | 27,000 | (64,200) | - | (37,200) |
| 5YA 2020 Theatre W/T Project | <i>in progress</i> | - | - | (11,920) | - | (11,920) |
| 5YA 2018 Theatre Roof Repair | <i>completed</i> | (1,000) | - | 1,000 | - | - |
| 5YA 2019 B14-B17 Roof & Gutter replacement | <i>completed</i> | 21,175 | - | (30,598) | - | (9,423) |
| Emergency Project | <i>completed</i> | (5,781) | - | 5,781 | - | - |
| Totals | | (5,860) | 27,000 | (135,913) | - | (114,773) |

Represented by:

Funds Held on Behalf of the Ministry of Education

(114,773)

(114,773)

22. 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. (2020: nil). The school contributed \$18,000 (2020: \$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 (2020: \$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 \$138,340.41 (2020: \$118,476.62).

23. Remuneration

Key management personnel compensation

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

| | 2021 Actual \$ | 2020 Actual \$ |
|--|----------------------|----------------------|
| Board Members | | |
| Remuneration | 11,545 | 9,069 |
| Full-time equivalent members | 1.01 | 0.97 |
| Leadership Team | | |
| Remuneration | 3,792,152 | 3,742,658 |
| Full-time equivalent members | 34 | 34 |
| Total key management personnel remuneration | 3,803,697 | 3,751,727 |
| Total full-time equivalent personnel | 35.01 | 34.97 |

There are 9 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:

| | 2021 Actual \$000 | 2020 Actual \$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: | | |
| Salary and Other Payments | 250-260 | 240-250 |
| Benefits and Other Emoluments | 0-10 | 0-10 |
| Termination Benefits | 0 | 0 |

Other Employees

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

| Remuneration \$000 | 2021 FTE Number | 2020 FTE Number |
|-----------------------|--------------------|--------------------|
| 140 - 150 | 1.00 | 1.00 |
| 130 - 140 | 4.00 | 0.00 |
| 120 - 130 | 2.00 | 5.00 |
| 110 - 120 | 8.00 | 5.00 |
| 100 - 110 | 24.00 | 11.00 |
| | 39.00 | 22.00 |

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

24. 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:

| | 2021 Actual \$25,000 | 2020 Actual \$0 |
|------------------|----------------------------|-----------------------|
| Total | | |
| Number of People | 1 | 0 |

25. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: 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 2021, a contingent liability for the school may exist.

26. Commitments

Capital Commitments

As at 31 December 2021 there were no contracts were in place at year end.

As at 31 December 2020 there were two SIP projects being planned for the Central Courtyard and Staffroom Deck. No contracts were in place at year end.

27. 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.

28. Financial Instruments

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

Financial assets measured at amortised cost (Loans and receivables)

| | 2021 | 2021 | 2020 |
|-----------------------------|-----------|-------------|-----------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Cash and Cash Equivalents | 6,324,305 | 1,056,442 | 1,571,471 |
| Receivables | 1,171,391 | 1,222,500 | 1,184,483 |
| Investments - Term Deposits | 1,800,000 | 6,950,000 | 6,374,885 |

Total Financial assets measured at amortised cost

| | | |
|-----------|-----------|-----------|
| 9,295,696 | 9,228,942 | 9,130,839 |
|-----------|-----------|-----------|

Financial liabilities measured at amortised cost

| | | | |
|-----------------------------|-----------|-----------|-----------|
| Payables | 2,221,760 | 1,547,000 | 2,200,658 |
| Finance Leases | 368,876 | 50,000 | 49,951 |
| Painting Contract Liability | 136,857 | 360,000 | 192,989 |

Total Financial Liabilities Measured at Amortised Cost

| | | |
|-----------|-----------|-----------|
| 2,727,493 | 1,957,000 | 2,443,598 |
|-----------|-----------|-----------|

Fair Value

The fair value of financial instruments is the carrying value. See notes 10 and 13 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 rating registered banks (in accordance with section 73 of the Education and Training Act 2020).

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

In accordance with Schedule 6 section 28 of the Education and Training Act 2020 all surplus monies are invested with registered banks. The following cash and deposit balances represent concentrations of credit risk.

| | 2021 | 2021 | 2020 |
|---|-----------|-----------|-----------|
| | Actual | Budget | Actual |
| | \$ | \$ | \$ |
| Westpac Banking Corporation (AA-) | | | |
| Cash on Hand | 1,420 | 1,420 | 1,420 |
| Bank Current Account | 269,869 | 75,695 | 115,142 |
| Bank Call Account | 914,466 | 979,307 | 1,454,902 |
| Short-term Bank Deposits - with maturities more than 3 months | 3,800,000 | - | - |
| Short-term Bank Deposits - with maturities 3 months or less | 1,800,000 | 5,600,000 | 5,050,000 |
| ASB Bank (AA-) | | | |
| Bank Current Account | 995 | 20 | 7 |
| Short-term Bank Deposits - with maturities more than 3 months | 1,337,555 | 1,350,000 | - |
| Short-term Bank Deposits - with maturities 3 months or less | - | - | 1,324,885 |
| Net cash and cash equivalents and bank | 8,124,305 | 8,006,442 | 7,946,356 |
| Accrued Interest | 6,187 | 20,000 | 24,158 |
| | 8,130,492 | 8,026,442 | 7,970,514 |

Interest Rate Risk

The boards' treasury policy objectives are to

- [a] ensure there is sufficient liquidity to meet the operational commitments;
- [b] invest in risk free or near risk free investments
- [c] purchase investments with a range of maturity dates.

The maturity periods for the investments are as follows:

| | 2021 | 2020 |
|----------------------------------|-----------|------|
| | \$ | \$ |
| Within 366 days (2020: 366 days) | 1,800,000 | - |

All of the above investments can be readily liquidated, although not necessarily at the amounts recorded above.



Currency Risk

The school had no exposure to currency risk as at reporting date.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements of Avondale College. The school manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

| | Carrying amount \$ | Contractual cash flows \$ | Less than 6 months \$ | 6-12 months \$ | More than 1 year \$ |
|-----------------------------|--------------------------|---------------------------------|-----------------------------|-------------------|---------------------------|
| 2021 | | | | | |
| Payables | 2,221,760 | 2,221,760 | 2,221,760 | - | - |
| Finance leases | 368,876 | 432,606 | 68,073 | 68,073 | 296,460 |
| Painting Contract Liability | 136,857 | 136,857 | - | 49,522 | 87,335 |
| Total | 2,727,493 | 2,791,222 | 2,289,832 | 117,595 | 383,795 |
| 2020 | | | | | |
| Payables | 2,200,658 | 2,200,658 | 2,200,658 | - | - |
| Finance leases | 49,951 | 49,951 | 49,951 | - | - |
| Painting Contract Liability | 192,989 | 192,989 | - | 59,894 | 133,095 |
| Total | 2,443,598 | 2,443,598 | 2,250,609 | 59,894 | 133,095 |

29. Events After Balance Date

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

30. Comparatives

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

31. COVID 19 Pandemic on going implication

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga (Ministry of Education), even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF AVONDALE COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Avondale College (the School). The Auditor-General has appointed me, Paul Lawrence, 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 2 to 23, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 29 May 2022. 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.

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 blue ink that reads "Paul Lawrence".

Paul Lawrence
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand