



LONG BAY COLLEGE

Care, create, excel

LONG BAY COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	27
Principal:	Mr CJ Healey
School Address:	30 Ashley Avenue, Long Bay, Auckland, 0630, New Zealand
School Postal Address:	PO Box 89007, Torbay, Auckland, 0742
School Phone:	09 477 9009
School Email:	office@lbc.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Kevin de Jong	Chair Person	Elected
CJ Healey	Principal	ex Officio
Christy Allison	Parent Rep	Elected
Richard Beechey	Parent Rep	Elected
Vanessa Mitschak	Parent Rep	Elected
Justin O'Sullivan	Parent Rep	Elected
Steve Piner	Parent Rep	Co-opted
Simon Tran	Parent Rep	Elected
Denise Trent (Staff Trustee)	Staff Trustee	Elected
Kyle Sowry	Student Trustee	Elected

LONG BAY COLLEGE

Annual Report - For the year ended 31 December 2019

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Long Bay College

Report from the Principal for the year ended 31 December 2019

2019 was another successful year for the various cohorts at Long Bay College. Our students continued to perform at or above the National and Decile 8-10 statistics.

There were noticeable improvements across much of our academic performance at the end of the year. Whilst NCEA Level 1 and University Entrance attainment remained consistent, there were significant increases at Level 2 (up from 86.5% to 94.7%) and Level 3 (up from 78.1% to 85.7%). Excellence and Merit endorsements also improved at both Level 1 and Level 2.

The new Senior Leadership Team began to take shape, supported by Professional Learning Development from the Springboard Trust in relation to the High Performing Teams and the implementation of the strategic plan began in earnest. The relatively new Board of Trustees also continued their work, with the existing Deputy Board Chair, Kevin de Jong chairing the board. The three focus goals of i) a culture of extraordinary care, ii) exceptional learning and iii) a first-class environment to support each of the other two goals continued as the basis of the strategic direction of the school.

On the physical front, the school began to initiate several of its building programmes with the M Block refurbishment, Science Block alterations, Toilet refurbishments and lower field developments all beginning.

Notable achievements and initiatives that were completed in relation to the strategic plan were a new attendance system being implemented, a best practice curriculum report delivered and subsequently the junior programme refined, our Quality Assurance processes reviewed and restructured, structured needs based PLD programme delivered, PCT programme redesigned and delivered, pastoral programme "Atawhai" introduced, restorative practice introduced and staff developed, strengthened relationships with our Maori community and increased levels of mental and emotional support for our students and staff. Many other initiatives were introduced and remain ongoing.

Financially, as documented in this report, the School is on a sound footing in which to deliver on the Strategic Plan.

We continue to be excited to offer a first-class education in each of the five arms of our school namely, academia, the arts, culture, sport and service to others, for the learners within our community. In each area, we have achieved continued success and are rightly proud of our student, teacher and community efforts.

Detailed in the document is an analysis of our academic performance for 2019.

Financial Management

The College ended the year with a surplus of \$756,000 despite the Government Grants income of \$14.00 million being significantly less than the \$15.28 million needed to run the school. The operating deficit of \$1.28 million was offset by locally raised funds of \$2.04 million, of which \$1.23 million was generated by fee-paying students and \$806,000 was contributed by parents in the form of subject contributions and school donations.

The College continues to be highly dependent on fee-paying students and on parent/caregiver contributions to ensure financial viability of its operations.

Financial Summary of use of Government funds:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	\$	\$	\$	\$	\$
Income					
Government Grants	13,822,368	13,763,188	12,794,256	12,693,478	13,035,621
Investment Income	<u>178,709</u>	<u>136,089</u>	<u>119,425</u>	<u>126,809</u>	<u>140,801</u>
	14,001,077	13,901,277	12,913,681	12,820,287	13,176,422
Operating Expenditure	<u>15,280,757</u>	<u>15,493,119</u>	<u>14,343,031</u>	<u>13,739,750</u>	<u>14,398,532</u>
Operating Deficit	<u>1,279,680</u>	<u>1,591,842</u>	<u>1,429,350</u>	<u>919,463</u>	<u>1,222,110</u>

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2018, the school received total Kiwisport funding of \$33,934 (excluding GST) as a component of the Operations Grant. The funding was spent on equipment and coaching in various sports including basketball, cricket, hockey, netball, rugby, tennis, volleyball, water polo and yachting.



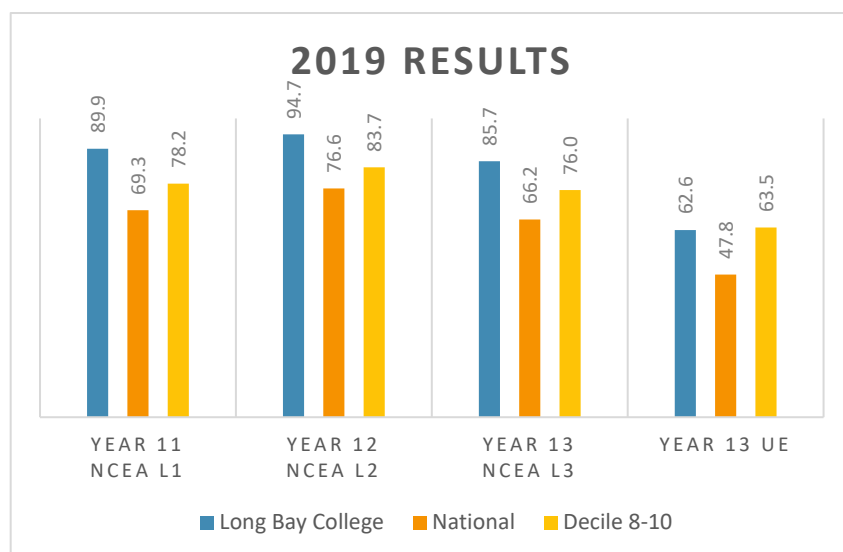
CJ Healey BA(Hons), PGCE, PGDip
Principal

Long Bay College 2019 Analysis of Variance

NZQA statistics are based on an enrolment measure. Students enrolled with the school for 70 calendar days or more count towards Long Bay College data. Only domestic students are included in the statistics. Up to 3 ethnicities are recorded for each student. They will be put against all three ethnicities in the statistics.

Overall Achievement*

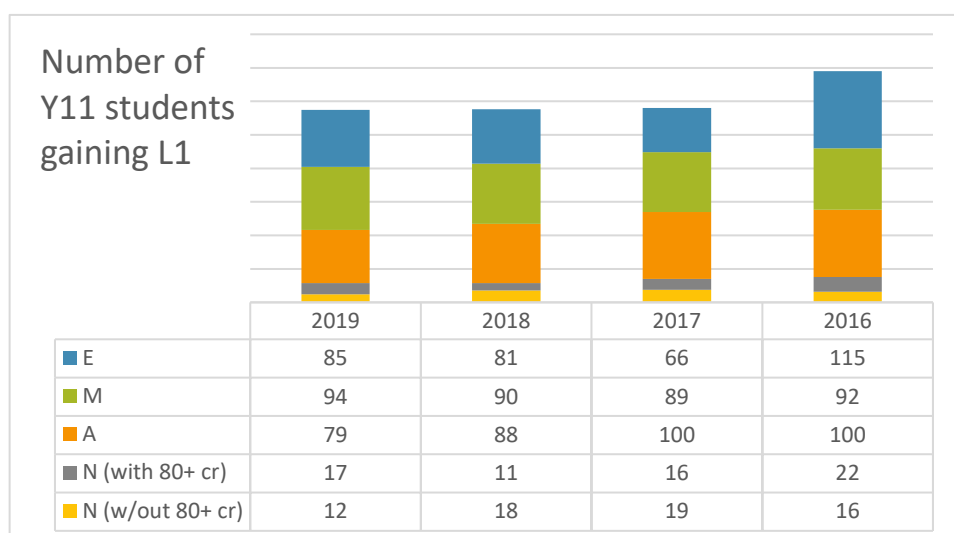
LBC achievement is above both National and Decile 8 to 10 averages in NCEA Level 1, 2 & 3 and within 1.1% for University Entrance (UE).



Year Level Achievement*

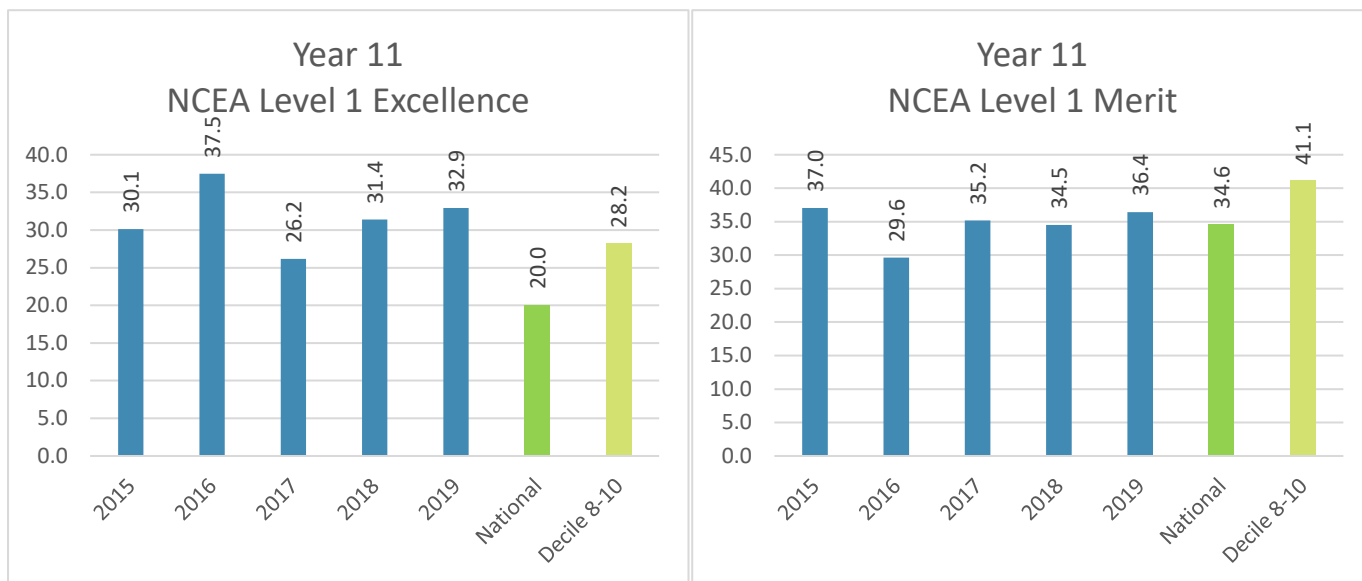
Year 11

In 2019 there were 287 students counted compared with 288 in 2018 (0.3% decrease) with 57 not counted. The overall achievement was static at 89.9%. Excellence endorsements increased from 28.1% to 29.6% with the Merit endorsements also increasing from 31.3% to 32.8%.



Endorsements**

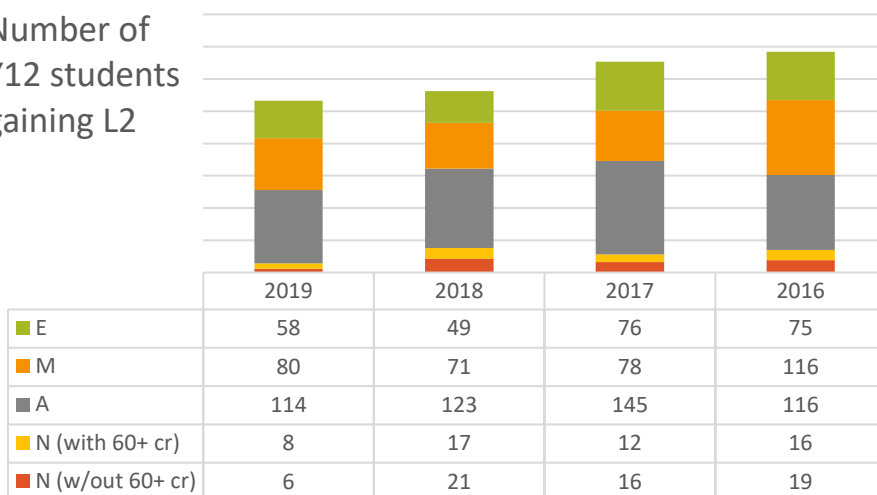
Long Bay College over time compared to 2019 National & Decile 8 to 10 rates.



Year 12

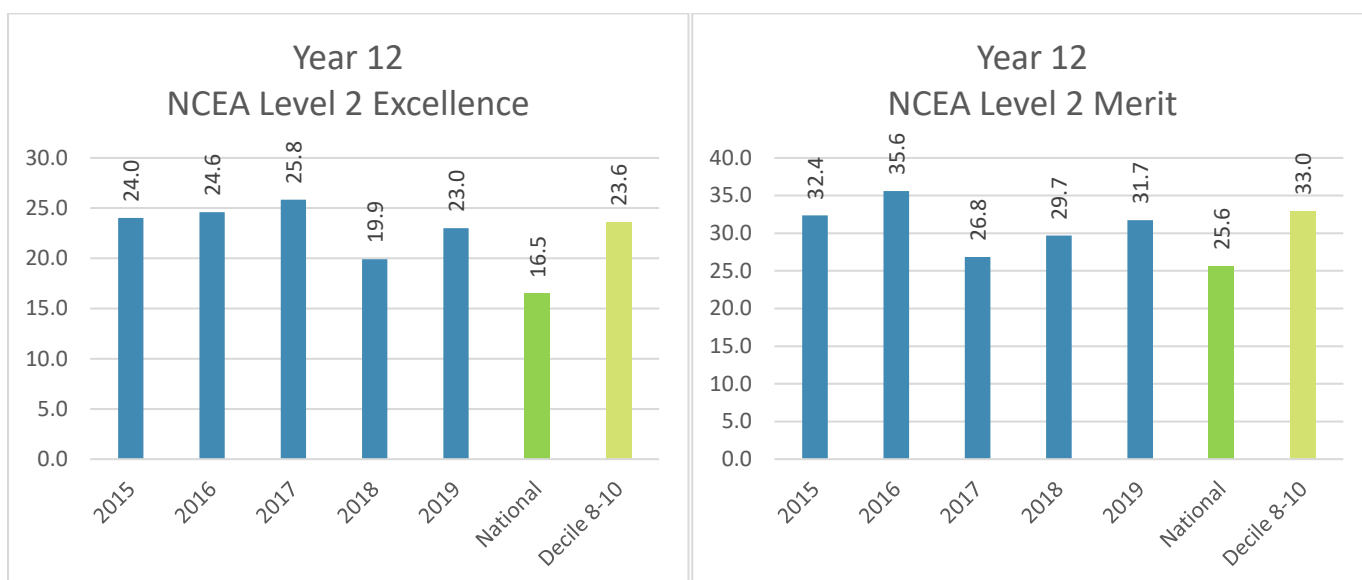
In 2019 there were 266 students counted compared with 281 in 2018 (5.3% decrease) with 70 students not counted. Both Merit & Excellence endorsements have increased from 25% to 30% and 17% to 22% respectively.

Number of Y12 students gaining L2



Endorsements**

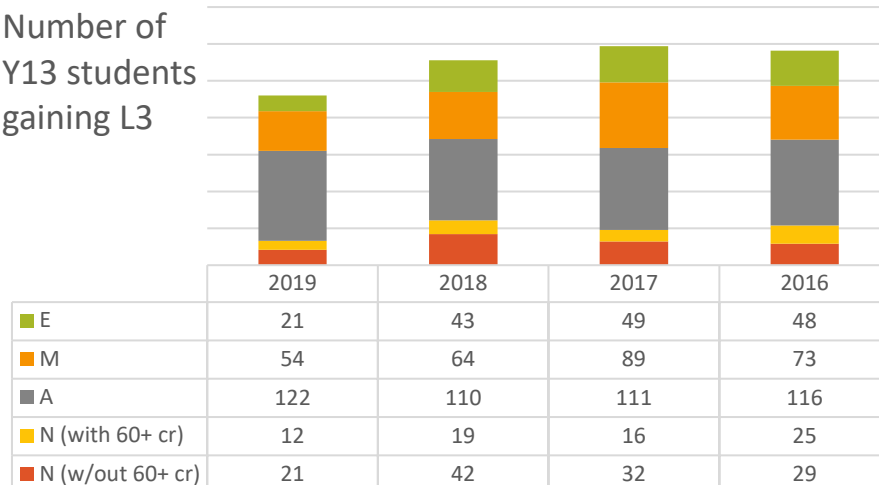
Long Bay College over time compared to 2019 National & Decile 8 to 10 rates.



Year 13

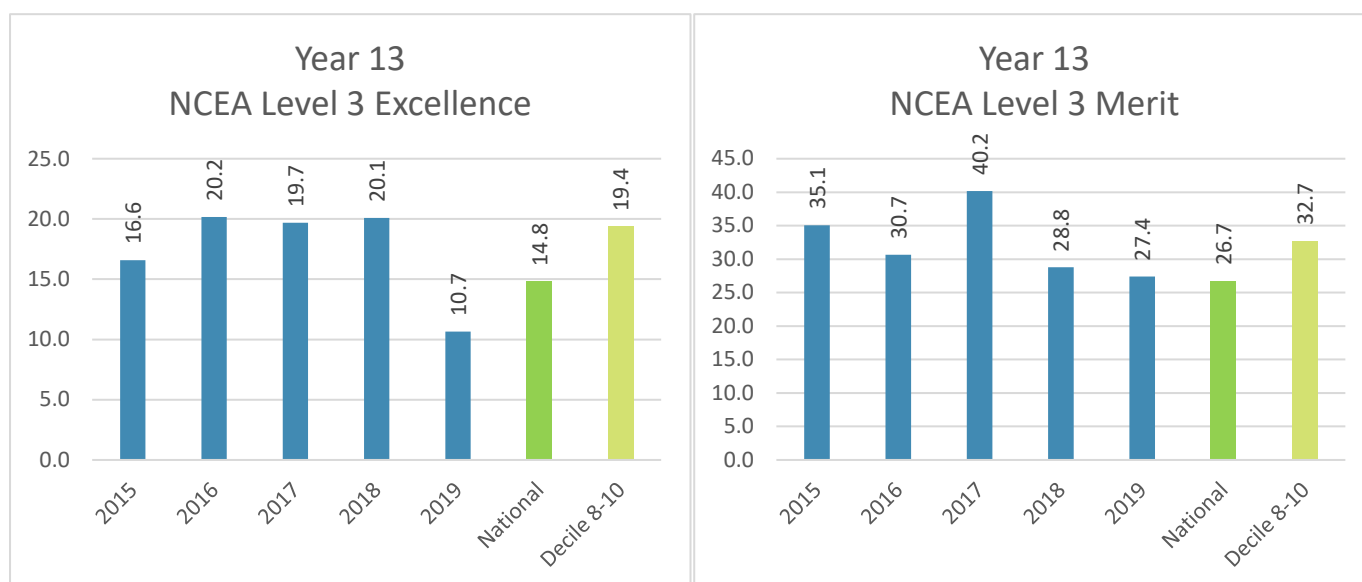
In 2019 there were 230 students counted compared with 278 in 2018 with 52 students not counted. Merit endorsements have increased from 23% to 24% from 2018 while Excellence endorsement have decreased.

Number of Y13 students gaining L3



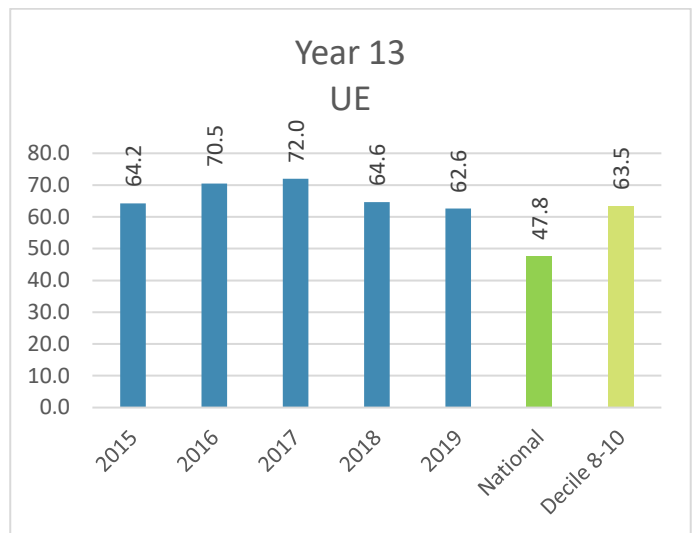
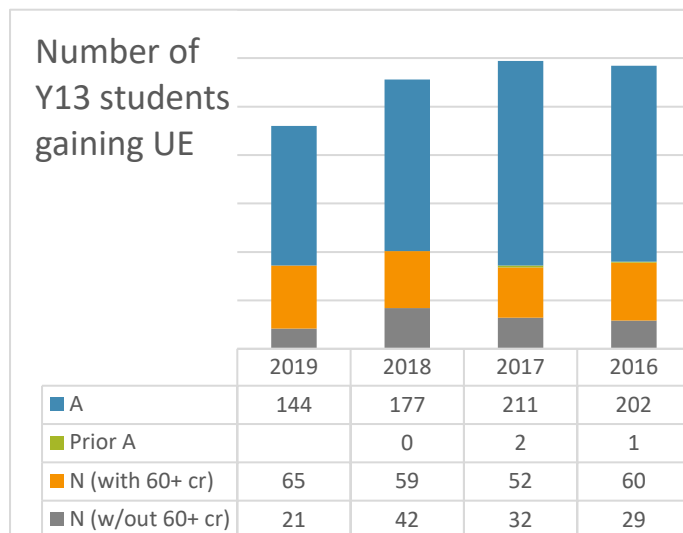
Endorsements**

Long Bay College over time compared to 2019 National & Decile 8 to 10 rates.



University Entrance

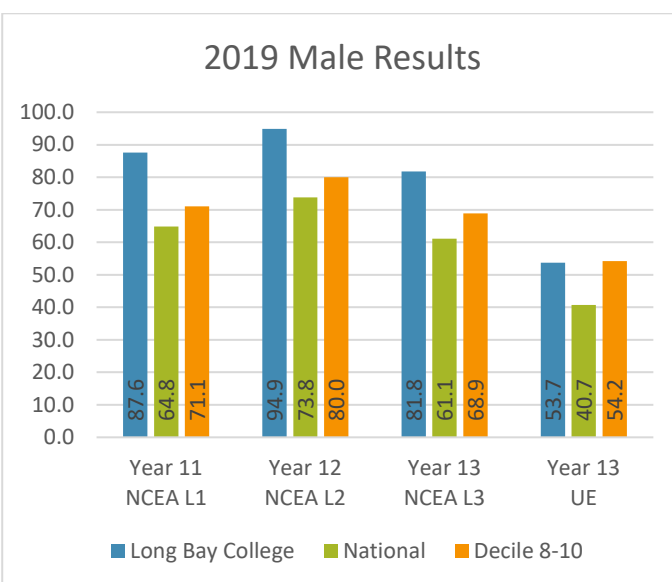
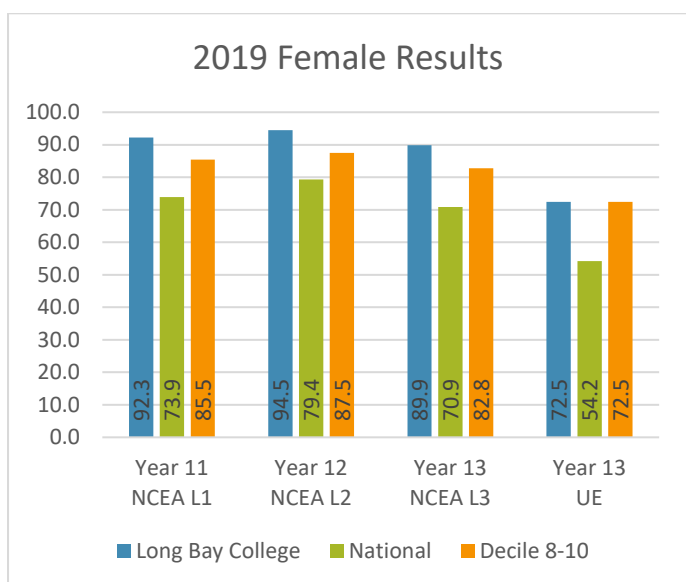
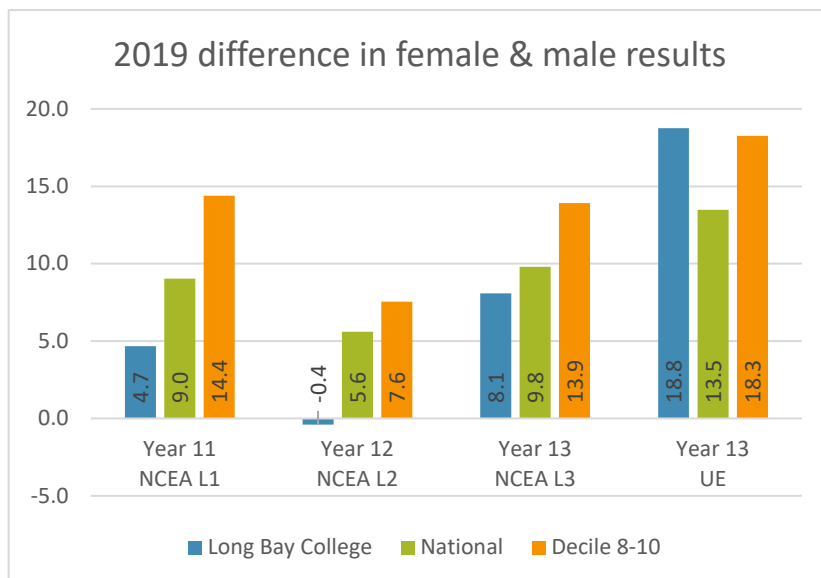
Our UE pass rate is well above the national rate and within 1% of the decile 8 to 10 rate.



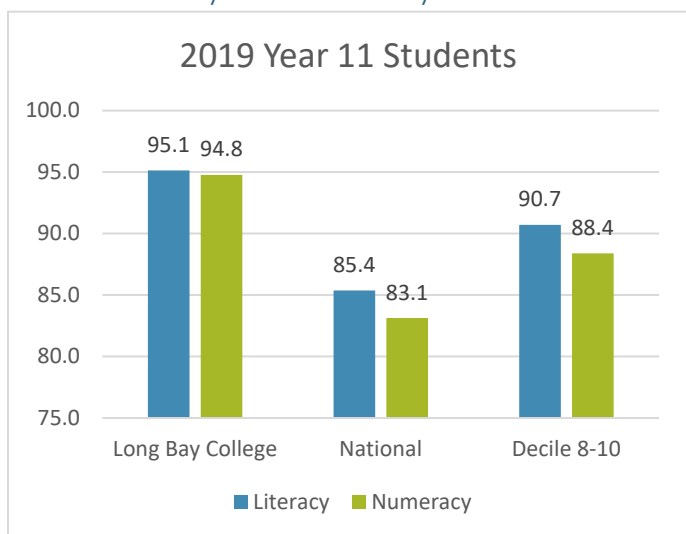
Gender**

Girls continue to achieve at greater rates than boys in most areas. However, the smaller gap we saw in the 2018 Year 11 cohort has disappeared from 1.1% to -0.4% for that group of students in Y12 for 2019.

The gap is wider for L3 and UE. The higher literacy requirements for UE (UE literacy and 3 approved subjects) contribute to the difference between L3 and UE results.



Level 1 Literacy and Numeracy **



Our Y11 students achieved literacy and numeracy at higher rates than both national and Decile 8 to 10 rates.

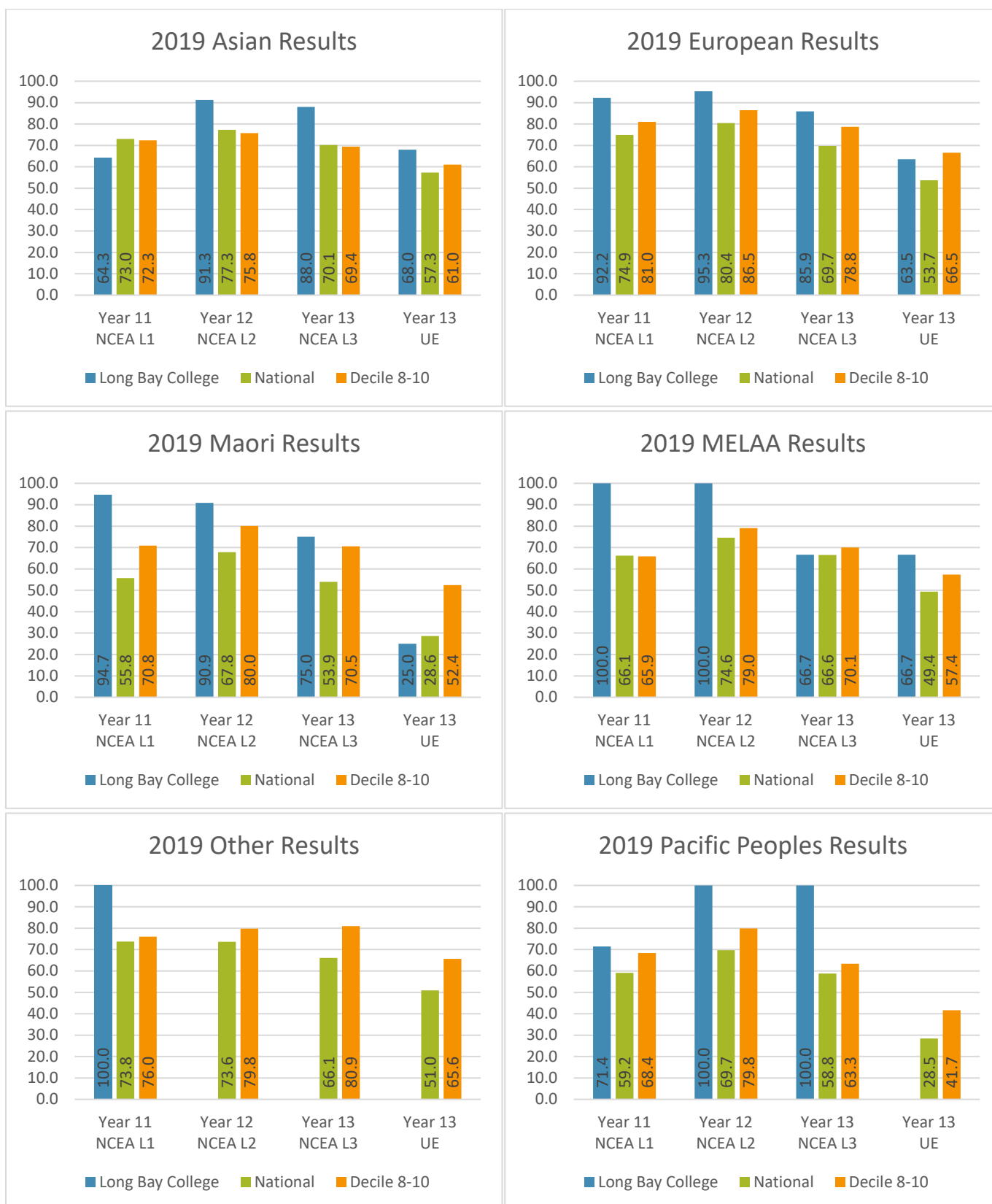
Out of 287 students, 273 gained literacy and 272 gained numeracy.

The students who did not gain Literacy and/or Numeracy:

Not attending	1
Poor attendance	4
Learning support	2
Arrived term 3 in NZ	2
English second language	6

Ethnicity**

Ethnicity reporting uses total response methodology so some students may appear in more than one ethnicity grouping.



We had 12 Year 13 students identifying as Maori in 2019. 9 gained Level 3 NCEA and 3 of them gained UE. Included is one student who gained L3 with Merit endorsement. Those who did not achieve L3 NCEA include one is an ORS funded student, one left in June and one left in September to start a job.

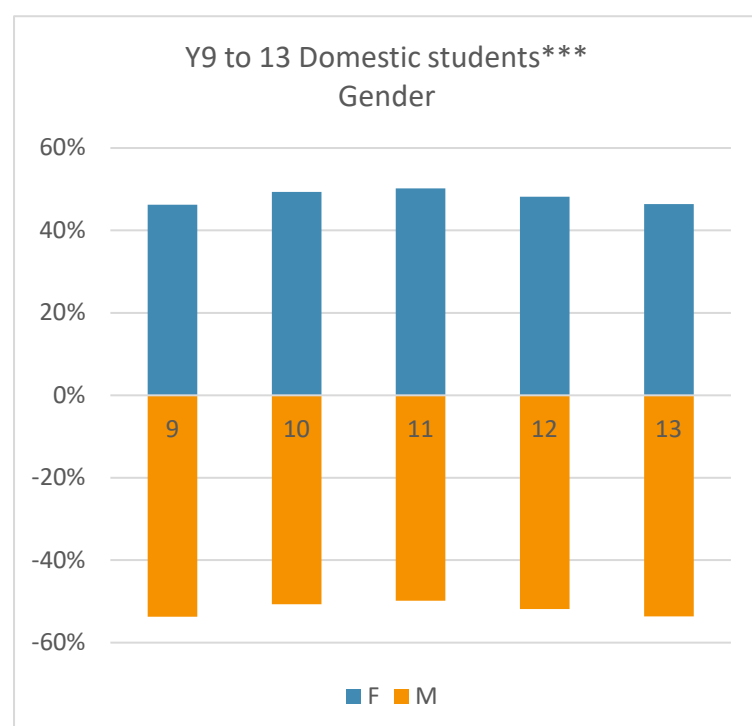
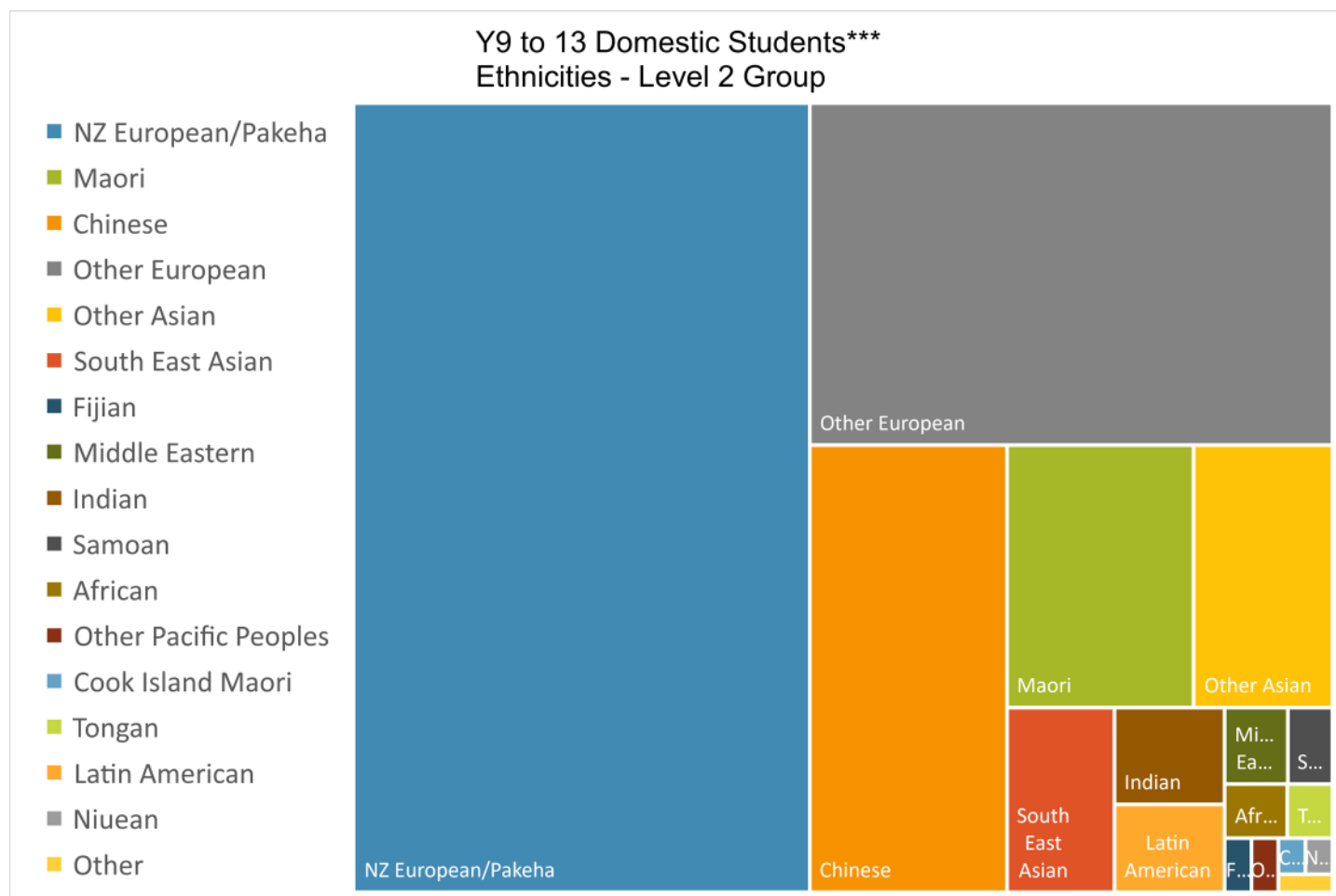
We had 1 Year 13 student identifying as Pacific Peoples. This student gained L3 NCEA and left in September to start a job.

In Year 12 we had 6 students identifying as Maori. All but one gained L2 NCEA with one student achieving with Excellence.

There were 3 students classified as Pacific Peoples. All gained L2 with one achieving a Merit Endorsement.

In Year 11, 6 students identify as Pacific Peoples with 4 gaining L1 NCEA including 1 each at Merit & Excellence. There were 19 Maori students. All but 1 (not attending student) gained L1 NCEA with 4 students gaining an Excellence endorsement & 6 at Merit.

School Profile



	F	M
9	118	137
10	147	151
11	150	149
12	132	142
13	116	134
	663	713

* Data generated from 2016-2019 NCEA and UE
Student lists downloaded between 18/1 to
1/3/2020

**Data taken from Principal's Report generated
13/2/2019

*** Data generated from Kamar 1/3/2020

Long Bay College

Statement of Responsibility

For the year ended 31 December 2019

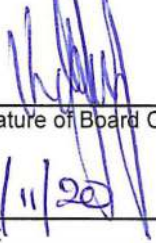
The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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

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

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

Kevin de Jong
Full Name of Board Chairperson


Signature of Board Chairperson

3/11/20
Date:

C J Henley
Full Name of Principal


Signature of Principal

3/11/20
Date:

Long Bay College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	13,497,527	13,490,889	13,822,368
Locally Raised Funds	3	1,022,122	204,900	806,325
Interest income		205,990	188,000	178,709
Gain on Sale of Property, Plant and Equipment		1,680	-	-
International Students	4	2,618,456	2,679,450	2,672,755
Other Revenue		-	86,000	-
		<u>17,345,775</u>	<u>16,649,239</u>	<u>17,480,157</u>
Expenses				
Locally Raised Funds	3	79,205	-	125,893
International Students	4	1,383,217	1,616,606	1,443,392
Learning Resources	5	9,857,754	10,355,750	9,501,069
Administration	6	770,652	733,150	692,153
Finance		76,899	44,800	25,855
Property	7	4,290,747	4,440,531	4,376,081
Depreciation	8	538,509	558,000	555,219
Loss on Disposal of Property, Plant and Equipment		-	-	2,959
Transport		3,204	3,000	1,575
		<u>17,000,187</u>	<u>17,751,837</u>	<u>16,724,196</u>
Net Surplus / (Deficit) for the year		345,588	(1,102,598)	755,961
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>345,588</u></u>	<u><u>(1,102,598)</u></u>	<u><u>755,961</u></u>

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

Long Bay College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>6,887,170</u>	<u>6,886,894</u>	<u>6,089,956</u>
Total comprehensive revenue and expense for the year		345,588	(1,102,598)	755,961
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	41,245
Increase in Reserves		105	-	8
Equity at 31 December	26	<u>7,232,863</u>	<u>5,784,296</u>	<u>6,887,170</u>
Retained Earnings		7,214,639	5,784,296	6,869,051
Reserves		18,224	-	18,119
Equity at 31 December		<u>7,232,863</u>	<u>5,784,296</u>	<u>6,887,170</u>

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

Long Bay College
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	2,370,410	1,951,899	2,314,245
Accounts Receivable	10	615,283	609,881	609,114
Prepayments		220,730	160,923	160,923
Investments	11	5,858,388	3,625,163	3,577,027
		<u>9,064,812</u>	<u>6,347,866</u>	<u>6,661,309</u>
Current Liabilities				
GST Payable		143,522	22,663	22,663
Accounts Payable	13	1,219,697	1,020,148	950,300
Borrowings - Due in one year	14	65,475	63,626	62,850
Revenue Received in Advance	15	2,290,172	3,015,060	1,795,021
Provision for Cyclical Maintenance	16	13,741	106,500	174,991
Finance Lease Liability - Current Portion	18	33,227	57,994	33,227
Funds held in Trust	19	1,380,718	1,116,500	1,220,039
Funds held for Capital Works Projects	20	(80,190)	(96,560)	(30,305)
		<u>5,066,363</u>	<u>5,305,931</u>	<u>4,228,786</u>
Working Capital Surplus/(Deficit)		3,998,449	1,041,935	2,432,523
Non-current Assets				
Investments	11	-	-	1,048,136
Property, Plant and Equipment	12	3,920,872	5,091,597	3,811,854
		<u>3,920,872</u>	<u>5,091,597</u>	<u>4,859,990</u>
Non-current Liabilities				
Borrowings	14	87,116	88,774	152,000
Provision for Cyclical Maintenance	16	355,386	145,560	222,905
Long Service & Retirement Liability	17	39,157	25,665	25,665
Finance Lease Liability	18	204,800	89,237	4,773
		<u>686,458</u>	<u>349,236</u>	<u>405,343</u>
Net Assets		<u>7,232,863</u>	<u>5,784,296</u>	<u>6,887,170</u>
Equity	26	<u>7,232,863</u>	<u>5,784,296</u>	<u>6,887,170</u>

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

Long Bay College
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		2,561,325	2,553,920	2,689,765
Locally Raised Funds		1,176,023	221,826	728,502
International Students		2,919,914	2,679,450	2,943,641
Goods and Services Tax (net)		120,859	22,663	493
Payments to Employees		(2,163,943)	(3,028,819)	(1,986,885)
Payments to Suppliers		(2,988,293)	(3,065,652)	(3,011,601)
Cyclical Maintenance Payments in the year		(28,769)	(23,093)	(17,006)
Interest Paid		(76,899)	(44,800)	(25,855)
Interest Received		247,698	166,285	144,908
Net cash from Operating Activities		1,767,916	(518,220)	1,465,962
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		1,680	-	2,040
Purchase of PPE (and Intangibles)		(496,877)	(1,837,743)	(211,555)
Purchase of Investments		(1,233,225)	-	(1,110,465)
Proceeds from Sale of Investments		-	2,137,819	-
Net cash from Investing Activities		(1,728,421)	300,076	(1,319,980)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	41,245
Finance Lease Payments		(32,247)	(47,231)	(43,648)
Loans Received/ Repayment of Loans		(62,259)	(152,400)	(261,917)
Funds Administered on Behalf of Third Parties		161,061	216,500	263,045
Funds Held for Capital Works Projects		(49,885)	(96,560)	(80,196)
Net cash from Financing Activities		16,671	(79,691)	(81,471)
Net increase/(decrease) in cash and cash equivalents		56,165	(297,835)	64,511
Cash and cash equivalents at the beginning of the year	9	2,314,245	2,249,734	2,249,734
Cash and cash equivalents at the end of the year	9	2,370,410	1,951,899	2,314,245

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

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

Long Bay College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition**Government Grants**

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	50 years
Furniture and equipment	5-20 years
Information and communication technology	5-8 years
Motor vehicles	8 years
Textbooks	6-8 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) Borrowings

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

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

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	2,320,972	2,335,344	2,420,621
Teachers' Salaries Grants	7,546,264	7,546,264	7,718,409
Use of Land and Buildings Grants	3,389,938	3,389,938	3,414,192
Resource Teachers Learning and Behaviour Grants	151,425	164,899	171,519
Other MoE Grants	32,269	-	40,969
Other Government Grants	56,658	54,444	56,658
	13,497,527	13,490,889	13,822,368

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	195,572	203,400	210,251
Overseas Travel	79,932	-	126,171
Activities	728,169	-	448,111
Trading	17,000	-	17,391
Other Revenue	1,449	1,500	4,401
	1,022,122	204,900	806,325
Expenses	79,205	-	125,893
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	942,917	204,900	680,432

Overseas Trips 2019:

During the year ended 31 December 2019, two teachers plus eleven students went on a classical studies trip to Europe at a cost of \$79,205. The trip was undertaken to deepen student appreciation for the classical societies of Ancient Greece & Ancient Rome by visiting archaeological sites and museums of historical significance. The trip contributed to student achievement, particularly for stds 91201 & 91345. This trip was funded by students and families.

Overseas Trips 2018:

During the year ended 31 December 2018, three teachers and 19 students went on an Arts Trip to Melbourne at a cost of \$37,224 to study and understand visual art in context, visiting art exhibitions and identifying artist's technique. This trip was funded by parents.

During the year ended 31 December 2018, two teachers and 11 students went on a Business and Fashion Studies Trip to the USA at a cost of \$88,669, to learn business and fashion in context outside the classroom, experience fashion designers at work and attend fashion workshops. This trip was funded by parents.

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	162	167	167
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	2,618,456	2,679,450	2,672,755

Expenses

Advertising	2,597	2,500	3,966
Commissions	286,607	359,160	328,075
Recruitment	170,886	-	130,261
International Student Levy	31,046	60,950	60,193
Employee Benefit - Salaries	662,739	817,030	751,596
Other Expenses	229,342	376,966	169,301
	1,383,217	1,616,606	1,443,392

Surplus/ (Deficit) for the year International Students'

1,235,239	1,062,844	1,229,363
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International Travel

During the year ended 31 December 2019, the Director of International Studies travelled to Japan, Brazil, Korea, Vietnam & Europe at a cost of \$108,591.31 for the purpose of recruiting new students for the school and to attend marketing fairs & conferences. The travel was funded from the net surplus from international student fee revenue.

5. Learning Resources

	2019	2019	2018
	Actual	Budget	
	\$	(Unaudited)	Actual
		\$	\$
Curricular	792,060	766,500	670,400
Information and Communication Technology	211,133	211,535	192,067
Extra-Curricular Activities	343,249	158,904	286,503
Library Resources	11,457	-	4,836
Employee Benefits - Salaries	8,471,345	9,171,611	8,318,728
Staff Development	28,510	47,200	28,535
	9,857,754	10,355,750	9,501,069

6. Administration

	2019	2019	2018
	Actual	Budget	
	\$	(Unaudited)	Actual
		\$	\$
Audit Fee	6,130	9,300	9,195
Board of Trustees Fees	4,734	2,050	5,830
Board of Trustees Expenses	21,044	19,300	36,413
Communication	39,465	79,500	30,899
Consumables	77,716	3,000	2,451
Other	35,675	4,500	6,991
Employee Benefits - Salaries	532,340	540,000	547,287
Insurance	53,547	54,000	52,775
Service Providers, Contractors and Consultancy	-	21,500	312
	770,652	733,150	692,153

7. Property

	2019	2019	2018
	Actual	Budget	
	\$	(Unaudited)	Actual
		\$	\$
Caretaking and Cleaning Consumables	263,393	269,040	276,136
Cyclical Maintenance Provision	-	105,153	64,449
Grounds	104,152	100,300	86,615
Heat, Light and Water	130,968	28,000	143,117
Rates	315	400	286
Repairs and Maintenance	364,046	477,700	314,750
Use of Land and Buildings	3,389,938	3,389,938	3,414,192
Employee Benefits - Salaries	37,935	70,000	76,536
	4,290,747	4,440,531	4,376,081

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	27,641	-	27,641
Building Improvements - Crown	29,253	-	29,208
Furniture and Equipment	211,912	-	210,793
Information and Communication Technology	191,332	-	184,776
Motor Vehicles	12,987	-	12,987
Textbooks	10,743	-	23,629
Leased Assets	54,640	-	62,276
Library Resources	-	-	3,909
	<u>538,509</u>	<u>558,000</u>	<u>555,219</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	-	7,442	7,442
Bank Current Account	1,315,312	1,838,912	2,201,258
Bank Call Account	1,055,098	87,235	87,235
Short-term Bank Deposits	-	-	-
Bank - Trust Accounts	-	18,310	18,310
	<u>2,370,410</u>	<u>1,951,899</u>	<u>2,314,245</u>

Cash and cash equivalents for Cash Flow Statement

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

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	61,507	69,074	21,715
Receivables from the Ministry of Education	767	767	767
Interest Receivable	26,599	21,715	68,307
Teacher Salaries Grant Receivable	526,410	518,325	518,325
	<u>615,283</u>	<u>609,881</u>	<u>609,114</u>
Receivables from Exchange Transactions	88,106	90,789	90,022
Receivables from Non-Exchange Transactions	527,177	519,092	519,092
	<u>615,283</u>	<u>609,881</u>	<u>609,114</u>

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	5,858,388	3,625,163	3,577,027
Non-current Asset			
Long-term Bank Deposits	-	-	1,048,136
Total Investments	<u>5,858,388</u>	<u>3,625,163</u>	<u>4,625,163</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	1,168,795	-	-	-	(27,641)	1,141,154
Building Improvements	1,088,892	317,125	-	-	(29,253)	1,376,764
Furniture and Equipment	1,168,396	126,165	-	-	(211,912)	1,082,649
Information and Communication Technology	267,420	29,994	-	-	(191,332)	106,082
Motor Vehicles	47,281	-	-	-	(12,987)	34,294
Textbooks	9,078	6,463	-	-	(10,743)	4,798
Leased Assets	34,632	167,779	-	-	(54,640)	147,771
Library Resources	27,360	-	-	-	-	27,360
Balance at 31 December 2019	3,811,854	647,527	-	-	(538,509)	3,920,872

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	1,382,073	(240,919)	1,141,154
Building Improvements	1,779,758	(402,994)	1,376,764
Furniture and Equipment	4,342,608	(3,259,959)	1,082,649
Information and Communication Technology	3,392,287	(3,286,205)	106,082
Motor Vehicles	94,347	(60,053)	34,294
Textbooks	751,497	(746,698)	4,798
Leased Assets	344,096	(196,325)	147,771
Library Resources	133,492	(106,132)	27,361
Balance at 31 December 2019	12,220,158	(8,299,286)	3,920,872

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	1,196,437	-	-	-	(27,641)	1,168,796
Building Improvements	1,105,335	12,765	-	-	(29,208)	1,088,892
Furniture and Equipment	1,238,995	140,194	-	-	(210,793)	1,168,396
Information and Communication Technology	431,636	20,560	-	-	(184,776)	267,420
Motor Vehicles	60,267	-	-	-	(12,987)	47,280
Textbooks	17,248	15,459	-	-	(23,629)	9,078
Leased Assets	89,323	7,585	-	-	(62,276)	34,632
Library Resources	29,709	4,519	(2,959)	-	(3,909)	27,360
Balance at 31 December 2018	4,168,950	201,082	(2,959)	-	(555,219)	3,811,854

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	1,382,073	(213,278)	1,168,795
Building Improvements	1,462,634	(373,742)	1,088,892
Furniture and Equipment	4,216,443	(3,048,047)	1,168,396
Information and Communication Technology	3,362,293	(3,094,873)	267,420
Motor Vehicles	94,347	(47,066)	47,281
Textbooks	745,033	(735,955)	9,078
Leased Assets	176,316	(141,684)	34,632
Library Resources	133,492	(106,132)	27,360
Balance at 31 December 2018	11,572,631	(7,760,777)	3,811,854

13. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	488,268	247,149	67,810
Accruals	32,662	703,427	155,340
Other Creditors	120,052	27,689	137,180
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	529,126	-	548,087
Employee Entitlements - Leave Accrual	49,589	41,883	41,883
	<u>1,219,697</u>	<u>1,020,148</u>	<u>950,300</u>
Payables for Exchange Transactions	1,219,697	1,020,148	950,300
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>1,219,697</u>	<u>1,020,148</u>	<u>950,300</u>

The carrying value of payables approximates their fair value.

14. Borrowings

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Due in One Year	65,475	63,626	62,850
Due Beyond One Year	87,116	88,774	152,000
	<u>152,591</u>	<u>152,400</u>	<u>214,850</u>

The school has borrowings at 31 December 2019 of \$152,591 (31 December 2018 \$214,850). This loan is from ASB Bank for the purpose of purchasing computers and photocopiers. The loan is unsecured, interest is 4.58% and 5.67% per annum and the loan is payable in 60 equal instalments.

15. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	2,096,479	3,015,060	1,795,021
Other	193,693	-	-
	<u>2,290,172</u>	<u>3,015,060</u>	<u>1,795,021</u>

16. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	397,896	397,896	350,453
Increase/ (decrease) to the Provision During the Year	(28,769)	105,153	58,066
Use of the Provision During the Year	-	(250,989)	(10,623)
Provision at the End of the Year	<u>369,127</u>	<u>252,060</u>	<u>397,896</u>

Cyclical Maintenance - Current	13,741	106,500	174,991
Cyclical Maintenance - Term	355,386	145,560	222,905
	<u>369,127</u>	<u>252,060</u>	<u>397,896</u>

17. Long Service & Retirement Liability

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Current Liability	-	-	-
Non Current Liability	39,157	25,665	25,665
	<u>39,157</u>	<u>25,665</u>	<u>25,665</u>

18. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	33,227	57,994	33,227
Later than One Year and no Later than Five Years	204,800	89,237	4,773
Later than Five Years	-	-	-
	<u>238,027</u>	<u>147,231</u>	<u>38,000</u>

19. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,380,718	1,116,500	1,220,039
	<u>1,380,718</u>	<u>1,116,500</u>	<u>1,220,039</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.

20. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
5YA - D Block MLE Project	<i>in progress</i>	(37,465)	2,064,490	(2,089,157)	-	(62,132)
5YA - B&D Block Flashing	<i>in progress</i>	5,734	-	-	-	5,734
5YA - B Block Roof	<i>in progress</i>	1,426	-	-	-	1,426
New Field Development	<i>in progress</i>	-	-	(25,218)	-	(25,218)
Totals		<u>(30,305)</u>	<u>2,064,490</u>	<u>(2,114,375)</u>	<u>-</u>	<u>(80,190)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	7,160
Funds Due from the Ministry of Education	(87,350)
	<u>(80,190)</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
5YA - D Block MLE Project	<i>in progress</i>	57,726	-	(95,191)	-	(37,465)
5YA - site drainage	<i>in progress</i>	1,278	-	-	(1,278)	-
5YA - B&D Block flashions	<i>in progress</i>	5,624	-	-	(5,624)	-
5YA - Library Joinery	<i>in progress</i>	(14,737)	20,471	-	-	5,734

5YA - B Block Roof	<i>in progress</i>	-	18,664	(17,238)	-	1,426
Totals		49,891	39,135	(112,429)	(6,902)	(30,305)

21. Related Party Transactions

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

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

22. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,734	5,830
Full-time equivalent members	0.21	0.30
<i>Leadership Team</i>		
Remuneration	846,848	843,696
Full-time equivalent members	7.00	7.10
Total key management personnel remuneration	851,582	849,526
Total full-time equivalent personnel	7.21	7.40

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-180	160-170
Benefits and Other Emoluments	4-5	4-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	6.00	3.00
110-120	1.00	1.00
	7.00	4.00

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

23. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	\$50,000
Number of People	-	1

24. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

25. Commitments

(a) Capital Commitments

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

2019

(a) \$2,262,169 contract for D Block upgrades to be completed in 2020, which will be fully funded by the Ministry of Education. \$2,246,813 has been received of which \$2,308,945 has been spent on the project to date; and

(b) \$402,181 contract for Bathroom upgrades to be completed in 2020. This project is funded by the Board, and \$169,749 had been billed to date as at 31 December 2019.

2018

As at 31 December 2018 the Board has entered into contract agreements to develop the Long Bay Playing Fields alongside the Ministry of Education. The share of costs borne by the college is estimated at \$ 120,000

As at 31 December 2018 the Board has entered into a contract agreement with Industrial Athletics Limited to provide a full fit out of the schools Fitness Centre at a cost of \$55,792

(b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine;

	2019 Actual \$	2018 Actual \$
No later than One Year	432	432
Later than One Year and No Later than Five Years	288	288
Later than Five Years	-	-
	<u>720</u>	<u>720</u>

26. Managing Capital

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

27. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	2,370,410	1,951,899	2,314,245
Receivables	615,283	609,881	609,114
Investments - Term Deposits	5,858,388	3,625,163	4,625,163
Total Financial assets measured at amortised cost	<u>8,844,082</u>	<u>6,186,943</u>	<u>7,548,522</u>

Financial liabilities measured at amortised cost

Payables	1,219,697	1,020,148	950,300
Borrowings - Loans	152,591	152,400	214,850
Finance Leases	238,027	147,231	38,000
Long Service & Retirement Liability	39,157	25,665	25,665
Total Financial Liabilities Measured at Amortised Cost	<u>1,649,471</u>	<u>1,345,444</u>	<u>1,228,815</u>

28. Events After Balance Date

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

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

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

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

29. Comparatives

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

30. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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