

# OTUMOETAI COLLEGE

## GROUP ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 120

**Principal:** Russell Gordon

**School Address:** 105 Windsor Road, Bellevue, Tauranga 3110

**School Postal Address:** PO Box 8033, Cherrywood, Tauranga

**School Phone:** 07 576 2316

**School Email:** [office@otc.school.nz](mailto:office@otc.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Russ Browne	Chair Person	Appointed	Accountant	Jun-22
Russell Gordon	Principal ex Officio	Appointed	Principal	
Julia Palmer-Hofland	Parent Rep	Appointed	Manager	Jun-19
Sharon De Luca	Parent Rep	Appointed	Scientist	Jun-22
Matthew King	Parent Rep	Appointed	Lawyer	Jun-22
Gavin Frost	Parent Rep	Co-opted	Engineer	Jun-20
Bryce Lawrence	Parent Rep	Appointed	National Referee Mgr	Jun-22
Mark Murray	Parent Rep	Co-opted	Manager	Jun-19
Hemi Tipene	Parent Rep	Appointed	Advocate	Jun-22
Kenzi Mason	Student Rep	Appointed	Student	Sep-19
Jarrd Ong	Student Rep	Appointed	Student	Sep-19
Eloise Stephen	Staff Rep	Appointed	Teacher	Jun-22

**Accountant / Service Provider:** Pip Palmer

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**Accountant / Service Provider:** Pip Palmer

# OTUMOETAI COLLEGE

Group Annual Report - For the year ended 31 December 2019

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# Otumoetai College

## Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual consolidated financial statements and the judgements used in these consolidated 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 group's financial reporting.

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

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

Peter Russ Browne

Full Name of Board Chairperson



Signature of Board Chairperson

19/06/2020

Date:

Russell John Gordon

Full Name of Principal



Signature of Principal

19/6/20

Date:

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

For the year ended 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>							
Government Grants	2	16,866,949	16,351,502	17,184,585	16,866,949	16,351,502	17,184,585
Locally Raised Funds	3	1,773,756	1,372,972	1,868,265	1,769,856	1,372,972	1,857,765
Interest Earned		138,948	120,000	142,928	143,679	120,000	152,043
Gain on Sale of Property, Plant and Equipment		28	-	-	28	-	-
International Students	4	1,272,334	1,341,852	1,354,864	1,272,334	1,341,852	1,354,864
Other Revenue		820	-	-	820	-	-
<b>Total revenue</b>		<b>20,052,835</b>	<b>19,186,326</b>	<b>20,550,642</b>	<b>20,053,666</b>	<b>19,186,326</b>	<b>20,549,257</b>
<b>Expenses</b>							
Locally Raised Funds	3	1,108,327	714,326	928,999	1,108,327	714,326	928,999
International Students	4	561,331	561,312	724,336	561,331	561,312	724,336
Learning Resources	5	13,598,677	12,885,656	13,489,152	13,598,677	12,885,656	13,489,152
Administration	6	1,134,141	1,372,499	1,248,954	1,134,141	1,371,639	1,248,954
Finance		22,139	-	26,985	22,139	-	26,985
Property	7	2,769,758	3,161,495	3,410,944	2,769,758	3,161,495	3,410,944
Depreciation	8	902,514	780,000	911,977	902,514	780,000	911,977
Loss on Disposal of Property, Plant and Equipment		1,526	-	10,617	1,526	-	10,617
Transport		-	-	-	-	-	-
<b>Total expenses</b>		<b>20,098,414</b>	<b>19,475,288</b>	<b>20,751,964</b>	<b>20,098,414</b>	<b>19,474,428</b>	<b>20,751,964</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(45,579)</b>	<b>(288,962)</b>	<b>(201,322)</b>	<b>(44,748)</b>	<b>(288,102)</b>	<b>(202,707)</b>
<b>Other Comprehensive Revenue and Expenses</b>							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations	27	8,365	-	860	8,365	-	860
<b>Total other comprehensive revenue and expense</b>		<b>8,365</b>	<b>-</b>	<b>860</b>	<b>8,365</b>	<b>-</b>	<b>860</b>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(37,214)</b>	<b>(288,962)</b>	<b>(200,462)</b>	<b>(36,383)</b>	<b>(288,102)</b>	<b>(201,847)</b>

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

**Otumoetai College**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	Notes	Actual		School Budget (Unaudited)		Group Budget (Unaudited)	
		2019		2019		2019	
		\$		\$		\$	
<b>Balance at 1 January</b>		6,579,511	6,579,510	6,742,973	6,897,221	6,897,221	7,052,068
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-	-	-	-
<b>Adjusted balance at 1 January</b>		6,579,511	6,579,510	6,742,973	6,897,221	6,897,221	7,052,068
Total comprehensive revenue and expense for the year		(37,214)	(288,962)	(200,462)	(36,383)	(288,102)	(201,847)
<i>Capital Contributions from the Ministry of Education</i>							
Contribution - Furniture and Equipment Grant		74,126	-	37,000	74,126	-	37,000
<i>Capital Introduced Otumoetai Education Trust</i>							10,000
<b>Equity at 31 December</b>	27	6,616,422	6,290,548	6,579,510	6,934,964	6,609,119	6,897,221
Retained Earnings		6,581,432	6,263,923	6,552,885	6,899,974	6,582,494	6,870,596
Reserves		34,990	26,625	26,625	34,990	26,625	26,625
<b>Equity at 31 December</b>		6,616,422	6,290,548	6,579,510	6,934,964	6,609,119	6,897,221
<b>Reserve Movements Analysis</b>							
<b>Accumulated surplus/(deficit)</b>							
Balance at 1 January		6,552,885	6,552,885	6,717,208	6,870,596	6,870,596	7,026,303
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-	-	-	-
<b>Adjusted balance at 1 January</b>		6,552,885	6,552,885	6,717,208	6,870,596	6,870,596	7,026,303
Equity investment revaluation reserve transfer on disposal		-	-	-	-	-	-
Furniture & Equipment grant		74,126	-	37,000	74,126	-	37,000
Otumoetai Education Trust Grant							10,000
Surplus/(deficit) for the year		(45,579)	(288,962)	(201,322)	(44,748)	(288,102)	(202,707)
<b>Balance 31 December</b>		6,581,432	6,263,923	6,552,885	6,899,974	6,582,494	6,870,596
<b>Equity investment revaluation reserves</b>							
Balance at 1 January		26,625	26,625	25,765	26,625	26,625	25,765
Net change in fair value		8,365	-	860	8,365	-	860
Transfer to accumulated surplus/deficit on disposal		-	-	-	-	-	-
<b>Balance 31 December</b>		34,990	26,625	26,625	34,990	26,625	26,625
<b>Total equity</b>		6,616,422	6,290,548	6,579,510	6,934,964	6,609,119	6,897,221

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

**Otumoetai College**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>							
Cash and Cash Equivalents	9	560,694	878,474	1,217,356	878,896	1,196,185	1,534,676
Accounts Receivable	10	1,118,353	887,498	805,609	1,118,693	887,498	805,999
Funds due for Capital Works Projects		87,542		94,887	87,542		94,887
Prepayments		146,315	-	110,952	146,314	-	110,952
Inventories	11	747	4,000	4,368	747	4,000	4,368
Short Term Deposits	12	3,900,000	4,100,000	3,700,000	3,900,000	4,100,000	3,700,000
		5,813,650	5,869,972	5,933,172	6,132,191	6,187,683	6,250,882
<b>Current Liabilities</b>							
GST Payable		19,756	-	26,713	19,756	-	26,713
Accounts Payable	14	1,109,640	1,900,000	1,240,420	1,109,640	1,900,000	1,240,419
Revenue Received in Advance	15	900,278	1,400,000	841,335	900,278	1,400,000	841,335
Provision for Cyclical Maintenance	16	41,727	300,000	292,440	41,727	300,000	292,440
Painting Contract Liability - Current Portion	17	55,137	50,000	55,217	55,137	50,000	55,217
Finance Lease Liability - Current Portion	18	121,935	180,000	116,343	121,935	180,000	116,343
Funds held in Trust	19	738,477	-	765,330	738,477	-	765,333
Funds held for Capital Works Projects	20	-	-	-	-	-	-
Funds for Teen Parenting Unit	21	73,890	-	49,733	73,890	-	49,733
		3,060,839	3,830,000	3,387,531	3,060,839	3,830,000	3,387,533
<b>Working Capital Surplus/(Deficit)</b>		<b>2,752,811</b>	<b>2,039,972</b>	<b>2,545,641</b>	<b>3,071,353</b>	<b>2,357,683</b>	<b>2,863,349</b>
<b>Non-current Assets</b>							
Investments	12	56,325	47,100	47,960	56,325	47,960	47,960
Property, Plant and Equipment	13	4,025,069	4,203,476	4,285,910	4,025,069	4,203,476	4,285,913
Intangible Assets	15	-	-	-	-	-	-
		4,081,394	4,250,576	4,333,870	4,081,394	4,251,436	4,333,873
<b>Non-current Liabilities</b>							
Provision for Cyclical Maintenance	16	142,645	-	119,855	142,645	-	119,855
Painting Contract Liability	17	-	-	14,847	-	-	14,847
Finance Lease Liability	18	75,138	-	165,299	75,138	-	165,299
		217,783	-	300,001	217,783	-	300,001
<b>Net Assets</b>		<b>6,616,422</b>	<b>6,290,548</b>	<b>6,579,510</b>	<b>6,934,964</b>	<b>6,609,119</b>	<b>6,897,221</b>
<b>Equity:</b>							
Accumulated surplus/deficit	27	6,581,432	6,263,923	6,552,885	6,899,974	6,582,494	6,870,596
Equity investment revaluation reserves	27	34,990	26,625	26,625	34,990	26,625	26,625
<b>Total equity</b>		<b>6,616,422</b>	<b>6,290,548</b>	<b>6,579,510</b>	<b>6,934,964</b>	<b>6,609,119</b>	<b>6,897,221</b>

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

# Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>							
Government Grants		3,922,073	4,020,464	4,561,932	3,922,073	4,020,464	4,561,932
Locally Raised Funds		1,424,427	495,263	1,835,293	1,420,524	494,102	1,834,793
International Students		1,259,760	1,912,917	1,447,099	1,259,760	1,912,917	1,447,099
Goods and Services Tax (net)		(6,957)	(26,713)	170,010	(6,957)	(26,713)	170,010
Payments to Employees		(3,240,622)	(3,068,204)	(3,212,665)	(3,240,622)	(3,068,204)	(3,212,665)
Payments to Suppliers		(3,274,059)	(1,796,518)	(4,416,689)	(3,274,059)	(1,795,658)	(4,416,689)
Cyclical Maintenance Payments in the year		(55,435)	(112,295)	-	(55,435)	(112,295)	-
Interest Paid		(22,139)	-	(26,985)	(22,139)	-	(26,985)
Interest Received		160,794	175,953	176,534	165,576	176,344	185,808
<b>Net cash from / (to) the Operating Activities</b>		<b>167,841</b>	<b>1,600,867</b>	<b>534,529</b>	<b>168,719</b>	<b>1,600,957</b>	<b>543,303</b>
<b>Cash flows from Investing Activities</b>							
Proceeds from Sale of PPE (and Intangibles)		71,634	-	-	71,634	-	-
Purchase of PPE (and Intangibles)		(604,549)	(697,566)	(554,852)	(604,549)	(697,566)	(554,852)
Purchase of Investments		(200,000)	(400,000)	(100,000)	(200,000)	(400,000)	(100,000)
Proceeds from Sale of Investments		-	-	-	-	-	-
<b>Net cash from / (to) the Investing Activities</b>		<b>(732,915)</b>	<b>(1,097,566)</b>	<b>(654,852)</b>	<b>(732,915)</b>	<b>(1,097,566)</b>	<b>(654,852)</b>
<b>Cash flows from Financing Activities</b>							
Furniture and Equipment Grant		82,491	-	37,000	82,491	-	37,000
Finance Lease Payments		(122,767)	(101,642)	(104,891)	(122,767)	(101,642)	(104,891)
Painting contract payments		(55,961)	(20,064)	(55,213)	(55,961)	(20,064)	(55,213)
Loans Received/ Repayment of Loans		-	-	-	-	-	(7,180)
Funds Administered on Behalf of Third Parties		(2,696)	(815,063)	(7,180)	(2,696)	(815,063)	(94,887)
Funds Held for Capital Works Projects	20	7,346	94,887	(94,887)	7,346	94,887	-
<b>Net cash from Financing Activities</b>		<b>(91,587)</b>	<b>(841,882)</b>	<b>(225,171)</b>	<b>(91,587)</b>	<b>(841,882)</b>	<b>(225,171)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(656,661)</b>	<b>(338,581)</b>	<b>(345,494)</b>	<b>(655,783)</b>	<b>(338,491)</b>	<b>(336,720)</b>
Cash and cash equivalents at the beginning of the year	9	1,217,355	1,217,355	1,562,849	1,534,679	1,534,679	1,871,399
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>560,694</b>	<b>878,774</b>	<b>1,217,355</b>	<b>878,896</b>	<b>1,196,188</b>	<b>1,534,679</b>

The Consolidated 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 omitted.

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



# Otumoetai College

## Notes to the Group Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

##### **a) Reporting Entity**

Otumoetai College is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Kiwi Park School Group (the "Group") consists of Otumoetai College and its subsidiary Otumoetai College Education Trust. The subsidiary is a Charitable Trust ("Trust") which supports the school by establishing, supporting or administering bursaries, scholarships, sponsorships, funds, prizes, awards, trophies or memorials that may benefit the students of Otumoetai College.

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

###### ***Basis of Consolidation***

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

Details of investment in subsidiaries are set out in Note 30.

###### ***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 consolidated 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 Group 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 32.

###### ***PBE Accounting Standards Reduced Disclosure Regime***

The Group qualifies for Tier 2 as the group 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 consolidated financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### ***Presentation Currency***

These consolidated 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 consolidated financial statements are set out below.

### ***Critical Accounting Estimates And Assumptions***

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

### ***Critical Judgements in applying accounting policies***

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

### ***Classification of leases***

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

### ***Consolidation of entities***

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 30.

## **c) Revenue Recognition**

### ***Government Grants***

The Group 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 Group 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 Group has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Group 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 Group uses the land and buildings. These are not received in cash by the Group 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 Group 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 Group.

### ***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 Group operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The Group'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) 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. 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.

**h) Inventories**

Inventories are consumable items held for sale and comprise of Canteen stock, Chocolates 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 Consolidated 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.

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

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

**j) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these consolidated 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 Consolidated 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 Consolidated 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 Consolidated Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

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

### **k) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the Group 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.

### **l) 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.

### **m) Revenue Received in Advance**

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

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

### **n) Funds Held in Trust**

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

**o) Provision for Cyclical Maintenance**

The property from which the Group 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 Group sites in a state of good order and repair.

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

**p) Financial Assets and Liabilities**

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

**q) Goods and Services Tax (GST)**

The consolidated 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 consolidated statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

**s) Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	3,657,197	3,681,987	3,526,506	3,657,197	3,681,987	3,526,506
Teachers' Salaries Grants	10,733,585	10,000,000	10,454,063	10,733,585	10,000,000	10,454,063
Use of Land and Buildings Grants	1,919,797	2,200,000	2,168,590	1,919,797	2,200,000	2,168,590
Resource Teachers Learning and Behaviour Grants	31,333	39,305	54,053	31,333	39,305	54,053
Other MoE Grants	251,053	297,610	948,944	251,053	297,610	948,944
Transport Grants	3,843	5,000	999	3,843	5,000	999
Other Government Grants	270,141	127,600	31,430	270,141	127,600	31,430
	<u>16,866,949</u>	<u>16,351,502</u>	<u>17,184,585</u>	<u>16,866,949</u>	<u>16,351,502</u>	<u>17,184,585</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>						
Donations	117,560	109,000	115,467	113,660	109,000	104,967
Other Revenue	281,212	155,370	557,913	281,212	155,370	557,913
Trading	312,964	892,102	293,540	312,964	892,102	293,540
Activities	1,062,020	216,500	901,345	1,062,020	216,500	901,345
	<u>1,773,756</u>	<u>1,372,972</u>	<u>1,868,265</u>	<u>1,769,856</u>	<u>1,372,972</u>	<u>1,857,765</u>
<b>Expenses</b>						
Activities	810,368	423,428	654,119	810,368	423,428	654,119
Trading	291,956	280,898	274,880	291,956	280,898	274,880
Transport (Local)	6,003	10,000	0	6,003	10,000	-
	<u>1,108,327</u>	<u>714,326</u>	<u>928,999</u>	<u>1,108,327</u>	<u>714,326</u>	<u>928,999</u>
<b>Surplus for the year Locally raised funds</b>	<u>665,429</u>	<u>658,646</u>	<u>939,266</u>	<u>661,529</u>	<u>658,646</u>	<u>928,766</u>

## 4. International Student Revenue and Expenses

	2019 Actual Number	School 2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	Group 2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	77	80	89	77	80	89

  

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>						
International Student Fees	1,272,334	1,341,852	1,354,864	1,272,334	1,341,852	1,354,864
<b>Expenses</b>						
Advertising	67,250	76,500	56,174	67,250	76,500	56,174
Commissions	165,635	186,000	161,453	165,635	186,000	161,453
International Student Levy	29,799	33,287	33,029	29,799	33,287	33,029
Employee Benefit - Salaries	202,343	196,425	386,349	202,343	196,425	386,349
Other Expenses	96,304	69,100	87,331	96,304	69,100	87,331
	<u>561,331</u>	<u>561,312</u>	<u>724,336</u>	<u>561,331</u>	<u>561,312</u>	<u>724,336</u>
<b>Surplus/ (Deficit) for the year International Students'</b>	<u>711,003</u>	<u>780,540</u>	<u>630,528</u>	<u>711,003</u>	<u>780,540</u>	<u>630,528</u>

## 5. Learning Resources

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	835,946	957,571	1,086,885	835,946	957,571	1,086,885
Equipment Repairs	16,269	17,350	11,756	16,269	17,350	11,756
Information and Communication Technology	90,090	114,730	103,709	90,090	114,730	103,709
Extra-Curricular Activities	5,131	32,000	57,349	5,131	32,000	57,349
Library Resources	4,726	7,000	3,794	4,726	7,000	3,794
Employee Benefits - Salaries	12,586,013	11,647,110	12,154,868	12,586,013	11,647,110	12,154,868
Staff Development	60,503	109,895	70,791	60,503	109,895	70,791
	<u>13,598,677</u>	<u>12,885,656</u>	<u>13,489,152</u>	<u>13,598,677</u>	<u>12,885,656</u>	<u>13,489,152</u>

## 6. Administration

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	9,715	10,403	10,403	9,715	10,403	10,403
Board of Trustees Fees	3,625	3,680	3,535	3,625	3,680	3,535
Communication	24,847	30,750	31,764	24,847	30,750	31,764
Operating Lease	51,886	215,015	67,025	51,886	215,015	67,025
Other	208,863	192,500	368,945	208,863	191,640	368,945
Employee Benefits - Salaries	738,267	739,251	743,312	738,267	739,251	743,312
Insurance	26,862	26,550	23,878	26,862	26,550	23,878
Service Providers, Contractors and Consultancy	70,075	154,350	93	70,075	154,350	93
	<u>1,134,141</u>	<u>1,372,499</u>	<u>1,248,954</u>	<u>1,134,141</u>	<u>1,371,639</u>	<u>1,248,954</u>

## 7. Property

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	58,266	59,300	47,548	58,266	59,300	47,548
Cyclical Maintenance Provision	(187,417)	-	20,820	(187,417)	-	20,820
Grounds	45,327	44,955	44,145	45,327	44,955	44,145
Heat, Light and Water	161,219	166,244	163,639	161,219	166,244	163,639
Rates	40,687	34,000	31,366	40,687	34,000	31,366
Repairs and Maintenance	200,194	127,534	406,999	200,194	127,534	406,999
Use of Land and Buildings	1,919,797	2,200,000	2,168,590	1,919,797	2,200,000	2,168,590
Security	6,290	8,072	6,301	6,290	8,072	6,301
Employee Benefits - Salaries	525,395	521,390	521,536	525,395	521,390	521,536
	<u>2,769,758</u>	<u>3,161,495</u>	<u>3,410,944</u>	<u>2,769,758</u>	<u>3,161,495</u>	<u>3,410,944</u>

The use of land and buildings figure represents 8% of the Group's total property value. This is used as a 'proxy' for the market rental of the property. 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 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	7,528	8,000	7,528	7,528	8,000	7,528
Building Improvements - Crown	163,698	130,000	161,678	163,698	130,000	161,678
Furniture and Equipment	264,132	235,000	258,407	264,132	235,000	258,407
Information and Communication Technology	292,574	262,000	316,299	292,574	262,000	316,299
Motor Vehicles	28,156	29,000	23,765	28,156	29,000	23,765
Textbooks	17,567	18,000	26,187	17,567	18,000	26,187
Leased Assets	120,034	90,000	108,638	120,034	90,000	108,638
Library Resources	8,825	8,000	9,475	8,825	8,000	9,475
	<u>902,514</u>	<u>780,000</u>	<u>911,977</u>	<u>902,514</u>	<u>780,000</u>	<u>911,977</u>

## 9. Cash and Cash Equivalents

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	878,474	200	200	878,474	200
Bank Current Account	560,494	-	1,217,156	560,494	-	1,217,156
Bank Call Account	-	-	-	318,202	317,711	317,320
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	<u>560,694</u>	<u>878,474</u>	<u>1,217,356</u>	<u>878,896</u>	<u>1,196,185</u>	<u>1,534,676</u>

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

Of the \$560,694 Cash and Cash Equivalents, \$73,890 is held by the Group on behalf of the Teen Parenting Unit and \$31,896 on behalf of the MOE.

## 10. Accounts Receivable

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	273,836	887,498	21,028	273,836	887,498	21,028
Receivables from the Ministry of Education	59,878	-	-	59,878	-	-
Interest Receivable	34,107	-	55,953	34,447	-	56,344
Banking Staffing Underuse	-	-	-	-	-	-
Teacher Salaries Grant Receivable	750,531	-	728,628	750,531	-	728,628
	<u>1,118,353</u>	<u>887,498</u>	<u>805,609</u>	<u>1,118,693</u>	<u>887,498</u>	<u>806,000</u>
Receivables from Exchange Transactions	307,943	887,498	76,981	308,283	887,498	77,372
Receivables from Non-Exchange Transactions	810,409	-	728,628	810,409	-	728,628
	<u>1,118,353</u>	<u>887,498</u>	<u>805,609</u>	<u>1,118,693</u>	<u>887,498</u>	<u>806,000</u>

# 11. Inventories

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Chocolate	-	-	1,771	-	-	1,771
School Uniforms	-	-	1,560	-	-	1,560
Canteen	747	4,000	1,037	747	4,000	1,037
	<u>747</u>	<u>4,000</u>	<u>4,368</u>	<u>747</u>	<u>4,000</u>	<u>4,368</u>

# 12. Investments

The Group and School's investment's are classified as follows:

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset						
Short-term Bank Deposits	3,900,000	4,100,000	3,700,000	3,900,000	4,100,000	3,700,000
	<u>3,900,000</u>	<u>4,100,000</u>	<u>3,700,000</u>	<u>3,900,000</u>	<u>4,100,000</u>	<u>3,700,000</u>
Non-current Asset						
Long-term Bank Deposits	-	-	-	-	-	-
Equity Investments	56,325	47,100	47,960	56,325	47,960	47,960
	<u>56,325</u>	<u>47,100</u>	<u>47,960</u>	<u>56,325</u>	<u>47,960</u>	<u>47,960</u>
Total Investments	<u>3,956,325</u>	<u>4,147,100</u>	<u>3,747,960</u>	<u>3,956,325</u>	<u>4,147,960</u>	<u>3,747,960</u>

# 13. Property, Plant and Equipment

## SCHOOL & GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land					-	-
Buildings	293,366	-			(7,528)	285,838
Building Improvements	1,927,842	70,987			(163,698)	1,835,131
Furniture and Equipment	1,115,145	229,817	(772)		(264,132)	1,080,621
Information & Communication Technology	471,662	282,300	(726)		(292,574)	460,618
Motor Vehicles	118,820	-			(28,156)	90,664
Textbooks	38,284	7,758			(17,567)	28,476
Leased Assets	257,965	38,300			(120,034)	176,231
Library Resources	62,829	13,687			(8,825)	67,691
Balance at 31 December 2019	<u>4,285,913</u>	<u>642,849</u>	<u>(1,498)</u>	<u>-</u>	<u>(902,514)</u>	<u>4,025,069</u>

## SCHOOL & GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land	-	-	-
Buildings	349,914	(64,077)	285,837
Building Improvements	3,432,218	(1,597,086)	1,835,132
Furniture and Equipment	3,691,500	(2,610,979)	1,080,521
Information and Communication Technology	2,045,099	(1,584,581)	460,518
Motor Vehicles	188,696	(98,031)	90,664
Textbooks	915,955	(887,480)	28,476
Leased Assets	507,216	(330,985)	176,231
Library Resources	384,285	(316,594)	67,691
Balance at 31 December 2019	<u>11,514,882</u>	<u>(7,489,813)</u>	<u>4,025,069</u>

The net carrying value of equipment held under a finance lease is \$176,131 (2018: \$257,965)

## SCHOOL & GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Land					-	-
Buildings	300,894				(7,528)	293,366
Building Improvements	2,033,192	56,328			(161,678)	1,927,842
Furniture and Equipment	1,151,179	222,792	(419)		(258,407)	1,115,145
Information & Communication Technology	578,022	210,805	(866)		(316,299)	471,662
Motor Vehicles	110,415	32,170			(23,765)	118,820
Textbooks	45,876	18,595			(26,187)	38,284
Leased Assets	292,096	74,507			(108,638)	257,965
Library Resources	67,473	14,162	(9,331)		(9,475)	62,829
Balance at 31 December 2018	<u>4,579,147</u>	<u>629,359</u>	<u>(10,616)</u>	<u>-</u>	<u>(911,977)</u>	<u>4,285,913</u>



**SCHOOL & GROUP**

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Land	-	-	-
Buildings	349,914	(56,549)	293,365
Building Improvements	3,358,833	(1,430,991)	1,927,842
Furniture and Equipment	3,769,004	(2,653,859)	1,115,145
Information and Communication Technology	2,264,429	(1,792,767)	471,662
Motor Vehicles	189,358	(70,539)	118,820
Textbooks	909,409	(871,125)	38,284
Leased Assets	515,986	(258,021)	257,965
Library Resources	370,811	(307,981)	62,830
<b>Balance at 31 December 2018</b>	<b>11,727,744</b>	<b>(7,441,832)</b>	<b>4,285,913</b>

The net carrying value of equipment held under a finance lease is \$257,965 (2017: \$292,096)

**14. Accounts Payable**

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	222,626	1,700,000	171,019	222,626	1,700,000	171,019
Accruals	74,111	200,000	143,425	74,111	200,000	143,425
Capital Accruals for PPE items	-	-	-	-	-	-
Banking Staffing Overuse	-	-	131,038	-	-	131,038
Employee Entitlements - Salaries	750,531	-	728,628	750,531	-	728,628
Employee Entitlements - Leave Accrual	62,372	-	66,310	62,372	-	66,310
	<b>1,109,640</b>	<b>1,900,000</b>	<b>1,240,420</b>	<b>1,109,640</b>	<b>1,900,000</b>	<b>1,240,420</b>
Payables for Exchange Transactions	1,109,640	1,900,000	1,240,420	1,109,640	1,900,000	1,240,420
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-	-	-	-
	<b>1,109,640</b>	<b>1,900,000</b>	<b>1,240,420</b>	<b>1,109,640</b>	<b>1,900,000</b>	<b>1,240,420</b>

The carrying value of payables approximates their fair value.

**15. Revenue Received in Advance**

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	816,360	1,400,000	828,935	816,360	1,400,000	828,935
Other	83,918	-	12,400	83,918	-	12,400
	<b>900,278</b>	<b>1,400,000</b>	<b>841,335</b>	<b>900,278</b>	<b>1,400,000</b>	<b>841,335</b>

**16. Provision for Cyclical Maintenance**

	2019 Actual \$	School and Group 2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	412,295	412,295	336,262
Increase/ (decrease) to the Provision During the Year	(166,894)	(526)	76,033
Use of the Provision During the Year	(61,029)	-	-
Provision at the End of the Year	<b>184,372</b>	<b>411,769</b>	<b>412,295</b>
Cyclical Maintenance - Current	41,727	300,000	292,440
Cyclical Maintenance - Term	142,645	-	119,855
	<b>184,372</b>	<b>300,000</b>	<b>412,295</b>

**17. Painting Contract Liability**

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	55,137	50,000	55,217	55,137	50,000	55,217
Non Current Liability	-	-	14,847	-	-	14,847
	<b>55,137</b>	<b>50,000</b>	<b>70,064</b>	<b>55,137</b>	<b>50,000</b>	<b>70,064</b>

In 2016 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings, with regular maintenance in subsequent years. The agreement has an annual commitment of \$60,413. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 18. Finance Lease Liability

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	121,935		116,343	121,935		116,343
Later than One Year and no Later than Five Years	75,138		165,297	75,138		165,297
	<u>197,073</u>	<u>-</u>	<u>281,640</u>	<u>197,073</u>	<u>-</u>	<u>281,640</u>

## 19. Funds held In Trust

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	738,477	-	765,330	738,477	-	765,330
	<u>738,477</u>	<u>-</u>	<u>765,330</u>	<u>738,477</u>	<u>-</u>	<u>765,330</u>

These funds relate to arrangements where the school is acting as agent and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense.

## 20. Funds Held for Capital Works Projects

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

### School and GROUP

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Sports, M Block, F Block	<i>completed</i>	(119,437)			-	(119,437)
Major Redevelopment	<i>in progress</i>	24,549		(3,521)	-	21,028
Special Needs Learning Space	<i>in progress</i>	-	29,411	(18,544)	-	10,867
G Block Keys	<i>completed</i>		18,795	(18,795)		
Totals		<u>(94,888)</u>	<u>48,206</u>	<u>(40,860)</u>	<u>-</u>	<u>(87,542)</u>

### Represented by:

Funds Due from the Ministry of Education  
Funds Due to the Ministry of Education

119,437  
(31,895)  
87,542

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Sports, M Block, F Block	<i>in progress</i>	-	816,940	(1,163,016)	226,639	(119,437)
Major Redevelopment	<i>in progress</i>	-	50,000	(25,451)		24,549
Totals		<u>-</u>	<u>866,940</u>	<u>(1,188,467)</u>	<u>226,639</u>	<u>(94,888)</u>

## 21. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Revenue and Expense. During the year the funds were spent on employee benefit expenses, administration and property management expenses and the purchase of fixed assets. The balance of funds relates to revenue received in advance, which is carried forward to be spent by the Teen Parenting Unit in the next years.

## 22. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 Group 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.

The school is related to the Otumoetai College Education Trust by virtue of commonality of members of each of the Board of Trustees. During the year, the school received \$3,900 (2018 \$10,500) from the trust for the purpose of providing prizes and scholarships to students of the school.

## 23. Remuneration

### Key management personnel compensation (School and Group)

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

	2019 Actual \$	2018 Actual \$
<b>Board Members - School</b>		
Remuneration	3,625	3,535
Full-time equivalent members	0.11	0.14
<b>Leadership Team</b>		
Remuneration	704,832	657,607
Full-time equivalent members	5.00	5.00
<b>Total key management personnel remuneration</b>	<b>708,457</b>	<b>661,142</b>
<b>Total full-time equivalent personnel</b>	<b>5.11</b>	<b>5.14</b>

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	220-230	180 - 190
Benefits and Other Emoluments	6 - 7	5 - 6
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
110 - 120	4.00	3.00
100 - 110	4.00	1.00
	<b>8.00</b>	<b>4.00</b>

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 total was payable was as follows:

	2019 Actual	2018 Actual
<b>School and GROUP</b>		
Total	-	-
Number of People	-	-

## 25. 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.

## 26. Commitments

### (a) Capital Commitments

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

(a) The Sports M & F Block was substantially completed in 2018. The total cost of the contract was \$2,307,757. The Ministry of Education funded \$1,207,497 and the balance was contributed by the Board of Trustees. As at the 31 December 2019 \$119,437 was owing by the Ministry of Education and retentions of \$49,599 payable by the Board of Trustees Which is included in Accounts Payable Accruals.

(b) The Major redevelopment of Otumoetai College. This project is still in the planning stages and to assist the college in research for the project the Ministry of Education paid to the college \$50,000 in 2018. As at the 31st December 2019 \$28,972 had been spent and \$21,028 has been carried forward to 2020.

(c) The Special Needs Learning Space & Bathroom extension. This project was to start in 2019 but will now start in 2020. The total cost of the contract is \$294,100. This project is totally funded by the Ministry of Education. In 2019 \$29,411 has been received and costs to the end of 2019 for the project amount to \$18,544 with \$10,867 carried forward to 2020.

## 27. Managing Capital

The Group'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 Group 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.

	Actual 2019 \$	School Budget (Unaudited) 2019 \$	Actual 2018 \$	Actual 2019 \$	Group Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Accumulated surplus/(deficit)</b>						
Balance at 1 January	6,552,885	6,579,510	6,717,208	6,870,596	6,870,596	7,026,303
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-	-	-	-
Adjusted balance at 1 January	6,552,885	6,579,510	6,717,208	6,870,596	6,870,596	7,026,303
Equity investment revaluation reserve transfer on disposal	-	-	-	-	-	-
Furniture & Equipment grant	74,126	-	37,000	74,126	-	37,000
Otumoetai Education Trust grant	-	-	-	-	-	10,000
Surplus/(deficit) for the year	(45,579)	(288,962)	(201,322)	(44,748)	(288,102)	(202,707)
Balance 31 December	6,581,432	6,290,548	6,552,885	6,899,974	6,582,494	6,870,596
<b>Equity investment revaluation reserves</b>						
Balance at 1 January	26,625	-	25,765	26,625	26,625	25,765
Net change in fair value	8,365	-	860	8,365	-	860
Transfer to accumulated surplus/deficit on disposal	-	-	-	-	-	-
Balance 31 December	34,990	-	26,625	34,990	26,625	26,625
<b>Total equity</b>	<b>6,616,422</b>	<b>6,290,548</b>	<b>6,579,510</b>	<b>6,934,964</b>	<b>6,609,119</b>	<b>6,897,221</b>

## 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 (2018: Loans and receivables)

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	560,694	878,474	1,217,356	878,896	1,196,185	1,534,676
Receivables	1,118,353	887,498	805,609	1,118,693	887,498	806,000
Investments - Term Deposits	3,900,000	4,100,000	3,700,000	3,900,000	4,100,000	3,700,000
<b>Total Financial Assets Measured at Amortised Cost</b>	<b>5,579,046</b>	<b>5,865,972</b>	<b>5,722,965</b>	<b>5,897,589</b>	<b>6,183,683</b>	<b>6,040,676</b>

### Financial liabilities measured at amortised cost

Payables	1,109,640	1,900,000	1,240,420	1,109,640	1,900,000	1,240,420
Borrowings - Loans	-	-	-	-	-	-
Finance Leases	197,073	180,000	281,642	197,073	180,000	281,642
Painting Contract Liability	55,137	50,000	70,064	55,137	50,000	70,064
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,361,849</b>	<b>2,130,000</b>	<b>1,592,126</b>	<b>1,361,849</b>	<b>2,130,000</b>	<b>1,592,126</b>

### Financial assets at fair value through other comprehensive revenue and expense

Equity Investments	56,325	47,100	47,960	56,325	47,960	47,960
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## 29. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb 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 continued to receive funding from the Ministry of Education, even while closed.

## 30. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Value of investment \$000	
			2019	2018	2019	2018
Otumoetai College Education Trust	Provide for Students	Tauranga, New Zealand	100%	0%	\$318	\$317

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the Institute predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

### 31. Comparatives

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

### 32. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 12 Investments:

Equity investments: This policy has been updated to remove references to impairment losses, as NZ IFRS 9 no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense. Also, on disposal, the accumulated gains/losses are no longer transferred to surplus/(deficit) but are transferred to accumulated surplus/(deficit).

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

### 33. Failure to Meet Statutory Reporting Deadlines

The Board of Trustees did not comply with section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2020. The Board was unable to meet the statutory deadline because of delays caused by the response to the COVID-19 pandemic.

## 14. ANNUAL PLAN 2019 ANALYSIS OF VARIANCE

### GOAL ONE: Junior School Review

To Develop a shared understanding of the language and process of learning across the school. a shared understanding of learning progressions and the ability to use them to evaluate progress based on student learning.

Strategies (What did we do?)	Outcomes (What happened?)	Reason for Variance (Why did it happen?)	Evaluation (Where to next?)
Creating an Otumoetai College definition of Learning to help to define and therefore support the growth of powerful learners in our college.	<p>A meeting was been held with all HODs, facilitated by Jay Kedian, around the development of a conception of learning. HODs then held a similar meeting with each of their departments to aggregate their department thoughts as what constitutes learning in their department. This information was fed back to SLT, and a sub-committee was established to distil the thoughts from each of the departments in order to create a common conception of learning.</p> <p>This common conception of learning was shared with the HODs, (along with feedback from Parents / Family / Whanau / Students around the Graduate Profile) for critique. The definition was then refined and adopted. This learning definition has been co-constructed by a number of teachers representing a broad range of departments. HODs and SLT have also had a significant input.</p>	Completed	This Learning definition is to become the template for teaching and learning at Ōtūmoetai College for the co-constructed Year 9 unit in 2020.
Development of a Year 13 Graduate Profile to identify what our students need to know, be able to do, and enact by the time they graduate Otumoetai College in Year 13.	<p>This profile is a clear visualisation of priority goals for teaching and learning that can be easily communicated to students, parents, and staff to align their collective efforts.</p> <p>Each department has defined what a powerful learner should look like by the end of Year 9 in their subject area: what do students need to know, be able to do, enact by the end of the year so that there will be:</p> <ul style="list-style-type: none"> <li>i. a shared vision for our student's destination</li> <li>ii. students can be successful in their next level of study.</li> </ul> <p>The Graduate Profile went through six iterations. It was finalised by a committee in charge of its drafting after it was critiqued by the HODs and then adopted by SLT. The Graduate Profile has been shared with Ngati Ranginui iwi to ensure that it meets their aspiration for their taura.</p>	<p>The Graduate Profile has been completed and adopted.</p> <p>Work still needs to be done around a department's shared vision for learning in Year 9.</p>	<p>Departments need to still refine their curriculum content to ensure a shared vision for our student's destination</p> <ul style="list-style-type: none"> <li>ii. students can be successful in their next level of study.</li> </ul>
Pedagogical non-negotiables - these are classroom practices that will underpin, support and embed powerful learning in all	<p>To develop a list of common pedagogical non-negotiables that will underpin the learning to help create the outcomes from the graduate profile.</p> <p>These practices will be addressed through appraisal and student feedback. Departmental</p>	These were be discussed at the combined meeting of Core and Option teachers	This will continue to be a focus for 2020.

subject areas.	consensus as to what constitutes non-negotiable pedagogical practices that will underpin, support and embed powerful learning in all subject areas.	while reviewing their Junior Curriculum for 2020 / 2021. There was insufficient time to address this aspect in 2019.	
Investigate and plan for the implementation of a common writing tool to allow our students to follow a consistent process and have a common language to apply to their writing and learning.	A writing framework has been developed for students in Years 7-10. The writing tool has been trialled in English, Science and Social Sciences in 2019 and feedback received and acted upon. The framework includes the steps of planning, language, the mechanics of writing, including sentence and paragraph structures, writing under pressure, editing and publishing. The writing framework was critiqued with staff from Otumoetai Intermediate in Term Two, and minor adjustments were made. The Writing Template was introduced to HODs on Nov 6 and then at a staff meeting the following week to all teachers.	The next steps in the Writing Tool is looking at how this tool can be used to assess writing capability from a teacher, student and peer perspective, and also highlight the student's next writing steps.	We will introduce this tool into our teaching in 2020 and it will initially be used to address cohort wide writing needs as identified by the Writing analysis testing we will adopt in 2020.
Investigate and plan for the implementation of SOLO taxonomy	A Teacher Only Day was held on 17 May based on SOLO facilitated by Pam Hook. unanimous feedback to embark on a 'SOLO journey'. SOLO will become the main taxonomy we will be using to enable students to move from surface to deep learning. Staff representatives from each department worked with DPs Curriculum and Achievement to investigate a curriculum and assessment regime that will seek to encompass SOLO into their assessment of student achievement and progress.	Option subjects will be employing SOLO taxonomy into their Year 9 programme assessment in 2020. Core subjects will be employing SOLO taxonomy into one of their units in the Year 9 programme assessment in 2020.	Departments will be working to refine their entire assessment practice at Year 9 into the SOLO framework in order that students can identify where they are at and what are their next learning steps.

## GOAL TWO: STUDENT PROGRESS AND ACHIEVEMENT

To use the powerful learner metaphor to develop a common conception of what one year's progress should look like for one years' worth of instruction

Strategies (What did we do?)	Outcomes (What happened?)	Reason for Variance (Why did it happen?)	Evaluation (Where to next?)
To create an effective junior curriculum and assessment system that will allow us to identify student progress and learning to ensure the highest possible level of performance for all To have an effective assessment regime that influences the teaching and learning in order to promote progress and highlights underachievement. This will develop greater transparency around what is happening inside our classrooms (what does one year's worth of progress look like for one year's worth of instruction and enable our students to be able to take greater responsibility for their own learning".	Three Curriculum review and design days were held throughout the year. The option learning areas worked on a learning programme titled "Whakakotahitanga" focusing on collaboration. A collaboration framework was shared for consultation with the group. This outlined "phases of collaboration", and "deliberate teaching of skills" that needed to occur at each phase. The framework has been finalised and learning areas have identified what aspects of the collaboration model they will be deliberately focusing on with a specific context in mind. A rubric using the SOLO model has been developed for consultation that unpacks the learning that happens at each phase. The core learning areas focused on identity. This group defined a common language for identity and its connection to self, school and community identity. Each learning area has designed learning opportunities for students to explore identity within their context. Currently under development is a rubric that will outline the skills and capabilities related to the process of identity development. In both workshops the importance of cultural relationships and responsive pedagogy, visible learning, inclusive learning and deep learning was also explored and linked to the graduate profile.	All departments are happy to explore how they can best utilise SOLO taxonomy to address student progression and learning outcomes in 2020.	Option subjects will refine their use of SOLO throughout 2020 and core subjects will look to expand the use of SOLO into all units of work.
To be able to respond to our junior assessment regime to allow us to understand where students are at in their learning to guide future interventions, monitor progress, and evaluate the effectiveness of interventions (the next iteration will be teachers identifying individual's levels of readiness and learning needs in order to set appropriate stretch goals for further learning	A plan has been decided upon to show what one year or two years of progress looks like for cohorts or for each student or for targeted students. That is, testing 3 times over two years for three main assessments - literacy, numeracy and science. It was agreed that this is only one piece of evidence that needs to be challenged or affirmed by the information the teacher gathers.  The challenge in Term 1 for Year 9 is that the teacher doesn't know the student well, but teachers should be able to provide an approximate curriculum level for each student by the end of Week 3 - using their own activities or using ARBs which are curriculum levelled. Most students will complete the expected test for Year 9, but for those who are at curriculum level 3 or 2, will have to sit a lower levelled test which will be more appropriate for them and provide better data for the school about individual and cohort data.	Three meetings were held with Cathy Johnson from NZCER in order to explore how we can maximise our use of the PAT data in order to progress student learning. Further discussions will be held in 2020.	Frameworks will be setup so a baseline analysis can be used for Year 9 and 10 and we can trial these with departments in Term 1 in order to get their voice around what data we are collecting, what data do we need to collect, and what is important? This analysis will need to form a report for the Board of Trustees.
To develop a senior tracking regime to be able to identify those students at risk of not achieving / underachieving in their learning to guide interventions, monitor	To ensure that ALL students (with a particular focus on Male and Māori student) have the opportunity to be exposed to sufficient credits in order to gain their respective NCEA level certificates A tracking system has been introduced which is complemented by the inputting of predictive grades by subject teachers that will in turn guide future interventions. As evidenced in the Principal Report. This tracking system will form baseline data that we will use	Predictions from our current tracking regime were not achieved in the 2019 NCEA results.	We will travel to Green Bay High School to scrutinise their tracking system to see how we can improve upon our



	to be more responsive to senior student achievement.		<p>current tracking system.</p> <p>We will introduced an Academic Support position in 2020 to have an overview of NCEA Level 1, 2 and 3.</p> <p>We will make sure that senior students who leave throughout the year, as part of their signing out procedure, have to meet with our Academic Support in order that the student leaves this school with their best possible NCEA accreditation.</p>
To consider one year's progress for one year's worth of instruction to be a minimum of 14 credits per subject for Years 11, 12 and 13	<p>The goal was a minimum of an 80% pass rate at Levels 1, 2 and 3 for our Male and Māori students. Senior teachers were monitoring student credits and completing predictive grades. Deans were monitoring student credits and predictive grades and implementing interventions if and when required in a timely fashion. The Board was being updated as to the progress of senior students with respect to the 80% pass rate.</p>	<p>The goal of an 80% pass rate at Levels 1, 2 and 3 for our Male and Māori students was not achieved.</p> <p>At Level 1 Boys 73.4%</p> <p>At Level 1 Māori Boys 66.7%</p> <p>At Level 2 Boys 76.8%</p> <p>At Level 3 Boys 50.4%</p> <p>At Level 3 Māori Boys 26.3%</p> <p>The outlier was at Level 2 where we achieved this goal with the Māori Boys achievement rate of 85.7%</p>	<p>We will seek to improve our tracking and monitoring systems in order that we achieve our goal of an 80% pass rate at Levels 1, 2 and 3 in 2020.</p>

### GOAL THREE: CULTURAL RELATIONSHIPS FOR RESPONSIVE PEDAGOGY

Where teachers and leaders are challenged to reflect on the nature of their relationships with Māori students. Are they relationships focused solely on each student's academic success? Or is the student's cultural identity and physical, emotional, and spiritual wellbeing also important? What do cultural relationships involve, and how would we recognise these in practice? We must first listen to our students and create spaces for the sharing of prior knowledge and experiences, identities, aspirations, concerns and connections. Dialogue within responsive relationships in which risk taking is encouraged, where there is no shame in being a "not knower" and where it is understood that everyone brings with them knowledge, ways of knowing, and experiences of value to share. This in turn informs a responsive pedagogy, which calls for both professional skills and adaptive expertise, so that the ability of teachers to respond to their students is flexible, context-sensitive, and innovative.

Strategies (What did we do?)	Outcomes (What happened?)	Reason for Variance (Why did it happen?)	Evaluation (Where to next?)
An independent investigation of Māori Achievement at Otumoetai College exploring the issues Māori students are experiencing that have a direct effect on their overall wellbeing and their ability to achieve at high levels academically. This research will also identify solutions / strategies to increase Māori achievement through student, teacher, whānau, and community voice as well as the development of a Māori Achievement Strategy for application across Otumoetai Intermediate and College	Several hui was completed throughout the year and data has been collected and feedback from whānau, students, the Board and teachers was completed. A report was compiled and shared with all stakeholders.	Report completed and a 3 year action strategy was compiled.	Year one of the 3 year action strategy was incorporated into the Goal 3 of the colleges annual goals.
Teaching and learning demonstrated through cultural relationships for responsive pedagogy. This is to translate into meaningful, adaptive and responsive curriculum pedagogies to engage and improve the outcomes for our Māori students.	We have been liaising with our local iwi Ngai Te Rangi to establish a common vision for excellence for Māori in education through a Māori Graduate Profile. Addressing classroom practices through Shadow Coaching via the Poutama Pounamu initiative.	Local iwi are still creating their preferred version of a Māori Graduate Profil. At least 70 staff have been through the Poutama Pounamu training.	Academic data suggests that we still have a long way to go in order to successfully address Māori educational outcomes. It is hoped that the introduction of a Kaitiaki and the adoption of the strategies as outlined in the Tāne Achievement report will make significant positive inroads in this area.

## **Otumoetai College**

### **Kiwisport**

For the Year Ended 31 December 2019

Kiwisport is a Government initiative to support students' participation in organised sport. In 2019 , the school received total Kiwisport funding of \$44,431 (excluding GST). The funding is spent on providing a wide range of sporting opportunities for all students at all levels . Funds have been put towards a dedicated sports office manned by three staff organising teams , coaches, equipment and uniforms. Thirty five sports were offered in 2019 with the number of students participating in organised sport being 35% of the school roll.

## Independent Auditor's Report

# To the Readers of Otumoetai College's Group Financial Statements

## For the Year Ended 31 December 2019

The Auditor-General is the auditor of Otumoetai College and its controlled entities (collectively referred to as "the Group"). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the Group on his behalf.

### Opinion

We have audited the financial statements of the Group on pages 2 to 1, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Group:

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

Our audit was completed on 22 June 2020. 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

### Failure to meet statutory reporting deadline

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

### Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 29 on page 17 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited



## **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 of Trustees for the financial statements**

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

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

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

## **Responsibilities of the auditor for the audit of the financial statements**

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group'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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 1 and on pages 19 to 24, 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 Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



**Richard Dey**  
**William Buck Audit (NZ)**  
**Limited**  
On behalf of the Auditor-General  
Tauranga, New Zealand