

WAITAKERE COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	44
Principal:	Mark Shanahan
School Address:	42 Rathgar Road, Henderson, Auckland
School Postal Address:	PO Box 21-144, Henderson, Auckland
School Phone:	09 836 7890
School Email:	mark@waitakere-college.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Cindy Delaney	Parent Rep	Elected	Jun-22
Ina Sufia	Parent Rep	Elected	Jun-22
Jane Coup	Staff Rep	Elected	Jun-22
Joan Thomas	Board Chairperson	Elected	Jun-22
Mark Shanahan	Principal	Appointed	Current
Rebecca Hopkins	Parent Rep	Elected	Jun-22
Sallyanne Taulaga	Student Rep	Elected	Jun-22
Sirjit Anderson	Parent Rep	Co-opted	Jun-22
Steve Bishop	Parent Rep	Elected	Jun-22

Service Provider:

Leading Edge Services (2017) Ltd, PO Box 20496, Glen Eden, Auckland

WAITAKERE COLLEGE

Annual Report - For the year ended 31 December 2020

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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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	240,523	489,962	682,751
Receivables	779,004	649,098	649,099
Investments - Term Deposits	2,302,177	1,656,449	1,656,449
Total Financial assets measured at amortised cost	<u>3,321,704</u>	<u>2,795,509</u>	<u>2,988,299</u>

Financial liabilities measured at amortised cost

Payables	958,540	880,900	880,902
Finance Leases	301,725	171,712	171,712
Total Financial Liabilities Measured at Amortised Cost	<u>1,260,265</u>	<u>1,052,612</u>	<u>1,052,614</u>

28. Events After Balance Date

There were no 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.

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:

	2020 Actual	2019 Actual
Total	\$0	-
Number of People	0	-

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

\$158,731 contract for Learning Support Offices to be completed in 2021, which will be fully funded by the Ministry of Education. \$152,250 has been received of which \$129,448 has been spent on the project to date; and

(Capital commitments at 31 December 2019: \$nil)

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.

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.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,720	4,517
Full-time equivalent members	0.16	0.17
<i>Leadership Team</i>		
Remuneration	935,394	843,190
Full-time equivalent members	7	7
Total key management personnel remuneration	940,114	847,707
Total full-time equivalent personnel	7.16	7.17

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	180 - 190
Benefits and Other Emoluments	0-6	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 -110	12.00	7.00
110 -120	5.00	2.00
123-130	5.00	0.00
	22.00	9.00

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

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:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block B Roof, Toilets, Kitchen	<i>in progress</i>	(50,728)	32,753	(3,816)	-	14,382
Learning Support Office	<i>in progress</i>	-	152,250	(133,994)	-	18,256
Totals		<u>(50,728)</u>	<u>185,003</u>	<u>(137,810)</u>	<u>-</u>	<u>32,638</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

32,638

(32,638)

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block B Roof, Toilets, Kitchen	<i>in progress</i>	(50,728)	-	(71,603)	-	(50,728)
Block A Refroofing	<i>in progress</i>	266,020	200,000	(338,766)	-	127,254
Special Needs Modification	<i>in progress</i>	(1,846)	-	(11,032)	-	(12,878)
MLE A & E Block	<i>in progress</i>	-	283,000	(330,307)	-	(47,307)
Block C Drainage	<i>completed</i>	27,280	6,000	(33,280)	-	-
B Block Drainage	<i>completed</i>	-	71,842	(71,842)	-	-
Totals		<u>240,726</u>	<u>560,842</u>	<u>(856,830)</u>	<u>-</u>	<u>16,341</u>

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.

The carrying value of payables approximates their fair value.

16. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	47,174	130,793	130,793
Other	177,116	292,270	292,270
	<u>224,290</u>	<u>423,063</u>	<u>423,063</u>

17. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	526,277	526,277	583,792
Increase/ (decrease) to the Provision During the Year	87,258	104,625	84,195
Use of the Provision During the Year	(51,218)	(104,625)	(141,710)
Provision at the End of the Year	<u>562,317</u>	<u>526,277</u>	<u>526,277</u>
Cyclical Maintenance - Current	66,864	57,431	57,431
Cyclical Maintenance - Term	495,453	468,846	468,846
	<u>562,317</u>	<u>526,277</u>	<u>526,277</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:

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	165,021	124,759	133,482
Later than One Year and no Later than Five Years	168,888	46,953	49,318
	<u>333,909</u>	<u>171,712</u>	<u>182,800</u>

19. Funds held in Trust

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	4,040	24,885	24,884
	<u>4,040</u>	<u>24,885</u>	<u>24,884</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.

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Building Improvements	956,194	(259,118)	697,076
Furniture and Equipment	1,831,663	(1,046,083)	785,581
Information and Communication Technology	881,651	(627,789)	253,862
Motor Vehicles	320,259	(238,422)	81,838
Leased Assets	537,494	(251,819)	285,675
Library Resources	159,431	(93,827)	65,604
Balance at 31 December 2020	4,686,692	(2,517,058)	2,169,636

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	744,886				(23,905)	720,981
Furniture and Equipment	613,429	193,694	(437)		(105,386)	701,300
Information and Communication Technology	114,716	9,633			(36,283)	88,066
Motor Vehicles	37,319	42,564			(12,796)	67,087
Leased Assets	373,417	47,359	(1,624)		(240,592)	178,560
Library Resources	65,978	11,132	(3,810)		(9,162)	64,138
Balance at 31 December 2019	1,949,745	304,382	(5,871)	-	(428,124)	1,820,132

The net carrying value of equipment held under a finance lease is \$178,560 (2018: \$373,419)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	956,194	(235,213)	720,981
Furniture and Equipment	1,629,160	(927,860)	701,300
Information and Communication Technology	647,563	(559,497)	88,066
Motor Vehicles	280,984	(213,895)	67,088
Leased Assets	680,325	(501,765)	178,560
Library Resources	150,934	(86,798)	64,137
Balance at 31 December 2019	4,345,160	(2,525,028)	1,820,132

15. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	162,916	217,263	217,263
Accruals	33,502	31,793	31,793
Employee Entitlements - Salaries	686,249	558,712	558,714
Employee Entitlements - Leave Accrual	75,873	73,132	73,132
	958,540	880,900	880,902
Payables for Exchange Transactions	958,540	880,900	880,902
	958,540	880,900	880,902

10. Accounts Receivable

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Receivables	60,369	53,764	53,764
Interest Receivable	5,624	11,644	11,644
Teacher Salaries Grant Receivable	713,011	583,690	583,691
	<u>779,004</u>	<u>649,098</u>	<u>649,099</u>
Receivables from Exchange Transactions	65,993	65,408	65,408
Receivables from Non-Exchange Transactions	713,011	583,690	583,691
	<u>779,004</u>	<u>649,098</u>	<u>649,099</u>

11. Inventories

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Stationery	741	4,620	4,620
School Uniforms	53,642	18,761	18,761
	<u>54,383</u>	<u>23,381</u>	<u>23,381</u>

12. Investments

The School's investment activities are classified as follows:

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	2,302,177	1,656,449	1,656,449
Total Investments	<u>2,302,177</u>	<u>1,656,449</u>	<u>1,656,449</u>

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	720,981	-	-	-	(23,905)	697,076
Furniture and Equipment	701,300	202,503	-	-	(118,222)	785,581
Information and Communication Technology	88,066	239,328	(4,585)	-	(68,947)	253,862
Motor Vehicles	67,089	39,275	-	-	(24,526)	81,838
Leased Assets	178,560	325,002	-	-	(217,887)	285,675
Library Resources	64,136	12,571	(1,731)	-	(9,372)	65,604
Balance at 31 December 2020	<u>1,820,132</u>	<u>818,679</u>	<u>(6,316)</u>	<u>-</u>	<u>(462,859)</u>	<u>2,169,636</u>

The net carrying value of equipment held under a finance lease is \$285,675 (2019: \$178,560)

7. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	287,744	284,550	283,705
Cyclical Maintenance Provision	87,258	104,625	84,195
Grounds	38,400	36,450	36,648
Rates	14,919	22,200	16,973
Repairs and Maintenance	147,584	246,650	150,331
Use of Land and Buildings	3,335,654	3,100,050	3,138,702
Security	19,965	30,188	29,197
Employee Benefits - Salaries	108,417	121,515	116,121
	<u>4,039,941</u>	<u>3,946,228</u>	<u>3,855,872</u>

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

8. Depreciation

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements - Crown	23,905	21,898	23,905
Furniture and Equipment	118,222	108,297	105,386
Information and Communication Technology	68,947	63,159	36,283
Motor Vehicles	24,526	22,467	12,796
Leased Assets	217,887	199,594	240,592
Library Resources	9,372	8,585	9,162
	<u>462,859</u>	<u>424,000</u>	<u>428,124</u>

9. Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	236,452	487,892	680,681
Bank Call Account	4,071	2,070	2,070
	<u>240,523</u>	<u>489,962</u>	<u>682,751</u>

Cash and cash equivalents for Statement of Cash Flows

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

Of the \$240,523 Cash and Cash Equivalents, \$32,638 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	12	14	14
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	170,315	212,533	208,622
Expenses			
Advertising	11,637	24,500	3,600
Commissions	14,695	8,400	16,989
Recruitment	-	-	10,000
International Student Levy	1,990	5,422	7,150
Employee Benefit - Salaries	107,334	113,720	87,547
Other Expenses	16,918	20,946	18,188
	152,574	172,988	143,474
<i>Surplus/ (Deficit) for the year International Students</i>	17,741	39,545	65,148

During the year ended 31 December 2019 Principal travelled to Cambodia at a cost of \$6,500 and the International Students Director travelled to Thailand at a cost of \$3,450 for the purpose of recruiting new students for the school. The travel was funded by the school. (2020: Nil)

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	3,310,590	3,184,228	3,003,843
Information and Communication Technology	134,809	144,225	118,642
Library Resources	7,964	10,000	7,937
Employee Benefits - Salaries	8,728,488	7,838,305	8,245,379
Staff Development	100,531	158,255	99,197
	12,282,382	11,335,013	11,474,998

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	10,110	9,816	10,566
Board of Trustees Fees	4,720	6,000	4,517
Board of Trustees Expenses	5,797	8,300	8,762
Communication	34,682	41,200	39,356
Consumables	56,614	87,535	24,031
Operating Lease	28,713	-	4,955
Other	64,736	101,699	91,044
Employee Benefits - Salaries	507,745	477,644	472,840
Insurance	15,506	15,550	15,745
Service Providers, Contractors and Consultancy	29,560	29,460	27,765
	758,183	777,204	699,581

2. Government Grants

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	3,821,445	3,741,935	3,367,378
Teachers' Salaries Grants	8,389,908	7,408,943	7,830,231
Use of Land and Buildings Grants	3,335,654	3,100,050	3,138,702
Resource Teachers Learning and Behaviour Grants	740,317	596,229	649,075
Other MoE Grants	830,004	252,354	321,651
Other Government Grants	468,747	453,072	512,355
	<u>17,586,075</u>	<u>15,552,583</u>	<u>15,819,392</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$209,418 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	84,759	15,000	149,200
Activities	547,237	569,657	622,781
Trading	211,351	222,200	237,987
Fundraising	130,768	102,500	200,661
Overseas Trips	-	-	172,731
	<u>974,115</u>	<u>909,357</u>	<u>1,383,360</u>
Expenses			
Activities	278,569	386,771	373,170
Trading	156,506	170,650	202,076
Overseas Trips	-	-	172,875
	<u>435,075</u>	<u>557,421</u>	<u>748,121</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>539,040</u>	<u>351,936</u>	<u>635,239</u>

During the year ended 31 December 2019 20 Students and 4 Staff from the school travelled to Samoa at a cost of \$44,219 for immersion in the local culture/language. The travel was funded by the students. (2020: Nil)

During the year ended 31 December 2019 24 Students and 3 Staff from the school travelled to Greece and Italy at a cost of \$128,656 for immersion in the local culture/language. The travel was funded by the students. (2020:Nil)

t) 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.

u) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

v) 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.

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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

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.

q) Shared Funds

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

r) Provision for Cyclical Maintenance

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

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

s) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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.

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 (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

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

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.

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.

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	40 years
Furniture and equipment	10 years
Information and communication technology	4 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-5 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 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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

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 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.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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.

Waitakere College

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Waitakere College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the 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.

Waitakere College

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020 Budget	2019
	Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		5,860,513	5,417,488	4,850,459
Locally Raised Funds		852,356	1,211,600	1,685,604
International Students		86,696	234,968	231,057
Goods and Services Tax (net)		(14,516)	57,492	57,492
Funds Administered on Behalf of Third Parties		(20,844)	(43,878)	(105,534)
Payments to Employees		(1,061,120)	(1,137,669)	(1,087,084)
Payments to Suppliers		(4,859,166)	(5,326,224)	(5,070,491)
Cyclical Maintenance Payments in the year		(51,218)	(162,140)	(141,710)
Interest Paid		(27,750)	(19,098)	(19,124)
Interest Received		47,892	70,973	73,669
Net cash from/(to) Operating Activities		812,843	303,512	474,338
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment		(6,316)	840	
Purchase of Property Plant & Equipment		(287,600)	(519,081)	(437,421)
Purchase of Investments		(645,728)	357,651	357,651
Net cash from/(to) Investing Activities		(939,644)	(160,590)	(79,770)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	41,085
Finance Lease Payments		(212,621)	(159,597)	(242,208)
Distribution to Ministry		(150,000)	-	
Funds Held for Capital Works Projects		47,193	(43,774)	(30,896)
Net cash from/(to) Financing Activities		(315,428)	(203,371)	(232,019)
Net increase/(decrease) in cash and cash equivalents		(442,229)	(60,449)	162,549
Cash and cash equivalents at the beginning of the year	9	682,751	550,411	520,205
Cash and cash equivalents at the end of the year	9	240,523	489,962	682,751

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

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

Waitakere College

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	9	240,523	489,962	682,751
Accounts Receivable	10	779,004	649,098	649,099
GST Receivable		30,008	15,492	15,492
Prepayments		20,535	38,268	38,268
Funds due for Capital Works Projects	20	-	14,555	-
Inventories	11	54,383	23,381	23,381
Investments	12	2,302,177	1,656,449	1,656,449
		<u>3,426,630</u>	<u>2,887,205</u>	<u>3,065,440</u>
Current Liabilities				
Accounts Payable	15	958,540	880,900	880,902
Revenue Received in Advance	16	224,290	423,063	423,063
Provision for Cyclical Maintenance	17	66,864	57,431	57,431
Finance Lease Liability - Current Portion	18	143,636	124,759	124,759
Funds held in Trust	19	4,040	24,885	24,884
Funds held for Capital Works Projects	20	32,638	-	16,341
		<u>1,430,008</u>	<u>1,511,038</u>	<u>1,527,380</u>
Working Capital Surplus/(Deficit)		1,996,622	1,376,167	1,538,060
Non-current Assets				
Property, Plant and Equipment	13	2,169,636	1,515,942	1,820,132
Work in Progress		-	182,128	182,128
		<u>2,169,636</u>	<u>1,698,070</u>	<u>2,002,260</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	17	495,453	468,846	468,846
Finance Lease Liability	18	158,089	46,953	46,953
		<u>653,542</u>	<u>515,799</u>	<u>515,799</u>
Net Assets		<u>3,512,714</u>	<u>2,558,438</u>	<u>3,024,521</u>
Equity	26	<u>3,512,714</u>	<u>2,558,438</u>	<u>3,055,417</u>

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

Waitakere College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>3,055,417</u>	<u>3,055,417</u>	<u>2,913,303</u>
Total comprehensive revenue and expense for the year		607,297	(496,979)	101,029
Capital Contributions from the Ministry of Education		-	-	41,085
Contribution - Furniture and Equipment Grant				
Distribution to Ministry of Education		(150,000)		
Equity at 31 December	26	<u>3,512,714</u>	<u>2,558,438</u>	<u>3,055,417</u>
Retained Earnings		3,362,714	2,558,438	3,055,417
Equity at 31 December		<u>3,512,714</u>	<u>2,558,438</u>	<u>3,055,417</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.

Waitakere College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	17,586,075	15,552,583	15,819,392
Locally Raised Funds	3	974,115	909,357	1,383,360
Interest income		41,872	60,500	63,196
International Students	4	170,315	212,533	208,622
		<u>18,772,377</u>	<u>16,734,973</u>	<u>17,474,570</u>
Expenses				
Locally Raised Funds	3	435,075	557,421	748,121
International Students	4	152,574	172,988	143,474
Learning Resources	5	12,282,382	11,335,013	11,474,998
Administration	6	758,183	777,204	699,581
Finance		27,750	19,098	19,124
Property	7	4,039,941	3,946,228	3,855,872
Depreciation	8	462,859	424,000	428,124
Loss on Disposal of Property, Plant and Equipment		6,316	-	4,247
		<u>18,165,080</u>	<u>17,231,952</u>	<u>17,373,541</u>
Net Surplus / (Deficit) for the year		607,297	(496,979)	101,029
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>607,297</u></u>	<u><u>(496,979)</u></u>	<u><u>101,029</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.

Waitakere College

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

JOAN THOMAS

Full Name of Board Chairperson

Signature of Board Chairperson

13/05/21

Date:

MARK PATRICK SHANAHAN

Full Name of Principal

Signature of Principal

13/5/21

Date: