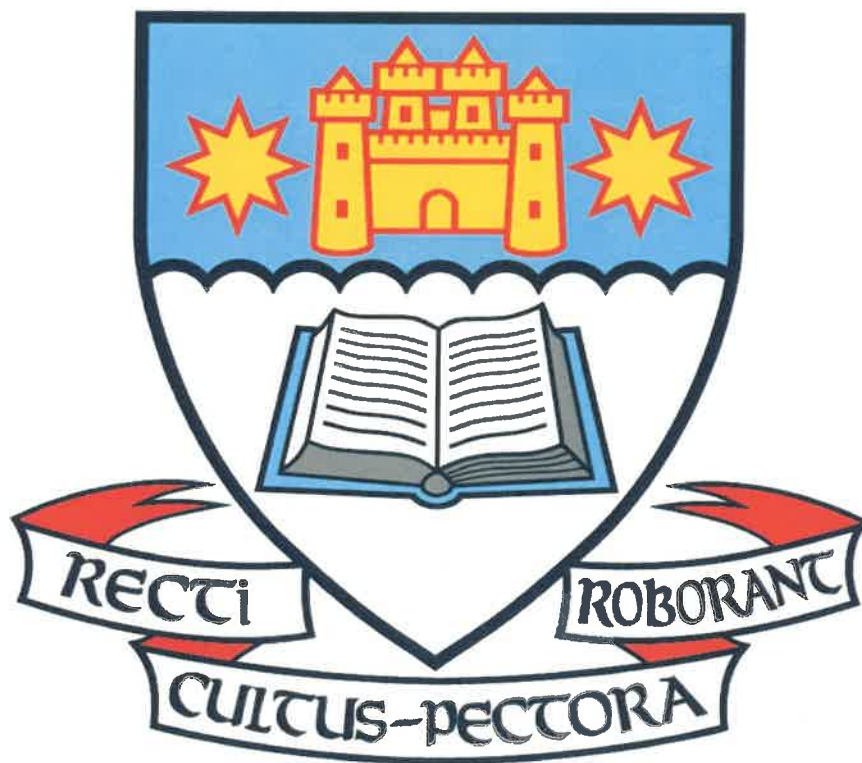


**OTAGO BOYS HIGH SCHOOL**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



# OTAGO BOYS HIGH SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:** 377

**Rector:** Mr Richard Hall

**School Address:** 2 Arthur Street, Dunedin, New Zealand

**School Postal Address:** P O Box 11, Dunedin, New Zealand

**School Phone:** (03) 477 5527

**School Email:** [school.sec@obhs.school.nz](mailto:school.sec@obhs.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Mr Lawrence Alloo	Chair Person	Elected	Jun-22
Mr Richard Hall	Rector	Ex Officio	
Dr Anna Campbell	Parent Rep	Re-elected	Jun-22
Mr Brendan Williams	Parent Rep	Elected	Jun-22
Ms Allie Cunninghame	Parent Rep	Re-elected	Jun-22
Dr Megan Gibbons	Parent Rep	Elected	Jun-22
Mr Peter Odgers	Staff Rep	Elected	Jun-22
Kaia Sheehy-Wikio	Student Rep	Elected	Sep-21
Elliot Alloo	Student Rep	Elected	Sep-20

**Accountant / Service Provider:**

The  
SchoolOffice

**Auditor:**

Delloite

# OTAGO BOYS HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 21	Notes to the Financial Statements
	<b>Other Information</b>
22	Independent Auditor's Report
Appendix	Analysis of Variance
Appendix	Kiwisport

# Otago Boys High School

## 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.

Lawrence Gordon Alloo

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

27/5/21

Date:

Richard John Lancelot Hall

Full Name of Principal

[Signature]

Signature of Principal

27/5/21

Date:

# Otago Boys High School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	8,185,809	7,736,358	7,559,445
Locally Raised Funds	3	975,024	497,440	971,577
Interest income		22,000	29,500	36,115
Hostel	4	1,725,343	1,846,450	1,840,786
International Students	5	372,915	431,270	524,221
		<u>11,281,091</u>	<u>10,541,018</u>	<u>10,932,144</u>
<b>Expenses</b>				
Locally Raised Funds	3	705,834	266,691	1,016,690
Hostel	4	1,665,140	1,676,571	1,707,618
International Students	5	167,938	264,007	279,175
Learning Resources	6	5,954,957	5,718,495	5,170,959
Administration	7	396,704	459,662	710,127
Finance		9,367	-	12,439
Property	8	1,920,128	1,908,097	1,838,502
Depreciation	9	284,999	210,000	275,230
Loss on Disposal of Property, Plant and Equipment		1,277	-	4,176
		<u>11,106,344</u>	<u>10,503,523</u>	<u>11,014,916</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>174,747</b>	<b>37,495</b>	<b>(82,772)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>174,747</u></b>	<b><u>37,495</u></b>	<b><u>(82,772)</u></b>

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

# Otago Boys High School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		4,167,736	4,167,736	4,230,900
Total comprehensive revenue and expense for the year		174,747	37,495	(82,772)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	19,608
<b>Equity at 31 December</b>	27	4,342,483	4,205,231	4,167,736
Retained Earnings		4,342,483	4,205,231	4,167,736
<b>Equity at 31 December</b>		4,342,483	4,205,231	4,167,736

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.

# Otago Boys High School

## Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	10	1,407,751	1,663,441	1,692,952
Accounts Receivable	11	423,286	361,422	361,422
GST Receivable		36,273	30,132	25,526
Prepayments		20,611	15,043	15,043
Inventories	12	5,476	32,445	32,445
Investments	13	903,820	686,677	686,677
		<u>2,797,217</u>	<u>2,789,160</u>	<u>2,814,065</u>
<b>Current Liabilities</b>				
Accounts Payable	15	649,935	517,606	517,606
Borrowings - Due in one year	16	62,400	62,400	62,400
Revenue Received in Advance	17	910,061	687,124	687,124
Provision for Cyclical Maintenance	18	37,143	75,077	75,077
Finance Lease Liability - Current Portion	19	57,425	59,174	59,174
Funds held in Trust	20	-	105,400	105,400
Funds held for Capital Works Projects	21	420,972	863,879	863,879
		<u>2,137,936</u>	<u>2,370,660</u>	<u>2,370,660</u>
<b>Working Capital Surplus/(Deficit)</b>		659,281	418,500	443,405
<b>Non-current Assets</b>				
Property, Plant and Equipment	14	4,107,619	4,246,787	4,246,787
		<u>4,107,619</u>	<u>4,246,787</u>	<u>4,246,787</u>
<b>Non-current Liabilities</b>				
Borrowings	16	307,559	307,559	369,959
Provision for Cyclical Maintenance	18	91,038	62,273	62,273
Finance Lease Liability	19	25,820	90,224	90,224
		<u>424,417</u>	<u>460,056</u>	<u>522,456</u>
<b>Net Assets</b>		<u>4,342,483</u>	<u>4,205,231</u>	<u>4,167,736</u>
<b>Equity</b>	27	<u>4,342,483</u>	<u>4,205,231</u>	<u>4,167,736</u>

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

# Otago Boys High School

## Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,061,666	1,648,053	1,918,991
Locally Raised Funds		1,151,443	497,440	1,021,864
Hostel		1,744,731	1,846,450	1,883,384
International Students		414,842	431,270	367,202
Goods and Services Tax (net)		(10,746)	(4,605)	33,982
Funds Administered on Behalf of Third Parties		(105,400)	-	(54,920)
Payments to Employees		(1,971,059)	(1,690,903)	(1,977,344)
Payments to Suppliers		(2,650,818)	(2,509,124)	(3,029,975)
Cyclical Maintenance Payments in the year		-	(10,500)	-
Interest Paid		(9,367)	-	(12,439)
Interest Received		25,219	29,500	36,934
Net cash from/(to) Operating Activities		650,511	237,581	187,679
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(1,277)	(15,000)	478
Purchase of Property Plant & Equipment (and Intangibles)		(107,527)	(195,000)	(287,062)
Purchase of Investments		(217,143)	-	236,500
Net cash from/(to) Investing Activities		(325,947)	(210,000)	(50,084)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	19,608
Finance Lease Payments		(104,458)	-	(58,573)
Loans Received/ Repayment of Loans		(62,400)	(62,400)	(62,400)
Funds Held for Capital Works Projects		(442,907)	-	793,583
Net cash from/(to) Financing Activities		(609,765)	(62,400)	692,218
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(285,201)</b>	<b>(34,819)</b>	<b>829,813</b>
Cash and cash equivalents at the beginning of the year	10	1,692,952	1,698,260	863,139
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>1,407,751</b>	<b>1,663,441</b>	<b>1,692,952</b>

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.



# Otago Boys High School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

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

Otago Boys High School (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.

#### *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 18.

#### *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 14.

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

#### **h) Inventories**

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

#### **i) Investments**

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

#### **j) Property, Plant and Equipment**

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

Improvements 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	100 years
Furniture and equipment	10 years
Information and communication technology	5–7 years
Motor vehicles	8 years
Textbooks	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	5 years

**k) 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.

**l) 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.

**m) Employee Entitlements*****Short-term employee entitlements***

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

***Long-term employee entitlements***

Employee benefits that are 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.

**n) Revenue Received in Advance**

Revenue received in advance relates to fees received from international, hostel students 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.

**o) 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.

**p) 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).

**q) 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.

**r) Borrowings**

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

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

**s) 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.

**t) Budget Figures**

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

**u) Services received in-kind**

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

## 2. Government Grants

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	1,607,047	1,635,495	1,600,438
Teachers' Salaries Grants	4,931,566	4,919,117	4,570,747
Use of Land and Buildings Grants	1,163,880	1,163,880	1,069,707
Resource Teachers Learning and Behaviour Grants	3,628	-	-
Other MoE Grants	436,616	17,866	318,553
Other Government Grants	43,072	-	-
	<b>8,185,809</b>	<b>7,736,358</b>	<b>7,559,445</b>

Other MOE Grants total includes additional COVID-19 funding totalling \$72,000 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
	\$	\$	\$
<b>Revenue</b>			
Donations	147,610	191,500	128,405
Bequests & Grants	-	-	30,345
Activities	441,135	32,000	510,005
Trading	206,778	226,000	272,416
Fundraising	9,471	-	3,936
Other Revenue	170,030	47,940	26,470
	<b>975,024</b>	<b>497,440</b>	<b>971,577</b>
<b>Expenses</b>			
Activities	496,636	51,355	793,710
Trading	207,950	211,836	222,980
Fundraising (Costs of Raising Funds)	1,248	3,500	-
	<b>705,834</b>	<b>266,691</b>	<b>1,016,690</b>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<b>269,190</b>	<b>230,749</b>	<b>(45,113)</b>

#### 4. Hostel Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
<b>Hostel Financial Performance</b>			
Hostel Full Boarders	131	134	134
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Hostel Fees	1,723,766	1,845,450	1,627,193
Other Revenue	1,577	1,000	213,593
	1,725,343	1,846,450	1,840,786
<b>Expenses</b>			
Kitchen	333,047	382,000	406,295
Extra Curricular/Activities	26,991	4,000	26,151
Administration	100,040	90,662	97,639
Property	373,076	383,235	371,124
Student Supplies	40,669	75,371	19,760
Employee Benefit - Salaries	791,317	741,303	786,649
	1,665,140	1,676,571	1,707,618
<i>Surplus/ (Deficit) for the year Hostel</i>	60,203	169,879	133,168

#### 5. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	23	26	32
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
International Student Fees	372,915	431,270	524,221
<b>Expenses</b>			
Advertising	11,068	-	-
Commissions	31,504	35,100	57,484
Recruitment	2,017	25,000	31,163
International Student Levy	9,666	99,948	11,944
Employee Benefit - Salaries	79,882	96,540	105,270
Other Expenses	33,801	7,419	73,314
	167,938	264,007	279,175
<i>Surplus/ (Deficit) for the year International Students</i>	204,977	167,263	245,046



## 6. Learning Resources

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	251,827	262,300	85,126
Equipment Repairs	3,848	-	-
Information and Communication Technology	84,965	93,695	38,219
Library Resources	1,776	10,000	-
Employee Benefits - Salaries	5,597,130	5,330,500	5,009,860
Staff Development	15,411	22,000	37,754
	<u>5,954,957</u>	<u>5,718,495</u>	<u>5,170,959</u>

## 7. Administration

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	6,702	6,702	6,507
Board of Trustees Fees	3,920	5,000	4,212
Board of Trustees Expenses	423	600	7,735
Communication	51,774	56,100	25,442
Consumables	1,302	-	19,695
Legal Fees	2,884	10,000	22,277
Other	(3,554)	29,400	47,352
Employee Benefits - Salaries	288,381	299,860	519,751
Insurance	44,872	52,000	52,251
Service Providers, Contractors and Consultancy	-	-	4,905
	<u>396,704</u>	<u>459,662</u>	<u>710,127</u>

## 8. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	218,166	190,000	196,973
Consultancy and Contract Services	645	-	-
Cyclical Maintenance Provision	(9,169)	10,500	23,674
Grounds	73,802	72,000	104,815
Heat, Light and Water	137,521	194,000	184,506
Rates	49,606	44,000	48,611
Repairs and Maintenance	123,791	83,000	55,678
Use of Land and Buildings	1,163,880	1,163,880	1,069,707
Security	9,550	8,900	13,327
Employee Benefits - Salaries	152,336	141,817	141,211
	<u>1,920,128</u>	<u>1,908,097</u>	<u>1,838,502</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.



## 9. Depreciation

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Buildings - School	39,052	40,000	39,005
Furniture and Equipment	91,562	89,000	85,296
Information and Communication Technology	31,422	25,000	43,081
Motor Vehicles	32,477	15,000	26,892
Textbooks	593	1,000	1,032
Leased Assets	67,206	30,000	67,519
Library Resources	22,687	10,000	12,405
	<u>284,999</u>	<u>210,000</u>	<u>275,230</u>

## 10. Cash and Cash Equivalents

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Cash on Hand	-	250	248
Bank Current Account	1,068,116	1,057,918	1,143,540
Bank Call Account	-	605,273	549,164
Short-term Bank Deposits	339,635	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>1,407,751</u>	<u>1,663,441</u>	<u>1,692,952</u>

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

Of the \$1,407,751 Cash and Cash Equivalents, \$485,110 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.

## 11. Accounts Receivable

	2020	2020 Budget (Unaudited)	2019
	Actual		Actual
	\$	\$	\$
Receivables	5,740	20,537	20,537
Receivables from the Ministry of Education	16,248	-	-
Interest Receivable	1,237	4,456	4,456
Banking Staffing Underuse	12,449	-	-
Teacher Salaries Grant Receivable	387,612	336,429	336,429
	<u>423,286</u>	<u>361,422</u>	<u>361,422</u>
Receivables from Exchange Transactions	6,977	24,993	24,993
Receivables from Non-Exchange Transactions	416,309	336,429	336,429
	<u>423,286</u>	<u>361,422</u>	<u>361,422</u>

## 12. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Sports Merchandise	5,476	6,504	6,504
School Uniforms	-	22,888	22,888
Canteen	-	3,053	3,053
	<u>5,476</u>	<u>32,445</u>	<u>32,445</u>

## 13. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset Short-term Bank Deposits	903,820	686,677	686,677
Total Investments	<u>903,820</u>	<u>686,677</u>	<u>686,677</u>

## 14. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2020</b>						
Buildings - School	3,371,972	5,619	-	9	(39,052)	3,338,548
Furniture and Equipment	456,489	60,224	-	-	(91,562)	425,151
Information and Communication Technology	107,344	20,526	-	(3)	(31,422)	96,445
Motor Vehicles	176,640	13,838	-	-	(32,477)	158,001
Textbooks	3,460	3,769	-	(1)	(593)	6,635
Leased Assets	111,597	38,305	-	-	(67,206)	82,696
Library Resources	19,285	4,679	(1,277)	-	(22,687)	-
WIP - Car Park	-	143	-	-	-	143
<b>Balance at 31 December 2020</b>	<u>4,246,787</u>	<u>147,103</u>	<u>(1,277)</u>	<u>5</u>	<u>(284,999)</u>	<u>4,107,619</u>

The net carrying value of equipment held under a finance lease is \$82,696 (2019: \$111,597)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2020</b>			
Buildings - School	3,982,046	(643,498)	3,338,548
Furniture and Equipment	2,223,026	(1,797,875)	425,151
Information and Communication Technology	1,007,121	(910,676)	96,445
Motor Vehicles	315,681	(157,680)	158,001
Textbooks	32,413	(25,778)	6,635
Leased Assets	325,322	(242,626)	82,696
Library Resources	163,006	(163,006)	-
WIP - Car Park	143	-	143
<b>Balance at 31 December 2020</b>	<u>8,048,758</u>	<u>(3,941,139)</u>	<u>4,107,619</u>

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings - School	3,356,018	54,959	-	-	(39,005)	3,371,972
Furniture and Equipment	419,752	122,033	-	-	(85,296)	456,489
Information and Communication Technology	119,394	31,031	-	-	(43,081)	107,344
Motor Vehicles	136,032	72,154	(4,654)	-	(26,892)	176,640
Textbooks	4,492	-	-	-	(1,032)	3,460
Leased Assets	172,813	6,303	-	-	(67,519)	111,597
Library Resources	24,804	6,886	-	-	(12,405)	19,285
<b>Balance at 31 December 2019</b>	<b>4,233,305</b>	<b>293,366</b>	<b>(4,654)</b>	<b>-</b>	<b>(275,230)</b>	<b>4,246,787</b>

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings - School	3,976,426	(604,454)	3,371,972
Furniture and Equipment	2,164,458	(1,707,969)	456,489
Information and Communication Technology	992,625	(885,281)	107,344
Motor Vehicles	301,842	(125,202)	176,640
Textbooks	28,645	(25,185)	3,460
Leased Assets	287,017	(175,420)	111,597
Library Resources	169,558	(150,273)	19,285
<b>Balance at 31 December 2019</b>	<b>7,920,571</b>	<b>(3,673,784)</b>	<b>4,246,787</b>

#### 15. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	197,461	69,425	69,425
Accruals	6,705	60,016	60,016
Employee Entitlements - Salaries	395,899	336,429	336,429
Employee Entitlements - Leave Accrual	49,870	51,736	51,736
	<b>649,935</b>	<b>517,606</b>	<b>517,606</b>
Payables for Exchange Transactions	626,408	517,606	517,606
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	23,527	-	-
	<b>649,935</b>	<b>517,606</b>	<b>517,606</b>

The carrying value of payables approximates their fair value.

## 16. Borrowings

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Due in One Year	62,400	62,400	62,400
Due Beyond One Year	307,559	307,559	369,959
	<u>369,959</u>	<u>369,959</u>	<u>432,359</u>

The school has borrowings at 31 December 2020 of \$369,959 (31 December 2019 \$432,359). This loan is from the ANZ Bank for the purpose of Hostel refurbishment. The loan is unsecured, is non-interest bearing, being part of a set-off arrangement, and the loan is payable in equal monthly instalments of \$5,200.

## 17. Revenue Received in Advance

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
International Student Fees	549,372	507,445	507,445
Hostel Fees	135,445	116,057	116,057
Other	225,244	63,622	63,622
	<u>910,061</u>	<u>687,124</u>	<u>687,124</u>

## 18. Provision for Cyclical Maintenance

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Provision at the Start of the Year	137,350	137,350	113,676
Increase/ (decrease) to the Provision During the Year	(9,169)	75,077	23,674
Use of the Provision During the Year	-	(75,077)	-
Provision at the End of the Year	<u>128,181</u>	<u>137,350</u>	<u>137,350</u>
Cyclical Maintenance - Current	37,143	75,077	75,077
Cyclical Maintenance - Term	91,038	62,273	62,273
	<u>128,181</u>	<u>137,350</u>	<u>137,350</u>

## 19. Finance Lease Liability

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

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
No Later than One Year	57,425	59,174	59,174
No Later than One Year - Interest	5,137	-	-
Later than One Year and no Later than Five Years	25,820	90,224	90,224
Later than One Year and no Later than Five Years - Interest	3,655	-	-
	<u>92,037</u>	<u>149,398</u>	<u>149,398</u>

## 20. Funds held in Trust

	2020	2020 Budget (Unaudited)	2019
	Actual \$	\$	Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	105,400	105,400
	<u>-</u>	<u>105,400</u>	<u>105,400</u>

## 21. Funds Held for Capital Works Projects

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

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions w/off to R&M	Closing Balances
		\$	\$	\$	\$	\$
Tower Block Seismic Upgrade	<i>completed</i>	4	-	-	(4)	-
Shand Roof	<i>in progress</i>	37,986	-	-	-	37,986
Boiler Replacement	<i>in progress</i>	820,775	72,892	(941,405)	-	(47,738)
Grandstand Roof	<i>in progress</i>	5,114	-	-	-	5,114
Pool Gyn Roof Replacement	<i>in progress</i>	-	28,409	-	-	28,409
OBHS Arch Repairs	<i>in progress</i>	-	-	(16,400)	-	(16,400)
MOE Special Needs Project	<i>in progress</i>	-	87,861	-	-	87,861
MOE Tennis Courts	<i>in progress</i>	-	360,000	(34,260)	-	325,740
Totals		<u>863,879</u>	<u>549,162</u>	<u>(992,065)</u>	<u>(4)</u>	<u>420,972</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	485,110
Funds Due from the Ministry of Education	(64,138)
	<u>420,972</u>

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Tower Block Seismic Upgrade	<i>completed</i>	7,842	-	(7,838)	-	4
Shand Roof	<i>on hold</i>	37,986	-	-	-	37,986
Boiler Replacement	<i>in progress</i>	23,094	1,261,165	(463,484)	-	820,775
Grandstand Roof	<i>on hold</i>	6,582	-	(1,468)	-	5,114
Pool Gyn Roof Replacement	<i>in progress</i>	(5,208)	6,249	(1,041)	-	-
Totals		<u>70,296</u>	<u>1,267,414</u>	<u>(473,831)</u>	<u>-</u>	<u>863,879</u>

## 22. Related Party Transactions

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

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

## 23. Remuneration

### Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,920	4,212
Full-time equivalent members	0.10	0.28
<i>Leadership Team</i>		
Remuneration	1,224,555	1,606,986
Full-time equivalent members	11.00	16.00
Total key management personnel remuneration	1,228,475	1,611,198
Total full-time equivalent personnel	11.10	16.28

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	180-190	170 - 180
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	5.00	5.00
110 - 120	2.00	
120 - 130	1.00	
	8.00	5.00

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

## 24. Compensation and Other Benefits Upon Leaving

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

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

## 25. 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.

## 26. Commitments

### (a) Capital Commitments

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

(a) Tennis Courts Upgrade, which will be funded by the Ministry of Education and Board Contribution of \$11,320. \$360,000 has been received of which \$34,260 has been spent on the project to date; and

(b) Boiler Upgrade which is fully funded by the Ministry with \$1,384,957 received and \$1,432,695 spent on the project to balance date; and

(c) Special Needs facilities fully funded by the Ministry and \$87,861 has been received of which no funds been spent on the project to balance date. This project has been approved by the Ministry.

(d) As per 2019, Shand Building and Grandstand projects both on hold

(Capital commitments at 31 December 2019: \$1,457,850 contract for boilers. Shand Building and Grandstand projects both on hold)

## 27. Managing Capital

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

## 28. Financial Instruments

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

### Financial assets measured at amortised cost

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	1,407,751	1,663,441	1,692,952
Receivables	423,286	361,422	361,422
Investments - Term Deposits	903,820	686,677	686,677
Total Financial assets measured at amortised cost	2,734,857	2,711,540	2,741,051

### Financial liabilities measured at amortised cost

Payables	649,935	517,606	517,606
Borrowings - Loans	369,959	369,959	432,359
Finance Leases	83,245	149,398	149,398
Total Financial Liabilities Measured at Amortised Cost	1,103,139	1,036,963	1,099,363

## 29. Events After Balance Date

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

## 30. Comparatives

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