

MACLEANS COLLEGE

GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 41
Principal: Steven Hargreaves
School Address: 2 Macleans Road, Bucklands Beach 2014
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Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Richard Wilkie	Chair Person	Elected	Jun-22
Steven Hargreaves	Principal	ex Officio	Current
Alan Figgins	Parent Rep	Elected	Jun-22
Catherine Maclean	Parent Rep	Elected	Jun-22
Debbie Rowland	Parent Rep	Elected	Jun-19
Graham Bodman	Parent Rep	Elected	Jun-22
Lynne Guy	Parent Rep	Elected	Jun-19
Richard Spong	Parent Rep	Elected	Jun-22
Rosa Chow	Parent Rep	Elected	Jun-22
Tony Gillion	Parent Rep	Elected	Jun-22
Mogran Solecki	Student Rep	Elected	Dec-19
Michael Caley	Staff Rep	Elected	Jun-19
Richard Townley	Staff Rep	Elected	Jun-22

Accountant / Service Provider: Anna Rutherford - S.A.J. Services Ltd

MACLEANS COLLEGE

Group Annual Report - For the year ended 31 December 2019

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Macleans 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.



Full Name of Board Chairperson



Signature of Board Chairperson

2/6/2020

Date:

STEVEN VIVIAN HARGREAVES

Full Name of Principal



Signature of Principal

2 / 6 / 2020

Date:

Macleans 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 \$
Revenue							
Government Grants	2	20,375,720	19,706,894	20,171,772	20,375,720	19,706,894	20,171,772
Locally Raised Funds	3	2,602,883	1,282,940	2,879,620	2,631,546	1,282,940	2,903,582
Interest Earned		378,985	450,000	418,553	379,070	450,000	418,799
Gain on Sale of Property, Plant and Equipment		29,758	-	-	29,758	-	-
International Students	4	5,512,768	5,170,000	5,653,977	5,512,768	5,170,000	5,653,977
Total revenue		28,900,114	26,609,834	29,123,922	28,928,862	26,609,834	29,148,131
Expenses							
Locally Raised Funds	3	171,355	-	412,174	171,355	-	412,174
International Students	4	1,397,391	1,487,500	1,412,301	1,397,391	1,487,500	1,412,301
Learning Resources	5	17,335,800	16,643,384	17,511,492	17,335,800	16,643,384	17,511,492
Administration	6	1,265,349	1,429,348	1,279,105	1,265,376	1,429,348	1,279,170
Finance		35,660	40,000	65,445	35,660	40,000	65,445
Property	7	6,422,192	6,193,022	6,881,682	6,422,192	6,193,022	6,881,682
Depreciation	8	1,060,212	800,000	1,127,898	1,060,212	800,000	1,127,898
Loss on Disposal of Property, Plant and Equipment		-	-	133,588	-	-	133,588
Total expenses		27,687,959	26,593,254	28,823,485	27,687,986	26,593,254	28,823,550
Net Surplus / (Deficit) for the year		1,212,155	16,580	300,437	1,240,875	16,580	324,580
Other Comprehensive Revenue and Expenses							
Gain on equity investment revaluations	26	-	-	-	-	-	-
Total other comprehensive revenue and expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		1,212,155	16,580	300,437	1,240,875	16,580	324,580

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.

Macleans College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	School Budget (Unaudited) 2019 \$	Actual 2018 \$	Actual 2019 \$	Group Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		14,855,255	14,855,255	14,469,593	14,935,138	14,855,255	14,525,333
Total comprehensive revenue and expense for the year		1,212,155	16,580	300,437	1,240,875	16,580	324,580
<i>Capital Contributions from the Ministry of Education</i>							
Contribution - Furniture and Equipment Grant		-	-	85,225	-	-	85,225
Equity at 31 December	26	<u>16,067,410</u>	<u>14,871,835</u>	<u>14,855,255</u>	<u>16,176,013</u>	<u>14,871,835</u>	<u>14,935,138</u>
Retained Earnings		16,067,410	14,871,835	14,855,255	16,176,013	14,871,835	14,935,138
Reserves		-	-	-	-	-	-
Equity at 31 December		<u>16,067,410</u>	<u>14,871,835</u>	<u>14,855,255</u>	<u>16,176,013</u>	<u>14,871,835</u>	<u>14,935,138</u>

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.

Macleans 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 \$
Current Assets							
Cash and Cash Equivalents	9	3,802,987	1,202,273	2,085,693	3,911,590	1,202,273	2,165,577
Accounts Receivable	10	999,534	175,504	1,010,607	999,534	175,504	1,010,607
Prepayments		142,695	131,570	131,570	142,695	131,570	131,570
Inventories	11	21,455	20,693	20,693	21,455	20,693	20,693
Investments	12	9,249,603	8,501,198	8,501,198	9,249,603	8,501,198	8,501,198
		<u>14,216,274</u>	<u>10,031,238</u>	<u>11,749,761</u>	<u>14,324,877</u>	<u>10,031,238</u>	<u>11,829,645</u>
Current Liabilities							
GST Payable		206,693	26,966	26,966	206,693	26,966	26,966
Accounts Payable	14	2,043,967	1,643,136	2,478,239	2,043,967	1,643,136	2,478,239
Borrowings - Due in one year	15	-	281,691	281,691	-	281,691	281,691
Revenue Received in Advance	16	4,604,110	3,088,920	3,088,920	4,604,110	3,088,920	3,088,920
Provision for Cyclical Maintenance	17	40,000	52,500	52,500	40,000	52,500	52,500
Finance Lease Liability - Current Portion	18	82,246	139,024	139,024	82,246	139,024	139,024
Funds held in Trust	19	2,386,126	1,942,626	1,942,626	2,386,126	1,942,626	1,942,626
Funds held for Capital Works Projects	20	328,027	161,113	161,113	328,027	161,113	161,113
		<u>9,691,169</u>	<u>7,335,976</u>	<u>8,171,079</u>	<u>9,691,169</u>	<u>7,335,976</u>	<u>8,171,080</u>
Working Capital Surplus/(Deficit)		4,525,106	2,695,262	3,578,682	4,633,709	2,695,262	3,658,565
Non-current Assets							
Investments	12	-	869,588	869,588	-	869,588	869,588
Property, Plant and Equipment	13	10,894,193	10,010,052	10,110,052	10,894,193	10,010,052	10,110,052
Capital Works in Progress		1,055,250	2,051,125	1,051,125	1,055,250	2,051,125	1,051,125
		<u>11,949,443</u>	<u>12,930,765</u>	<u>12,030,765</u>	<u>11,949,443</u>	<u>12,930,765</u>	<u>12,030,765</u>
Non-current Liabilities							
Borrowings	15	-	368,297	368,297	-	368,297	368,297
Provision for Cyclical Maintenance	17	348,841	317,271	317,271	348,841	317,271	317,271
Finance Lease Liability	18	58,298	68,624	68,624	58,298	68,624	68,624
		<u>407,139</u>	<u>754,192</u>	<u>754,192</u>	<u>407,139</u>	<u>754,192</u>	<u>754,192</u>
Net Assets		<u>16,067,410</u>	<u>14,871,835</u>	<u>14,855,255</u>	<u>16,176,013</u>	<u>14,871,835</u>	<u>14,935,138</u>
Equity:							
Accumulated surplus/deficit	26	16,067,410	14,871,835	14,855,255	16,176,013	14,871,835	14,935,138
Total equity		<u>16,067,410</u>	<u>14,871,835</u>	<u>14,855,255</u>	<u>16,176,013</u>	<u>14,871,835</u>	<u>14,935,138</u>

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

Macleans College
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 \$
Cash flows from Operating Activities							
Government Grants		3,977,656	3,888,359	3,948,817	3,956,536	3,888,359	3,948,817
Locally Raised Funds		2,711,998	1,303,745	2,616,913	2,740,651	1,303,745	2,640,875
International Students		6,986,859	5,240,551	5,724,528	6,986,859	5,240,551	5,724,528
Goods and Services Tax (net)		179,727	(119,817)	(119,817)	179,727	(119,817)	(119,817)
Payments to Employees		(4,973,181)	(4,486,719)	(5,126,472)	(4,952,061)	(4,486,719)	(5,126,472)
Payments to Suppliers		(5,623,507)	(4,902,431)	(5,583,381)	(5,623,534)	(4,902,431)	(5,583,446)
Cyclical Maintenance Payments in the year		(78,115)	269,771	369,771	(78,115)	269,771	369,771
Interest Paid		(35,660)	(40,000)	(65,445)	(35,660)	(40,000)	(65,445)
Interest Received		375,741	373,032	422,589	375,825	373,032	422,835
Net cash from / (to) the Operating Activities		3,521,508	1,526,491	2,187,503	3,550,227	1,526,491	2,211,646
Cash flows from Investing Activities							
Proceeds from Sale of PPE (and Intangibles)		29,759	-	(150,083)	29,759	-	(150,083)
Purchase of PPE (and Intangibles)		(1,775,020)	(2,593,003)	(1,659,295)	(1,775,020)	(2,593,003)	(1,659,295)
Purchase of Investments		-	(259,146)	-	-	(259,146)	-
Proceeds from Sale of Investments		121,183	2,133,584	1,874,438	121,183	2,133,584	1,874,438
Net cash from / (to) the Investing Activities		(1,624,078)	(718,565)	65,060	(1,624,078)	(718,565)	65,060
Cash flows from Financing Activities							
Furniture and Equipment Grant		-	-	85,225	-	-	85,225
Finance Lease Payments		(140,562)	(141,947)	(141,947)	(140,562)	(141,947)	(141,947)
Loans Received/ Repayment of Loans		(649,988)	(450,002)	(450,002)	(649,988)	(450,002)	(450,002)
Funds Administered on Behalf of Third Parties		443,500	(214,231)	(214,231)	443,500	(214,231)	(214,231)
Funds Held for Capital Works Projects	20	166,914	(59,449)	(280,702)	166,914	(59,449)	(280,702)
Net cash from Financing Activities		(180,136)	(865,629)	(1,001,657)	(180,136)	(865,629)	(1,001,657)
Net increase/(decrease) in cash and cash equivalents		1,717,294	(57,703)	1,250,906	1,746,013	(57,703)	1,275,050
Cash and cash equivalents at the beginning of the year	9	2,085,693	1,259,976	834,787	2,165,577	1,259,976	890,527
Cash and cash equivalents at the end of the year	9	3,802,987	1,202,273	2,085,693	3,911,590	1,202,273	2,165,577

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.

Macleans College

Notes to the Group Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Macleans College is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Macleans College Group (the "Group") consists of Macleans College and its subsidiary Macleans College Development Foundation Trust. The subsidiary is a School Trust ("Trust") which supports the school by raising funds and making donations for the school.

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 29.

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 30.

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 29.

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) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

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).

Prior Year Policy

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

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

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

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

k) 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	50 years
Synthetic Turf	30 years
Furniture and equipment	5-15 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	3 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 Group 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 Consolidated Statement of Comprehensive Revenue and Expense when incurred.

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

Computer software that the Group 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 Consolidated Statement of Comprehensive Revenue and Expense.

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

The Group 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 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.

o) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and student funds 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.

q) 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.

r) 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).

s) 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.

t) Borrowings

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

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

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

u) 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.

v) Budget Figures

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

w) 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.

x) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see "Basis of Consolidation" above) less accumulated impairment losses, if any.

2. Government Grants

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	3,863,965	3,843,479	3,802,101	3,863,965	3,843,479	3,802,101
Teachers' Salaries Grants	11,443,220	11,175,413	11,290,435	11,443,220	11,175,413	11,290,435
Use of Land and Buildings Grants	4,889,329	4,643,122	4,852,430	4,889,329	4,643,122	4,852,430
Other MoE Grants	132,277	44,880	182,877	132,277	44,880	182,877
Other Government Grants	46,929	-	43,929	46,929	-	43,929
	20,375,720	19,706,894	20,171,772	20,375,720	19,706,894	20,171,772

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 \$
Revenue						
Donations	937,655	973,500	962,459	966,318	973,500	966,421
Other Revenue	88,476	28,950	246,938	88,476	28,950	246,938
Trading	331,685	264,490	273,160	331,685	264,490	273,160
Activities	1,216,207	16,000	1,102,584	1,216,207	16,000	1,102,584
Overseas Trips	28,860	-	294,479	28,860	-	294,479
	2,602,883	1,282,940	2,879,620	2,631,546	1,282,940	2,903,582
Expenses						
Trading	140,845	-	111,308	140,845	-	111,308
Overseas Trips	30,510	-	300,866	30,510	-	300,866
	171,355	-	412,174	171,355	-	412,174
	2,431,528	1,282,940	2,467,446	2,460,191	1,282,940	2,491,408

Surplus for the year Locally raised funds

During 2018 24 students in the school's Rugby 1st XV, 2 teachers and the sports co-ordinator went on an international trip to USA and Canada. The nature of the trip was to experience rugby in other countries and for personal growth of the individuals as well as collectively as a team. The trip was a combination of student funded and fundraising efforts. Additionally in 2018 17 students and 2 teachers went on an international trip to the USA as part of Commerce Studies. The nature of the trip was to provide context to learning - commerce in innovative environments. The trip was a combination of student funded and fundraising efforts.

During 2019 2 teachers and a number of students attended and participated in the World Scholar's Cup Competition in Sydney. The majority of this trip was funded by student funds but some of the teacher expenses were covered by school funds.

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	320	301	330	320	301	330

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
International Student Fees	5,512,768	5,170,000	5,653,977	5,512,768	5,170,000	5,653,977
Expenses						
Commissions	576,172	620,000	521,643	576,172	620,000	521,643
Recruitment	123,730	100,000	130,492	123,730	100,000	130,492
International Student Levy	119,457	100,000	121,010	119,457	100,000	121,010
Employee Benefit - Salaries	427,297	405,000	469,765	427,297	405,000	469,765
Other Expenses	9,833	262,500	10,220	9,833	262,500	10,220
Overseas Marketing Trip	140,902	-	159,171	140,902	-	159,171
	1,397,391	1,487,500	1,412,301	1,397,391	1,487,500	1,412,301
	4,115,377	3,682,500	4,241,676	4,115,377	3,682,500	4,241,676

Surplus/(Deficit) for the year International Students'

During 2018 there were 10 international trips taken within the International Department, staff who attended some of these trips were the International Marketing Manager, Principal, International Student Manager and Deputy Principal. These trips included visiting Beijing, Shenzhen, Guangzhou, Hong Kong, Shijiazhuang, Taiyuan, Shanghai, Suzhou, Barcelona, Prague, Seoul, Bangkok, Udon Thani, Hanoi, Taipei, Istanbul, Cologne, Hamburg, Munster, Tokyo, Osaka, Kyoto, Fuzhou. The purpose of this travel was to visit agents, partner schools and fairs to market the school for future international students. These trips were fully funded by the International Department budget.

During 2019 there were 17 international trips taken within the International Department, staff who attended some of these trips were the Marketing Manager, Principal, International Student Manager, International Agent for the school and Deputy Principal. These trips included visiting Italy, Mexico, Colombia, Korea, Kazakhstan, Vietnam, Singapore, Malaysia, China, Sri Lanka, Thailand, Beijing, Sydney, Taipei, Osaka, Kyoto, Tokyo, Busan and Seoul. The purpose of this travel was to visit agents, partner schools and fairs to market the school for future international students. These trips were fully funded by the International Department budget.

5. Learning Resources

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Curricular	1,396,325	896,767	1,581,964	1,396,325	896,767	1,581,964
Equipment Repairs	63,160	60,000	50,281	63,160	60,000	50,281
Information and Communication Technology	63,951	117,924	134,704	63,951	117,924	134,704
Extra-Curricular Activities	753,928	515,750	740,769	753,928	515,750	740,769
Library Resources	17,067	43,030	16,562	17,067	43,030	16,562
Employee Benefits - Salaries	14,951,160	14,904,913	14,919,269	14,961,160	14,904,913	14,919,269
Staff Development	80,209	105,000	67,943	80,209	105,000	67,943
	17,335,800	16,643,384	17,511,492	17,335,800	16,643,384	17,511,492

6. Administration

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Audit Fee	12,791	10,000	13,000	12,791	10,000	13,000
Board of Trustees Fees	4,120	5,000	5,555	4,120	5,000	5,555
Board of Trustees Expenses	27,443	22,000	11,848	27,443	22,000	11,848
Communication	15,321	44,000	27,210	15,321	44,000	27,210
Consumables	34,483	76,200	(4,292)	34,483	76,200	(4,292)
Operating Lease	32,397	35,000	38,828	32,397	35,000	38,828
Other	79,998	119,385	97,176	80,025	119,385	97,241
Employee Benefits - Salaries	972,825	1,010,763	1,005,253	972,825	1,010,763	1,005,253
Insurance	71,847	85,000	70,488	71,847	85,000	70,488
Service Providers, Contractors and Consultancy	14,124	22,000	14,039	14,124	22,000	14,039
	1,265,349	1,429,348	1,279,105	1,265,376	1,429,348	1,279,170

7. Property

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Caretaking and Cleaning Consumables	319,416	301,500	296,484	319,416	301,500	296,484
Cyclical Maintenance Provision	97,185	100,000	442,769	97,185	100,000	442,769
Grounds	197,503	175,400	121,460	197,503	175,400	121,460
Heat, Light and Water	211,876	280,000	228,682	211,876	280,000	228,682
Rates	1,646	3,500	12,503	1,646	3,500	12,503
Repairs and Maintenance	305,788	286,500	507,488	305,788	286,500	507,488
Use of Land and Buildings	4,889,329	4,643,122	4,852,430	4,889,329	4,643,122	4,852,430
Security	91,793	88,000	97,615	91,793	88,000	97,615
Employee Benefits - Salaries	307,656	315,000	322,251	307,656	315,000	322,251
	6,422,192	6,193,022	6,881,682	6,422,192	6,193,022	6,881,682

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	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Buildings - School	65,895	50,215	65,895	65,895	50,215	65,895
Building Improvements - Crown	145,130	112,071	129,235	145,130	112,071	129,235
Furniture and Equipment	389,102	287,108	443,198	389,102	287,108	443,198
Information and Communication Technology	180,255	137,363	279,337	180,255	137,363	279,337
Motor Vehicles	55,717	42,459	10,233	55,717	42,459	10,233
Textbooks	50,657	38,603	62,386	50,657	38,603	62,386
Leased Assets	160,105	122,007	123,762	160,105	122,007	123,762
Library Resources	13,351	10,174	13,652	13,351	10,174	13,652
	1,060,212	800,000	1,127,698	1,060,212	800,000	1,127,698

9. Cash and Cash Equivalents

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	1,100	1,100	1,100	1,100	1,100	1,100
Bank Current Account	2,463,673	1,201,173	1,320,024	2,572,276	1,201,173	1,399,908
Bank Call Account	1,336,214	-	764,569	1,338,214	-	764,569
Short-term Bank Deposits	-	-	-	-	-	-
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	<u>3,802,987</u>	<u>1,202,273</u>	<u>2,085,693</u>	<u>3,911,590</u>	<u>1,202,273</u>	<u>2,165,577</u>

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

Of the \$3,802,987 Cash and Cash Equivalents, \$371,589 is held by the Group on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned Group buildings under the Group's Five Year Property Plan.

10. Accounts Receivable

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	36,918	98,536	98,536	36,918	98,536	98,536
Receivables from the Ministry of Education	31,085	-	-	31,085	-	-
Interest Receivable	80,213	76,968	76,968	80,213	76,968	76,968
Teacher Salaries Grant Receivable	851,318	-	835,103	851,318	-	835,103
	<u>999,534</u>	<u>175,504</u>	<u>1,010,607</u>	<u>999,534</u>	<u>175,504</u>	<u>1,010,607</u>
Receivables from Exchange Transactions	117,131	175,504	175,504	117,131	175,504	175,504
Receivables from Non-Exchange Transactions	882,403	-	835,103	882,403	-	835,103
	<u>999,534</u>	<u>175,504</u>	<u>1,010,607</u>	<u>999,534</u>	<u>175,504</u>	<u>1,010,607</u>

11. Inventories

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	21,455	20,693	20,693	21,455	20,693	20,693
	<u>21,455</u>	<u>20,693</u>	<u>20,693</u>	<u>21,455</u>	<u>20,693</u>	<u>20,693</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	9,249,603	8,501,198	8,501,198	9,249,603	8,501,198	8,501,198
	<u>9,249,603</u>	<u>8,501,198</u>	<u>8,501,198</u>	<u>9,249,603</u>	<u>8,501,198</u>	<u>8,501,198</u>
Non-current Asset						
Long-term Bank Deposits	-	869,588	869,588	-	869,588	869,588
	<u>-</u>	<u>869,588</u>	<u>869,588</u>	<u>-</u>	<u>869,588</u>	<u>869,588</u>
Total Investments	<u>9,249,603</u>	<u>9,370,786</u>	<u>9,370,786</u>	<u>9,249,603</u>	<u>9,370,786</u>	<u>9,370,786</u>

13. Property, Plant and Equipment

GROUP

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Synthetic Turf	1,912,935	-	-	-	(65,895)	1,847,040
Building Improvements	6,187,515	1,896,857	(628,424)	-	(145,130)	7,310,816
Furniture and Equipment	1,164,374	194,460	(27,935)	-	(389,102)	941,798
Information and Communication Technology	388,553	89,330	-	-	(180,255)	297,628
Motor Vehicles	97,004	167,810	-	-	(55,717)	209,097
Textbooks	48,433	45,590	-	-	(50,657)	43,365
Leased Assets	215,678	95,417	-	-	(160,105)	150,990
Library Resources	95,560	24,677	(13,427)	-	(13,351)	93,459
Balance at 31 December 2019	10,110,052	2,514,141	(669,786)	-	(1,060,212)	10,894,193

GROUP

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Synthetic Turf	1,978,830	(131,790)	1,847,040
Building Improvements	8,295,758	(984,942)	7,310,816
Furniture and Equipment	3,739,942	(2,798,144)	941,798
Information and Communication Technology	1,612,477	(1,314,849)	297,628
Motor Vehicles	464,396	(255,299)	209,097
Textbooks	148,183	(104,818)	43,365
Leased Assets	675,367	(524,377)	150,990
Library Resources	234,817	(141,358)	93,459
Balance at 31 December 2019	17,149,770	(6,255,578)	10,894,193

The net carrying value of equipment held under a finance lease is \$150,990 (2018: \$215,678)

GROUP

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Synthetic Turf	1,972,409	6,421	-	-	(65,895)	1,912,935
Building Improvements	5,597,831	776,065	(57,146)	-	(129,235)	6,187,515
Furniture and Equipment	1,298,943	362,331	(53,702)	-	(443,198)	1,164,374
Information and Communication Technology	391,139	293,496	(16,745)	-	(279,337)	388,553
Motor Vehicles	5,230	102,007	-	-	(10,233)	97,004
Textbooks	64,253	46,566	-	-	(62,386)	48,433
Leased Assets	248,952	90,478	-	-	(123,762)	215,678
Library Resources	89,906	25,300	(5,994)	-	(13,652)	95,560
Balance at 31 December 2018	9,668,673	1,702,664	(133,587)	-	(1,127,698)	10,110,052

GROUP

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Synthetic Turf	1,978,830	(65,895)	1,912,935
Building Improvements	7,098,447	(910,932)	6,187,515
Furniture and Equipment	3,639,160	(2,474,786)	1,164,374
Information and Communication Technology	1,523,145	(1,134,592)	388,553
Motor Vehicles	296,586	(199,582)	97,004
Textbooks	183,296	(134,863)	48,433
Leased Assets	601,909	(386,231)	215,678
Library Resources	244,494	(148,934)	95,560
Balance at 31 December 2018	15,565,867	(5,455,815)	10,110,052

The net carrying value of equipment held under a finance lease is \$215,678 (2017: \$248,962)

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Synthetic Turf	1,912,935	-	-	-	(65,895)	1,847,040
Building Improvements	6,187,515	1,896,857	(628,424)	-	(145,130)	7,310,816
Furniture and Equipment	1,164,374	194,460	(27,935)	-	(389,102)	941,798
Information and Communication Technology	388,553	89,330	-	-	(180,255)	297,628
Motor Vehicles	97,004	167,810	-	-	(55,717)	209,097
Textbooks	48,433	45,590	-	-	(50,657)	43,365
Leased Assets	215,678	95,417	-	-	(160,105)	150,990
Library Resources	95,560	24,677	(13,427)	-	(13,351)	93,459
Balance at 31 December 2019	10,110,052	2,514,141	(669,786)	-	(1,060,212)	10,894,193

Accumulated Depreciation

SCHOOL

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land	-	-	-
Synthetic Turf	1,978,829	(131,790)	1,847,039
Building Improvements	8,295,758	(984,942)	7,310,816
Furniture and Equipment	3,739,942	(2,798,144)	941,798
Information and Communication Technology	1,612,477	(1,314,849)	297,628
Motor Vehicles	464,396	(255,299)	209,097
Textbooks	148,183	(104,818)	43,365
Leased Assets	675,367	(524,377)	150,990
Library Resources	234,817	(141,358)	93,459
Balance at 31 December 2019	17,149,769	(6,255,578)	10,894,193

The net carrying value of equipment held under a finance lease is \$150,990 (2018: \$215,678)

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Synthetic Turf	1,972,409	6,421	-	-	(65,895)	1,912,935
Building Improvements	5,597,831	776,065	(57,146)	-	(129,235)	6,187,515
Furniture and Equipment	1,298,943	362,331	(53,702)	-	(443,198)	1,164,374
Information and Communication Technology	391,139	293,496	(16,745)	-	(279,337)	388,553
Motor Vehicles	5,230	102,007	-	-	(10,233)	97,004
Textbooks	64,253	46,566	-	-	(62,386)	48,433
Leased Assets	248,962	90,478	-	-	(123,762)	215,678
Library Resources	89,906	25,300	(5,994)	-	(13,652)	95,560
Balance at 31 December 2018	9,668,673	1,702,664	(133,587)	-	(1,127,698)	10,110,052

Accumulated Depreciation

SCHOOL

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Synthetic Turf	1,978,830	(65,895)	1,912,935
Building Improvements	7,098,447	(910,932)	6,187,515
Furniture and Equipment	3,639,180	(2,474,786)	1,164,374
Information and Communication Technology	1,523,145	(1,134,592)	388,553
Motor Vehicles	296,586	(199,582)	97,004
Textbooks	183,296	(134,863)	48,433
Leased Assets	601,909	(386,231)	215,678
Library Resources	244,494	(148,934)	95,560
Balance at 31 December 2018	15,565,867	(5,455,815)	10,110,052

The net carrying value of equipment held under a finance lease is \$215,678 (2017: \$248,962)

14. Accounts Payable

	2019	School 2019 Budget (Unaudited)	2018	2019	Group 2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
Operating Creditors	450,106	370,957	370,957	450,106	370,957	370,957
Accruals	208,106	1,150,967	955,849	208,106	1,150,967	955,849
Banking Staffing Overuse	134,543	-	34,430	134,543	-	34,430
Employee Entitlements - Salaries	1,154,952	-	995,791	1,154,952	-	995,791
Employee Entitlements - Leave Accrual	96,260	121,212	121,212	96,260	121,212	121,212
	<u>2,043,967</u>	<u>1,643,136</u>	<u>2,478,239</u>	<u>2,043,967</u>	<u>1,643,136</u>	<u>2,478,239</u>
Payables for Exchange Transactions	2,043,967	1,643,136	2,478,239	2,043,967	1,643,136	2,478,239
	<u>2,043,967</u>	<u>1,643,136</u>	<u>2,478,239</u>	<u>2,043,967</u>	<u>1,643,136</u>	<u>2,478,239</u>

The carrying value of payables approximates their fair value.

15. Borrowings

	2019	School 2019 Budget (Unaudited)	2018	2019	Group 2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
Due in One Year	-	281,691	281,691	-	281,691	281,691
Due Beyond One Year	-	368,297	368,297	-	368,297	368,297
	<u>-</u>	<u>649,988</u>	<u>649,988</u>	<u>-</u>	<u>649,988</u>	<u>649,988</u>

The School has borrowings at 31 December 2018 of \$649,988. The borrowings payable by the school were secured by the way of a registered first mortgage over property situated at 19 Wellington Street, Howick. These loans were from the Westpac Bank. One loan of \$316,672 was secured and interest of 4.40% per annum, and was payable in equal instalments of \$8,333. The other loan of \$333,318 was secured and interest of 4.20% per annum, and was payable in equal instalments of \$18,667. This mortgage was paid off in full during 2019.

16. Revenue Received in Advance

	2019	School 2019 Budget (Unaudited)	2018	2019	Group 2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
International Student Fees	3,731,389	2,257,298	2,257,298	3,731,389	2,257,298	2,257,298
Other	872,721	831,622	825,233	872,721	831,622	825,233
	<u>4,604,110</u>	<u>3,088,920</u>	<u>3,082,532</u>	<u>4,604,110</u>	<u>3,088,920</u>	<u>3,082,532</u>

17. Provision for Cyclical Maintenance

	2019	School and Group 2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$
Provision at the Start of the Year	369,771	369,771	-
Increase/ (decrease) to the Provision During the Year	97,185	-	442,769
Use of the Provision During the Year	(78,115)	-	(72,998)
Provision at the End of the Year	<u>388,841</u>	<u>369,771</u>	<u>369,771</u>
Cyclical Maintenance - Current	40,000	52,500	52,500
Cyclical Maintenance - Term	348,841	317,271	317,271
	<u>388,841</u>	<u>369,771</u>	<u>369,771</u>

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	School 2019 Budget (Unaudited)	2018	2019	Group 2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
No Later than One Year	90,960	139,024	139,024	90,960	139,024	139,024
Later than One Year and no Later than Five Years	61,527	68,624	68,624	61,527	68,624	68,624
	<u>152,487</u>	<u>207,648</u>	<u>207,648</u>	<u>152,487</u>	<u>207,648</u>	<u>207,648</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	2,386,126	1,942,626	1,942,626	2,386,126	1,942,626	1,942,626
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-	-	-	-
	<u>2,386,126</u>	<u>1,942,626</u>	<u>1,942,626</u>	<u>2,386,126</u>	<u>1,942,626</u>	<u>1,942,626</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 \$
Principals Supportive Fund	<i>in progress</i>	(23,522)	-	-	-	(23,522)
Portacom Toilets	<i>in progress</i>	25,106	-	-	-	25,106
Science Block	<i>in progress</i>	(5,250)	-	10,115	-	(15,365)
Gym Roof 5YA Project	<i>in progress</i>	164,779	-	131,563	-	33,216
5YA Gym Entry	<i>in progress</i>	-	198,100	22,411	-	175,689
Gym Drainage & Courts	<i>in progress</i>	-	256,191	118,613	-	137,578
Ballen Carports	<i>in progress</i>	-	40,000	44,674	-	(4,674)
Boiler	<i>completed</i>	-	54,561	54,561	-	-
Totals		<u>161,113</u>	<u>548,852</u>	<u>381,937</u>	<u>-</u>	<u>328,027</u>
Represented by:						
Funds Held on Behalf of the Ministry of Education						371,589
Funds Due from the Ministry of Education						(43,562)
						<u>328,027</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Principals Supportive Fund	<i>in progress</i>	(23,522)	-	-	-	(23,522)
Portacom Toilets	<i>in progress</i>	25,106	-	-	-	25,106
Oliver Rd Changan Sheds	<i>completed</i>	221,253	326,000	546,253	-	-
Science Block	<i>in progress</i>	(2,275)	-	2,975	-	(5,250)
Gym Roof 5YA Project	<i>in progress</i>	-	170,000	5,221	-	164,779
Totals		<u>220,562</u>	<u>495,000</u>	<u>554,449</u>	<u>-</u>	<u>161,113</u>

21. 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.

22. 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 \$
Board Members - School		
Remuneration	4,120	5,555
Full-time equivalent members	0.30	0.25
Leadership Team		
Remuneration	1,362,363	1,315,663
Full-time equivalent members	11	11
Total key management personnel remuneration	1,366,503	1,321,238
Total full-time equivalent personnel	11.30	11.25

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	230 - 240	220 - 230
Benefits and Other Emoluments	1 - 10	1 - 10
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
140 - 150	1.00	1.00
120 - 130	1.00	0.00
110 - 120	2.00	4.00
100 - 110	5.00	0.00
	9.00	5.00

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

23. Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$14,137	2018 Actual -
School and GROUP		
Total	\$14,137	-
Number of People	1	-

24. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

25. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

- (a) \$156,650 contract for Gym Roofing project to be completed in 2020, which will be fully funded by the Ministry of Education. \$126,135 has been spent on the project to date; and
- (b) \$81,980 contract for Gym entry to be upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$0 has been spent on the project to date; and
- (c) \$134,237 contract for Gym drainage to be replaced to be completed in 2020, which will be fully funded by the Ministry of Education. \$0 has been spent on the project to date.

(Capital commitments at 31 December 2018: \$920,000)

(b) Operating Commitments School and GROUP

As at 31 December 2019 the Board has entered into no contracts.

26. 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.

27. Financial Instruments

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

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	3,802,987	1,202,273	2,085,693	3,911,590	1,202,273	2,165,577
Receivables	999,534	175,504	1,010,607	999,534	175,504	1,010,607
Investments - Term Deposits	9,249,603	9,370,786	9,370,786	9,249,603	9,370,786	9,370,786
Total Financial Assets Measured at Amortised Cost	14,052,123	10,748,563	12,467,086	14,160,726	10,748,563	12,546,970

Financial liabilities measured at amortised cost

Payables	2,043,967	1,643,136	2,478,239	2,043,967	1,643,136	2,478,239
Borrowings - Loans	-	649,988	649,988	-	649,988	649,988
Finance Leases	140,543	207,648	207,648	140,543	207,648	207,648
Total Financial Liabilities Measured at Amortised Cost	2,184,510	2,500,772	3,335,875	2,184,510	2,500,772	3,335,875

28. Events After Balance Date

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

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

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

29. 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 \$	
			2019	2018	2019	2018
Macleans College Development Foundation Trust	Raising Funds	Auckland, New Zealand	100%	100%	108,603	79,883

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.

The Trust is a registered charity. Under its constitution, the company is prohibited from paying dividends (or similar distributions) to the School.

30. Adoption of PBE IFRS 9 Financial Instruments

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

Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 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

