

AVONSIDE GIRLS' HIGH SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 324
Principal: Susan Hume
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AVONSIDE GIRLS' HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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Avonside Girls' High School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Jonathan Brooks

Full Name of Board Chairperson



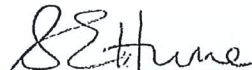
Signature of Board Chairperson

27 May 2020

Date:

Susan Hume

Full Name of Principal



Signature of Principal

27 MAY 2020

Date:

Avonside Girls' High School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Jonathan Brooks	Chairperson	Elected	May 2022
Susan Hume	Principal	ex Officio	
Cathie White	Parent Rep	Elected	May 2022
Shaun Edwards-Brown	Parent Rep	Elected	May 2022
Vicki Edwards-Brown	Parent Rep	Elected	May 2022
Elizabeth Hovell	Parent Rep	Elected	May 2022
Laura Failing	Staff Rep	Elected	May 2022
Esther Olivier	Student Rep	Elected	Oct 2019
Monica Davis	Chairperson	Elected	May 2019
Tim Bergin	Parent Rep	Co-opted	May 2019
Amanda Williams	Parent Rep	Elected	May 2019
Molly Behan	Student Rep	Elected	Aug 2019
Mike Williams	Parent Rep	Elected	May 2019

Avonside Girls' High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	14,329,520	8,466,461	8,790,245
Locally Raised Funds	3	471,721	268,772	443,658
Interest Income		89,489	73,000	70,104
Gain on Sale of Property, Plant and Equipment		5,811	50,000	-
International Students	4	372,296	358,710	268,262
		<u>15,268,837</u>	<u>9,216,943</u>	<u>9,572,269</u>
Expenses				
Locally Raised Funds	3	259,016	115,742	186,142
International Students	4	233,289	266,271	181,401
Learning Resources	5	7,012,085	6,587,740	6,738,598
Administration	6	602,897	538,724	671,387
Finance Costs		17,269	21,000	13,254
Property	7	6,863,670	1,572,466	1,703,002
Depreciation	8	212,617	115,000	164,068
Loss on Disposal of Property, Plant and Equipment		-	-	288,995
		<u>15,200,843</u>	<u>9,216,943</u>	<u>9,946,847</u>
Net Surplus / (Deficit)		67,994	-	(374,578)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>67,994</u>	<u>-</u>	<u>(374,578)</u>

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

Avonside Girls' High School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	2,958,655	2,958,655	2,043,952
Total comprehensive revenue and expense for the year	67,994	-	(374,578)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	1,289,281
Equity at 31 December	3,026,649	2,958,655	2,958,655
Retained Earnings	3,002,085	2,958,655	2,934,091
Reserves	24,564	-	24,564
Equity at 31 December	3,026,649	2,958,655	2,958,655

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.

Avonside Girls' High School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	905,824	1,291,217	1,176,217
Accounts Receivable	10	464,720	417,993	417,993
GST Receivable		-	29,327	29,327
Prepayments		24,794	42,285	42,285
Investments	11	2,449,005	1,441,498	1,441,498
		<u>3,844,343</u>	<u>3,222,320</u>	<u>3,107,320</u>
Current Liabilities				
GST Payable		6,815	-	-
Accounts Payable	13	584,068	455,865	455,865
Revenue Received in Advance	14	531,920	297,605	297,605
Finance Lease Liability - Current Portion	15	95,714	71,118	71,118
Funds held in Trust	16	457,119	178,894	178,894
Funds Held on Behalf of AGHS and SBHS Co-Location	18	8,956	9,840	9,840
		<u>1,684,592</u>	<u>1,013,322</u>	<u>1,013,322</u>
Working Capital Surplus/(Deficit)		2,159,751	2,208,998	2,093,998
Non-current Assets				
Investments (more than 12 months)	11	2,000	374,211	374,211
Property, Plant and Equipment	12	971,010	426,903	541,903
		<u>973,010</u>	<u>801,114</u>	<u>916,114</u>
Non-current Liabilities				
Finance Lease Liability	15	106,112	51,457	51,457
		<u>106,112</u>	<u>51,457</u>	<u>51,457</u>
Net Assets		<u><u>3,026,649</u></u>	<u><u>2,958,655</u></u>	<u><u>2,958,655</u></u>
Equity		<u><u>3,026,649</u></u>	<u><u>2,958,655</u></u>	<u><u>2,958,655</u></u>

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

Avonside Girls' High School
Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		2,160,060	2,133,997	1,939,859
Locally Raised Funds		395,575	268,772	478,517
International Students		606,611	358,710	405,376
Goods and Services Tax (net)		36,142	-	(6,477)
Payments to Employees		(1,287,947)	(1,387,727)	(1,185,189)
Payments to Suppliers		(1,376,971)	(1,195,752)	(1,546,818)
Interest Received		82,753	73,000	64,199
Net cash from / (to) the Operating Activities		616,223	251,000	149,467
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		79,777	-	(1,281)
Purchase of PPE (and Intangibles)		(491,473)	(115,000)	(255,240)
Purchase of Investments		(635,296)	-	(209,397)
Net cash from the Investing Activities		(1,046,992)	(115,000)	(465,918)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,289,281
Finance Lease Payments		(116,965)	(21,000)	(43,052)
Funds Administered on Behalf of Third Parties		277,341	-	13,766
Funds held for Capital Works Projects		-	-	6,986
Net cash from Financing Activities		160,376	(21,000)	1,266,981
Net Increase/(decrease) in cash and cash equivalents		(270,393)	115,000	950,530
Cash and cash equivalents at the beginning of the year	9	1,176,217	1,176,217	225,687
Cash and cash equivalents at the end of the year	9	905,824	1,291,217	1,176,217

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 omitted.

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

Avonside Girls' High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Avonside Girls' High School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes. The Crown has entered into a Public Private Partnership (PPP) with Spotless Group. As part of the PPP, the land from which the School provides education is owned by the Crown and the buildings from which the School provides education by Spotless Group. The Crown has an obligation under the PPP to meet the cost of leasing the buildings from Spotless Group.

1.2. Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

1.3. 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.

1.4. 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.

1.5. Operating Lease Payments

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

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

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

Prior Year Policy

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

1.9. 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 Statement of Comprehensive Revenue and Expense in the period of the write down.

1.10. Investments

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

Prior Year Policy

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

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

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

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

1.11. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. Employment 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

1.15. Revenue Received In Advance

Revenue received in advance relates to fees received from 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.

1.16. 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.

1.17. Shared Funds

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

1.18. 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).

1.19. Financial Assets and Liabilities

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

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

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

1.20. 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.

1.21. Budget Figures

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

1.22. Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	1,916,202	2,004,181	1,771,631
Teachers' salaries grants	5,534,726	5,002,630	5,497,418
Use of Land and Buildings grants	6,666,006	1,329,834	1,299,682
Other MoE Grants	140,331	79,046	134,026
Other government grants	72,255	50,770	87,488
	<u>14,329,520</u>	<u>8,466,461</u>	<u>8,790,245</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	222,498	186,872	225,046
Fundraising	-	-	239
Bequests & Grants	9,000	9,000	-
Other revenue	33,278	37,000	44,660
Trading	15,374	14,000	23,547
Activities	152,684	21,900	150,166
Overseas Trip Income	38,887	-	-
	<u>471,721</u>	<u>268,772</u>	<u>443,658</u>
Expenses			
Activities	205,990	101,742	171,950
Trading	14,139	14,000	14,061
Other Expenses	-	-	131
Overseas Trip Expenses	38,887	-	-
	<u>259,016</u>	<u>115,742</u>	<u>186,142</u>
Surplus for the year Locally raised funds	<u>212,705</u>	<u>153,030</u>	<u>257,516</u>

In the year ended 31 December 2019, 15 students, 1 teacher and 1 adult went on a trip to Sydney to attend the World Scholars global round. The trip was fully funded by locally raised funds.

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	22	15	15

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International student fees	372,296	358,710	268,262
Expenses			
Advertising	10,179	4,000	1,255
Commissions	47,742	51,071	37,765
Recruitment	78,213	71,900	63,831
International student levy	8,123	10,800	7,069
Employee Benefit - Salaries	89,032	128,500	71,481
	<u>233,289</u>	<u>266,271</u>	<u>181,401</u>
Surplus for the year International Students	<u>139,007</u>	<u>92,439</u>	<u>86,861</u>

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	359,873	394,459	362,370
Equipment repairs	4,091	2,000	-
Information and communication technology	139,050	125,000	160,655
Library resources	561	2,000	-
Employee benefits - salaries	6,436,499	5,919,781	6,152,864
Staff development	72,011	144,500	62,709
	<u>7,012,085</u>	<u>6,587,740</u>	<u>6,738,598</u>

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,942	5,750	5,772
Board of Trustees Fees	3,975	4,000	4,065
Board of Trustees Expenses	80,597	56,225	64,570
Communication	25,380	16,333	16,415
Consumables	94,076	63,200	116,978
Operating Lease	26,117	9,800	29,445
Other	47,129	51,300	42,332
Employee Benefits - Salaries	299,539	308,914	369,870
Insurance	8,514	12,202	11,759
Service Providers, Contractors and Consultancy	11,628	11,000	10,181
	<u>602,897</u>	<u>538,724</u>	<u>671,387</u>

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	18,055	3,667	11,279
Consultancy and Contract Services	52,495	42,734	135,530
Heat, Light and Water	30,418	38,175	133,659
Public Private Partnership Levy	46,549	109,530	-
Rates	6,300	2,765	11,446
Repairs and Maintenance	14,801	12,599	30,188
Use of Land and Buildings	6,666,006	1,329,834	1,299,682
Employee Benefits - Salaries	29,046	33,162	81,218
	<u>6,863,670</u>	<u>1,572,466</u>	<u>1,703,002</u>

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

8. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	28,492	35,000	40,058
Information and Communication Technology	91,974	20,000	26,721
Leased Assets	88,114	55,000	92,563
Library Resources	4,037	5,000	4,726
	<u>212,617</u>	<u>115,000</u>	<u>164,068</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	368	-	328
Bank Current Account	303,817	1,291,217	187,705
Bank Call Account	1,639	-	308
Short-term Bank Deposits	600,000	-	987,876
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>905,824</u>	<u>1,291,217</u>	<u>1,176,217</u>

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

Of the \$905,824 Cash and Cash Equivalents, \$8,956 is held by the School on behalf of the AGHS and SBHS Co-Location cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	50,987	2,841	2,841
Receivables from the Ministry of Education	2,390	33,662	33,662
Interest Receivable	23,384	16,648	16,648
Teacher Salaries Grant Receivable	387,959	364,842	364,842
	<u>464,720</u>	<u>417,993</u>	<u>417,993</u>
Receivables from Exchange Transactions	74,371	19,489	19,489
Receivables from Non-Exchange Transactions	390,349	398,504	398,504
	<u>464,720</u>	<u>417,993</u>	<u>417,993</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	2,449,005	1,441,498	1,441,498
Non-current Asset			
Long-term Bank Deposits	-	372,211	372,211
Shares	2,000	2,000	2,000
Total Investments	<u>2,451,005</u>	<u>1,815,709</u>	<u>1,815,709</u>

The School holds two shares in Canterbury Education Services Society Limited. The shares are not listed on an active market. The shares are measured at cost as fair value cannot be reliably measured. The School has received approval to hold the shares under section 73 of the Education Act 1989.



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Furniture and Equipment	174,116	153,422	(52,812)	-	(28,492)	246,234
Information and Communication	235,456	357,993	(4,272)	-	(91,974)	497,203
Leased Assets	99,247	196,216	(8,034)	-	(88,114)	199,315
Library Resources	33,084	8,058	(8,847)	-	(4,037)	28,258
Balance at 31 December 2019	541,903	715,689	(73,965)	-	(212,617)	971,010

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Furniture and Equipment	854,710	(608,476)	246,234
Information and Communication	783,956	(286,753)	497,203
Motor Vehicles	1,764	(1,764)	-
Leased Assets	318,351	(119,036)	199,315
Library Resources	123,935	(95,677)	28,258
Balance at 31 December 2019	2,082,716	(1,111,706)	971,010

The net carrying value of equipment held under a finance lease is \$199,315 (2018: \$99,247)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	214,264	-	(214,264)	-	-	-
Furniture and Equipment	272,455	7,460	(65,741)	-	(40,058)	174,116
Information and Communication	77,721	188,131	(3,675)	-	(26,721)	235,456
Leased Assets	89,121	102,689	-	-	(92,563)	99,247
Library Resources	34,665	9,742	(6,597)	-	(4,726)	33,084
Balance at 31 December 2018	688,226	308,022	(290,277)	-	(164,068)	541,903

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Furniture and Equipment	969,071	(794,955)	174,116
Information and Communication	494,029	(258,573)	235,456
Motor Vehicles	1,764	(1,764)	-
Leased Assets	216,983	(117,736)	99,247
Library Resources	158,178	(125,094)	33,084
Balance at 31 December 2018	1,840,025	(1,298,122)	541,903

13. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Operating creditors	\$ 104,492	\$ 42,465	\$ 42,465
Accruals	11,616	-	-
Employee Entitlements - salaries	445,411	396,060	396,060
Employee Entitlements - leave accrual	22,549	17,340	17,340
	584,068	455,865	455,865
Payables for Exchange Transactions	584,068	455,865	455,865
	584,068	455,865	455,865

The carrying value of payables approximates their fair value.

14. Revenue Received In Advance

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
International Student Fees	\$ 499,437	\$ 255,719	\$ 255,719
Other	32,483	41,886	41,886
	<u>531,920</u>	<u>297,605</u>	<u>297,605</u>

15. Finance Lease Liability

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
No Later than One Year	\$ 107,112	\$ 79,372	\$ 79,372
Later than One Year and no Later than Five Years	112,023	54,613	54,613
	<u>219,135</u>	<u>133,985</u>	<u>133,985</u>

16. Funds Held In Trust

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Funds Held In Trust on Behalf of Third Parties - Current	\$ 457,119	\$ 178,894	\$ 178,894
	<u>457,119</u>	<u>178,894</u>	<u>178,894</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

17. Funds Held for Capital Works

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

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
MOE - Admin/Key Repairs	Completed	\$ (6,986)	\$ 8,578	\$ 1,592	-	-
Totals		<u>(6,986)</u>	<u>8,578</u>	<u>1,592</u>	<u>-</u>	<u>-</u>

18. Funds Held on Behalf of AGHS and SBHS Co-Location Cluster

Avonside Girls' High School is the lead school and holds funds on behalf of the AGHS and SBHS Co-Location Cluster. The cluster is funded by the Ministry of Education to provide resources to assist with the co-location set up on the new site.

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Funds Held at Beginning of the Year	\$ 9,840	\$ 9,840	\$ 66,460
Funds Received from MoE	-	-	16,570
Funds Spent on Behalf of the Cluster	(884)	-	(73,190)
Funds Held at Year End	<u>8,956</u>	<u>9,840</u>	<u>9,840</u>

19. 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.

20. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals, Associate Principals and Executive Officer.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,975	4,065
Full-time equivalent members	0.33	0.51
<i>Leadership Team</i>		
Remuneration	622,278	639,876
Full-time equivalent members	5.43	6.00
Total key management personnel remuneration	626,253	643,941
Total full-time equivalent personnel	5.76	6.51

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	160 - 170	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 -110	4.00	3.00
	4.00	3.00

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



21. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$ 45,230	\$ -
Number of People	4	-

22. 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).

Provision for Cyclical Maintenance

The provision for cyclical maintenance represents the obligation the Board has to the Ministry of Education. The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. In previous years it has been based on the Board's ten year property plan (10YP). Since the earthquake in February 2011, the Ministry has put all property plans for schools in the greater Christchurch area on hold until further notice.

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.

23. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: as below)

(a) The setup of IT equipment and networking for the new site, with New Era IT Ltd at an estimated value of \$772,837 (excl GST). As the cost of this work is to be shared 50/50 with Shirley Boys' High School, the estimated commitment of Avonside Girls High School is \$386,416. As at 31 December 2018 the Board has paid \$167,990 of this contract - being wireless equipment and network switching (these assets being recorded in the asset register as at 31 December 2018).

(b) The purchase of theatre curtains from John Herber Limited at a cost of \$57,908 (excl GST). As the cost of this work is to be shared 50/50 with Shirley Boys' High School, the commitment to Avonside Girls High School is \$28,954. As at 31 December 2018 the Board has paid a deposit of \$14,477 on this contract (the deposit is recorded as a prepayment in the 2018 accounts).

(b) Operating Commitments

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

(a) operating lease of a photocopier and a van;

	2019 Actual \$	2018 Actual \$
No later than One Year	9,664	9,285
Later than One Year and No Later than Five Years	-	9,664
	<u>9,664</u>	<u>18,949</u>

24. 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.

25. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	905,824	1,291,217	1,176,217
Receivables	464,720	417,993	417,993
Investments - Term Deposits	2,451,005	1,813,709	1,815,709
Total Financial assets measured at amortised cost	<u>3,821,549</u>	<u>3,522,919</u>	<u>3,409,919</u>

Financial liabilities measured at amortised cost

Payables	584,068	455,865	455,865
Finance Leases	201,826	122,575	122,575
Total Financial liabilities measured at amortised Cost	<u>785,894</u>	<u>578,440</u>	<u>578,440</u>

26. Events After Balance Date

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

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th 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 until 18 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.

27. 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:

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.

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.



INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF AVONSIDE GIRLS HIGH SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Avonside Girls High School (the School). The Auditor-General has appointed me, Mike Hoshek using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 20, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 27 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 26 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of

Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Matter

The financial statements of the School for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 21 May 2019.

Other information

The Board of Trustees is responsible for the other information. The other information does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Mike Hoshek
Deloitte Limited
On behalf of the Auditor-General

Christchurch, New Zealand