

NEWLANDS COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	268
Principal:	Grant Jones
School Address:	68 Bracken Road, Newlands, Wellington 6037
School Postal Address:	PO Box 26079, Newlands, Wellington 6442
School Phone:	04 473 4136
School Email:	newcol@newlands.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Gavin Knight	Chair Person	Elected	Sep 2022
Grant Jones	Principal	ex Officio	
Sapphire Aitcheson	Parent Rep	Elected	Sep 2022
Tom Logan	Parent Rep	Elected	Sep 2022
Michelle Mako	Parent Rep	Elected	Sep 2022
James Malden	Parent Rep	Elected	Sep 2022
Glenn McStay	Parent Rep	Elected	Sep 2022
Brian Norris	Parent Rep	Elected	Sep 2022
Ben Lau	Staff Rep	Elected	Sep 2022
Paige Puketapu	Student Rep	Elected	Sep 2021
Joshua Taefu	Student Rep	Elected	Dec 2021

NEWLANDS COLLEGE

Annual Report - For the year ended 31 December 2021

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Newlands College

Statement of Responsibility

For the year ended 31 December 2021

The Board 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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Gavin Knight

Full Name of Presiding Member



Signature of Presiding Member

24 August 2022

Date:

Grant Jones

Full Name of Principal



Signature of Principal

24 August 2022

Date:

Newlands College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	11,974,219	2,550,929	11,728,389
Locally Raised Funds	3	534,933	503,491	458,220
Interest Income		29,220	50,000	66,810
International Students	4	213,838	173,500	412,788
Other Revenue		29,215	-	-
		12,781,425	3,277,920	12,666,207
Expenses				
Locally Raised Funds	3	333,371	339,117	291,147
International Students	4	139,297	159,367	290,210
Learning Resources	5	8,498,628	1,509,290	7,738,587
Administration	6	574,323	458,455	451,265
Finance		11,109	39,270	26,946
Property	7	2,720,701	738,789	3,453,067
Depreciation	12	316,106	256,915	277,530
Loss on Disposal of Property, Plant and Equipment		-	5,000	1,087
		12,593,535	3,506,203	12,529,839
Net Surplus / (Deficit) for the year		187,890	(228,283)	136,368
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		187,890	(228,283)	136,368

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

Newlands College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		3,107,741	3,107,741	2,971,373
Total comprehensive revenue and expense for the year		187,890	(228,283)	136,368
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		116,875	-	-
Equity at 31 December		3,412,506	2,879,458	3,107,741
Retained Earnings		3,412,506	2,879,458	3,107,741
Reserves		-	-	-
Equity at 31 December		3,412,506	2,879,458	3,107,741

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.

Newlands College
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	8	589,064	456,192	339,560
Accounts Receivable	9	740,548	714,077	704,355
GST Receivable		19,621	-	-
Prepayments		18,879	25,797	25,797
Funds held for Capital Works Projects	19	131,062	49,154	49,154
Investments	11	2,691,297	2,660,913	2,660,913
		4,190,471	3,906,133	3,779,779
Current Liabilities				
GST Payable		-	11,281	11,281
Accounts Payable	13	1,019,202	689,111	707,650
Revenue Received in Advance	14	188,176	459,176	430,915
Provision for Cyclical Maintenance	15	61,000	51,000	51,000
Painting Contract Liability	16	35,450	48,140	48,140
Finance Lease Liability	17	36,883	27,082	27,082
Funds held in Trust	18	227,249	413,281	413,281
		1,567,960	1,699,071	1,689,349
Working Capital Surplus/(Deficit)		2,622,511	2,207,062	2,090,430
Non-current Assets				
Property, Plant and Equipment	12	1,101,203	1,039,642	1,296,557
		1,101,203	1,039,642	1,296,557
Non-current Liabilities				
Provision for Cyclical Maintenance	15	253,608	88,000	-
Painting Contract Liability	16	-	225,673	225,673
Finance Lease Liability	17	57,600	53,573	53,573
		311,208	367,246	279,246
Net Assets		3,412,506	2,879,458	3,107,741
Equity		3,412,506	2,879,458	3,107,741

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

Newlands College
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		2,953,691	5,658,670	2,721,323
Locally Raised Funds		552,764	189,414	565,084
International Students		32,317	232,676	180,613
Goods and Services Tax (net)		(30,902)	11,281	(28,035)
Payments to Employees		(1,615,980)	(1,509,133)	(1,721,141)
Payments to Suppliers		(1,137,566)	(898,571)	(1,453,057)
Interest Paid		(11,109)	(39,270)	(26,946)
Interest Received		31,025	50,000	72,361
Net cash from/(to) Operating Activities		774,240	3,695,067	310,202
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(8,800)	(1,087)
Purchase of Property Plant & Equipment (and Intangibles)		(123,466)	(1,287,757)	(283,796)
Purchase of Investments		(30,384)	(2,660,913)	(262,051)
Proceeds from Sale of Investments		-	-	-
Net cash from/(to) Investing Activities		(153,850)	(3,957,470)	(546,934)
Cash flows from Financing Activities				
Furniture and Equipment Grant		116,875	-	25,758
Finance Lease Payments		18,542	80,655	75,587
Painting contract payments		(238,363)	273,813	15,245
Loans Received/ Repayment of Loans		-	-	(20,175)
Funds Administered on Behalf of Third Parties		(267,940)	364,127	(290,786)
Net cash from/(to) Financing Activities		(370,886)	718,595	(194,371)
Net Increase/(decrease) in cash and cash equivalents		249,504	456,192	(431,103)
Cash and cash equivalents at the beginning of the year	8	339,560	-	770,662
Cash and cash equivalents at the end of the year	8	589,064	456,192	339,560

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

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

Newlands College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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.

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

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.

c) 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.

d) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

g) Inventories

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

h) 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.

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment purchases are depreciated over their estimated useful lives on a straight line basis. From 2021 Library and text books resources are expensed. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	expensed
Leased assets held under a Finance Lease	Term of Lease
Library resources	expensed

i) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

j) 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.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows

m) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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.

n) 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.

n) Shared Funds

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

o) 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 is a reasonable estimate, and will be updated once an up to date 10 Year Property Plan (10YPP) is available in 2022.

p) Financial Instruments

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

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

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

q) Borrowings

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

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

r) 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.

s) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	2,218,317	2,099,158	2,084,695
Teachers' Salaries Grants	7,018,058	-	6,338,752
Use of Land and Buildings Grants	1,945,044	-	2,725,740
Other MoE Grants	604,086	335,895	480,085
Establishment Grant	-	-	-
Transport grants	-	-	-
Other Government Grants	188,714	115,876	99,117
	11,974,219	2,550,929	11,728,389

The school is not eligible to opt in to the donations scheme for this year.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	181,008	136,561	160,408
Curriculum related Activities - Purchase of goods and services	-	-	-
Fees for Extra Curricular Activities	342,906	357,930	283,697
Trading	11,019	9,000	13,715
Fundraising & Community Grants	-	-	400
Other Revenue	-	-	-
	534,933	503,491	458,220
Expenses			
Extra Curricular Activities Costs	331,761	339,117	284,910
Trading	1,610	-	6,237
Fundraising and Community Grant Costs	-	-	-
Other Locally Raised Funds Expenditure	-	-	-
	333,371	339,117	291,147
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	201,562	164,374	167,073

4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	18	16	34
Revenue			
International Student Fees	213,838	173,500	412,788
Expenses			
Student Recruitment	18,198	31,400	48,843
Employee Benefit - Salaries	107,105	121,167	225,551
Other Expenses	13,994	6,800	15,816
	139,297	159,367	290,210
<i>Surplus/ (Deficit) for the year International Students</i>	74,541	14,133	122,578

5. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	305,439	396,296	257,008
Equipment Repairs	8,747	10,260	5,063
Information and Communication Technology	51,994	41,888	46,859
Library Resources	2,974	2,700	1,245
Employee Benefits - Salaries	8,093,726	998,986	7,409,490
Staff Development	35,748	59,160	18,922
	<u>8,498,628</u>	<u>1,509,290</u>	<u>7,738,587</u>

6. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	18,005	11,000	4,201
Board Fees	5,530	5,900	5,675
Board Expenses	14,295	10,100	9,627
Intervention Costs & Expenses	-	-	-
Communication	16,902	13,450	12,839
Consumables	11,152	15,000	9,416
Operating Lease	-	-	-
Legal Fees	106,291	5,000	16,686
Other	57,443	69,425	46,777
Employee Benefits - Salaries	324,108	311,580	326,830
Insurance	20,597	17,000	19,214
Service Providers, Contractors and Consultancy	-	-	-
	<u>574,323</u>	<u>458,455</u>	<u>451,265</u>

As noted above, the school incurred legal fees amounting to \$106,921. Subsequent to year end, the dispute has been settled and as part of the judgement the school was able to recover some of its costs. The recovery of these costs has been recognised as other revenue.

7. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	42,829	36,100	35,071
Consultancy and Contract Services	240,629	259,289	224,494
Cyclical Maintenance Provision	73,384	73,500	87,115
Grounds	14,809	24,000	35,107
Heat, Light and Water	107,559	113,000	117,142
Rates	29,512	17,000	15,256
Repairs and Maintenance	133,210	113,500	100,280
Use of Land and Buildings	1,945,044	-	2,725,740
Security	32,959	25,000	18,091
Employee Benefits - Salaries	100,766	77,400	94,771
	<u>2,720,701</u>	<u>738,789</u>	<u>3,453,067</u>

The use of land and buildings figure represents 5% 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. In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the College'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. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Bank Accounts	589,064	456,192	339,560
Short-term Bank Deposits	-	-	-
Bank Overdraft	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>589,064</u>	<u>456,192</u>	<u>339,560</u>

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

9. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	153,911	714,077	146,319
Receivables from the Ministry of Education	-	-	-
Provision for uncollectable debts	-	-	-
Interest Receivable	3,500	-	5,305
Banking Staffing Underuse	-	-	-
Teacher Salaries Grant Receivable	583,137	-	552,731
	<u>740,548</u>	<u>714,077</u>	<u>704,355</u>
Receivables from Exchange Transactions	157,411	714,077	151,624
Receivables from Non-Exchange Transactions	583,137	-	552,731
	<u>740,548</u>	<u>714,077</u>	<u>704,355</u>

11. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	2,691,297	2,660,913	2,660,913
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>2,691,297</u>	<u>2,660,913</u>	<u>2,660,913</u>

12. Property, Plant and Equipment

2021	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	-	-	-	-	-	-
Buildings	172,168	-	-	-	(5,613)	166,555
Building Improvements	-	-	-	-	-	-
Furniture and Equipment	751,861	34,362	-	-	(106,024)	680,199
Information and Communication Technology	217,542	25,860	-	-	(90,149)	153,253
Motor Vehicles	15,113	-	-	-	(3,699)	11,414
Textbooks	9,177	-	-	-	(9,177)	-
Leased Assets	70,577	60,530	-	-	(41,325)	89,782
Library Resources	60,119	-	-	-	(60,119)	-
Balance at 31 December 2021	1,296,557	120,752	-	-	(316,106)	1,101,203

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Land	-	-	-	-	-	-
Buildings	280,750	(114,194)	166,556	280,750	(108,582)	172,168
Building Improvements	-	-	-	-	-	-
Furniture and Equipment	2,372,456	(1,692,256)	680,200	2,338,093	(1,586,232)	751,861
Information and Communication T	892,984	(739,730)	153,254	867,123	(649,581)	217,542
Motor Vehicles	161,534	(150,121)	11,413	161,534	(146,421)	15,113
Textbooks	-	-	-	26,797	(17,620)	9,177
Leased Assets	141,338	(51,558)	89,780	146,052	(75,475)	70,577
Library Resources	-	-	-	163,480	(103,361)	60,119
Balance at 31 December	3,849,062	(2,747,859)	1,101,203	3,983,829	(2,687,272)	1,296,557

13. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	322,389	-	44,613
Accruals	11,703	689,111	-
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	655,042	-	635,300
Employee Entitlements - Leave Accrual	30,068	-	27,737
	<u>1,019,202</u>	<u>689,111</u>	<u>707,650</u>
Payables for Exchange Transactions	1,019,202	689,111	707,650
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	<u>1,019,202</u>	<u>689,111</u>	<u>707,650</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	-	57,426
International Student Fees in Advance	86,739	59,176	268,260
Hostel Fees in Advance	-	-	-
Other revenue in Advance	101,437	400,000	105,229
	<u>188,176</u>	<u>459,176</u>	<u>430,915</u>

15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	51,000	-	41,000
Increase to the Provision During the Year	73,384	-	10,000
Transfer from Painting Contract Liability	190,224	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>314,608</u>	<u>-</u>	<u>51,000</u>
Cyclical Maintenance - Current	61,000	51,000	51,000
Cyclical Maintenance - Term	253,608	88,000	-
	<u>314,608</u>	<u>139,000</u>	<u>51,000</u>

As there is no current painting contract in place, the term provision for painting has been transferred to cyclical maintenance (note 16). Given the extent of the building work funded by the Ministry of Education currently underway and due to commence at the College, to the best of their knowledge, the Board is satisfied that the current cyclical provision contained in the 2021 Annual Accounts is a reasonable provision at this time. The Board acknowledges that further adjustments may be required in future accounting periods once the new 10 year Property Plan and painting programme are completed.

16. Painting Contract Liability

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Due within one year	\$ 35,450	\$ 48,140	\$ 48,140
Due after one year	-	225,673	225,673
	<u>35,450</u>	<u>273,813</u>	<u>273,813</u>

In 2009 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an fourteen year period. The programme provided for an exterior repaint of the Ministry owned buildings in 2009 and 2016, with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money. The contract will be completed in 2022. The provision for future liability has been transferred to Cyclical Maintenance (note 15).

17. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
No Later than One Year	\$ 36,883	\$ 27,082	\$ 27,082
Later than One Year and no Later than Five Years	57,600	53,573	53,573
Later than Five Years	-	-	-
Future Finance Charges	-	-	-
	<u>94,483</u>	<u>80,655</u>	<u>80,655</u>
Represented by			
Finance lease liability - Current	36,883	27,082	27,082
Finance lease liability - Term	57,600	53,573	53,573
	<u>94,483</u>	<u>80,655</u>	<u>80,655</u>

18. Funds held in Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Funds Held in Trust on Behalf of Third Parties - Current	\$ 227,249	\$ 413,281	\$ 413,281
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>227,249</u>	<u>413,281</u>	<u>413,281</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.

18. Funds Held for Capital Works Projects

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

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
LSC Circulation	-	35,000	-	-	35,000
Boiler replacement	(15,039)	6,353	(600)	9,286	-
Roofing and cladding	(66,341)	1,217,272	(1,282,128)	-	(131,197)
Special Need modification	32,226	19,000	(80,036)	-	(28,810)
SIP modification	-	40,000	(46,055)	-	(6,055)
Totals	(49,154)	1,317,625	(1,408,819)	9,286	(131,062)

Represented by:

Funds Held on Behalf of the Ministry of Education	35,000
Funds Due from the Ministry of Education	(166,062)
	<u>(131,062)</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Slip	3,791	-	3,791	-	-
Boiler replacement	4,097	-	19,136	-	(15,039)
Roofing and cladding	(36,867)	-	29,474	-	(66,341)
Special Needs Modification	-	35,000	2,774	-	32,226
Totals	(28,979)	35,000	55,175	-	(49,154)

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 Board members, Principal, Deputy Principals and Heads of Departments.

	2021 Actual \$	2020 Actual \$
Board Members Remuneration	5,530	5,675
Leadership Team Remuneration Full-time equivalent members	1,872,756 16	1,596,096 14
Total key management personnel remuneration	1,878,286	1,601,771

There are 10 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

The total value of remuneration paid or payable to the Principal was in the following bands:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	200 - 210
Benefits and Other Emoluments	20 - 30	20 - 30
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 140	19.00	13.00
	19.00	13.00

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 board members, committee members, 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:

	2021 Actual	2020 Actual
Total Number of People	-	-

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$890,800 contract for roofing and cladding to be completed in 2022, which will be fully funded by the Ministry of Education. \$1,217,272 has been received and \$1,348,469 has been spent on the project to date; and

(b) \$31,322 contract for Special Needs Modifications. This project is fully funded by the Ministry and \$35,000 has been received of which \$0 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$43,680 contract for Special Needs modifications. The project is fully funded by the Ministry and \$54,000 has been received and \$82,810 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$500,000)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

(a) operating lease of a EFTPOS Machine;

	2021 Actual \$	2020 Actual \$
No later than One Year	420	420
Later than One Year and No Later than Five Years	875	840
Later than Five Years	-	-
	<u>1,295</u>	<u>1,260</u>

24. 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	589,064	456,192	339,560
Receivables	740,548	714,077	704,355
Investments - Term Deposits	2,691,297	2,660,913	2,660,913
Total Financial assets measured at amortised cost	<u>4,020,909</u>	<u>3,831,182</u>	<u>3,704,828</u>

Financial liabilities measured at amortised cost

Payables	1,019,202	689,111	707,650
Borrowings - Loans	-	-	-
Finance Leases	94,483	80,655	80,655
Painting Contract Liability	35,450	273,813	273,813
Total Financial Liabilities Measured at Amortised Cost	<u>1,149,135</u>	<u>1,043,579</u>	<u>1,062,118</u>

25. Events After Balance Date

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

26. Comparatives

There have been a number of prior period comparatives including note 15 and note 16 which have been reclassified to make disclosure consistent with the current year.

KiwiSport Funding

KiwiSport is a Government funding initiative that promotes sport and aims to increase opportunities for school-aged students to participate in organised sport.

In 2021 the school received KiwiSport funding of \$27,106 (excluding GST). The funding was spent on new sports equipment and salaries for the Sports Department staff.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEWLANDS COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Newlands College (the College). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the College on his behalf.

Opinion

We have audited the financial statements of the School on pages [2] to [19], that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; 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 24 August 2022. 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 Newlands College (The Board) 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.

Responsibilities of the Board for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Newlands College is responsible for the other information. Other Information has not been received by the auditor at the date the audit report is signed. 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 *International 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.

A handwritten signature in black ink that reads "Pam Thompson".

Pam Thompson
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

