

One Tree Hill College

Group Annual Report for the year ended 31 December 2019

Ministry Number:	85
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One Tree Hill College

Group Annual Report

For the year ended 31 December 2019

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One Tree Hill College
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 consolidated financial statements.

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

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

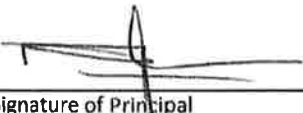
The School's 2019 consolidated financial statements are authorised for issue by the Board.

Max Guphill
Full Name of Board Chairperson


Signature of Board Chairperson

25 May 2020
Date:

NICK COUGHLAN
Full Name of Principal


Signature of Principal

25 May 2020
Date:

One Tree Hill College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue							
Government Grants	2	12,138,190	12,235,653	12,221,794	12,138,190	12,235,653	12,221,794
Locally Raised Funds	3	900,510	837,739	1,101,705	961,510	837,739	1,117,805
Interest Earned		55,919	80,000	79,157	55,976	80,000	79,292
Gain on Sale of Property, Plant and Equipment		9,414	-	32,270	(1)	-	-
International Students	4	399,189	359,648	386,026	399,189	359,648	386,026
		13,503,222	13,513,040	13,820,952	13,554,864	13,513,040	13,804,917
Expenses							
Locally Raised Funds	3	61,374	140,600	204,266	61,374	140,600	204,266
International Students	4	196,227	199,600	184,085	196,227	199,600	184,085
Learning Resources	5	8,216,833	7,859,589	8,184,634	8,216,833	7,859,589	8,184,634
Administration	6	677,874	814,076	663,535	677,919	814,076	663,579
Finance Costs		23,940	50,000	42,030	23,940	50,000	42,030
Property	7	4,212,116	4,268,852	4,163,612	4,212,116	4,268,852	4,163,612
Depreciation	8	351,520	260,000	322,951	351,520	260,000	322,951
Loss on Disposal of Property, Plant and Equipment		283	-	2,563	283	-	2,563
		13,740,167	13,592,717	13,767,676	13,740,212	13,592,717	13,767,720
Net Surplus / (Deficit) for the year		(236,945)	(79,677)	53,276	(185,348)	(79,677)	37,197
Other Comprehensive Revenue and Expenses		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		(236,945)	(79,677)	53,276	(185,348)	(79,677)	37,197

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



One Tree Hill College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	2,303,606	2,303,606	2,227,163	2,344,903	2,303,606	2,284,539
Total comprehensive revenue and expense for the year	(236,945)	(79,677)	53,276	(185,348)	(79,677)	37,197
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	23,167	-	-	23,167
Equity at 31 December	2,066,661	2,223,929	2,303,606	2,159,555	2,223,929	2,344,903
Retained Earnings	2,066,661	2,223,929	2,303,606	2,159,555	2,223,929	2,344,903
Equity at 31 December	2,066,661	2,223,929	2,303,606	2,159,555	2,223,929	2,344,903

The above Consolidated Statement of Changes In Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



One Tree Hill College

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets							
Cash and Cash Equivalents	9	596,371	194,491	780,301	647,723	194,491	780,345
Accounts Receivable	10	535,676	480,000	511,867	535,676	480,000	511,867
GST Receivable		64,102	75,000	99,938	64,102	75,000	100,669
Prepayments		12,550	15,000	15,055	12,550	15,000	15,055
Investments	11	1,094,015	1,600,000	1,195,858	1,094,015	1,600,000	1,195,858
		<u>2,302,714</u>	<u>2,364,491</u>	<u>2,603,019</u>	<u>2,354,066</u>	<u>2,364,491</u>	<u>2,603,794</u>
Current Liabilities							
Accounts Payable	13	776,708	848,000	850,936	776,708	848,000	850,936
Revenue Received In Advance	14	531,675	600,000	602,862	531,675	600,000	602,862
Provision for Cyclical Maintenance	15	140,335	121,500	128,126	140,335	121,500	128,126
Finance Lease Liability - Current Portion	16	147,081	113,954	171,221	147,081	113,954	171,221
Funds held for Capital Works Projects	17	76,505	-	-	76,505	-	-
		<u>1,672,304</u>	<u>1,683,454</u>	<u>1,753,145</u>	<u>1,672,304</u>	<u>1,683,454</u>	<u>1,753,145</u>
Working Capital Surplus		630,410	681,037	849,874	681,762	681,037	850,649
Non-current Assets							
Property, Plant and Equipment	12	1,888,173	1,897,028	1,897,028	1,929,715	1,897,028	1,937,550
		<u>1,888,173</u>	<u>1,897,028</u>	<u>1,897,028</u>	<u>1,929,715</u>	<u>1,897,028</u>	<u>1,937,550</u>
Non-current Liabilities							
Provision for Cyclical Maintenance	15	360,742	252,801	309,102	360,742	252,801	309,102
Finance Lease Liability	16	91,180	101,335	134,194	91,180	101,335	134,194
		<u>451,922</u>	<u>354,136</u>	<u>443,296</u>	<u>451,922</u>	<u>354,136</u>	<u>443,296</u>
Net Assets		<u>2,066,661</u>	<u>2,223,929</u>	<u>2,303,606</u>	<u>2,159,555</u>	<u>2,223,929</u>	<u>2,344,903</u>
Equity							
Accumulated surplus		2,066,661	2,223,929	2,303,606	2,159,555	2,223,929	2,344,903
Total Equity		<u>2,066,661</u>	<u>2,223,929</u>	<u>2,303,606</u>	<u>2,159,555</u>	<u>2,223,929</u>	<u>2,344,903</u>

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



One Tree Hill College

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities							
Government Grants		2,903,351	2,915,494	2,757,988	2,903,351	2,915,494	2,757,988
Locally Raised Funds		788,364	1,225,104	1,124,481	849,364	1,225,104	1,140,581
International Students		384,439	459,648	356,288	384,439	459,648	356,288
Goods and Services Tax (net)		35,836	(57,000)	(37,052)	36,567	(57,000)	(37,776)
Payments to Employees		(1,566,671)	(1,345,523)	(1,616,306)	(1,566,671)	(1,345,523)	(1,616,306)
Payments to Suppliers		(2,541,676)	(2,764,334)	(2,024,233)	(2,541,721)	(2,764,334)	(2,024,277)
Interest Paid		(23,940)	(50,000)	(42,030)	(23,940)	(50,000)	(42,030)
Interest Received		58,707	70,000	83,703	58,764	70,000	83,838
Net cash from / (to) the Operating Activities		38,410	453,389	602,839	100,153	453,389	618,306
Cash flows from Investing Activities							
Proceeds from Sale of PPE (and Intangibles)		18,710	(8,651)	39,285	(284)	(8,651)	(2,564)
Purchase of PPE (and Intangibles)		(245,294)	(651,579)	(387,243)	(236,735)	(651,579)	(390,264)
Sale/(Purchase) of Investments		101,843	(1,600,000)	763,671	101,843	(1,600,000)	763,671
Proceeds from Sale of Investments		-	-	(181,817)	-	-	(181,817)
Net cash from / (to) the Investing Activities		(124,741)	(2,260,230)	233,896	(135,176)	(2,260,230)	189,026
Cash flows from Financing Activities							
Furniture and Equipment Grant		-	-	23,167	-	-	23,167
Finance Lease Payments		(174,104)	83,626	(206,091)	(174,104)	83,626	(206,091)
Loans Received/ (Repayment of Loans)		-	(63,552)	-	-	(63,552)	-
Net cash from Financing Activities		(97,599)	20,074	(182,924)	(97,599)	20,074	(182,924)
Net Increase/(decrease) in cash and cash equivalents		(183,930)	(1,786,767)	653,811	(132,622)	(1,786,767)	624,408
Cash and cash equivalents at the beginning of the year	9	780,301	1,981,258	126,490	780,345	1,981,258	155,937
Cash and cash equivalents at the end of the year	9	596,371	194,491	780,301	647,723	194,491	780,345

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

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



One Tree Hill College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

One Tree Hill College (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 One Tree Hill College Group (the Group) consists of One Tree Hill College (the School) and its controlled entity, One Tree Hill College Art Trust (the Trust).

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Basis of Consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Details of investment in subsidiaries are set out in Note 26.

Financial Reporting Standards Applied

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

Controlled Entity

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the School as at 31 December 2019 and the results of all controlled entities for the year then ended. The School and its controlled entities together are referred to in these financial statements as the Group or consolidated entity.

Controlled entities are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when accessing whether the School controls the entity.

Controlled entities which form part of the Group are consolidated from the date on which control is transferred to the School. These are de-consolidated from the date that control ceases. The School has consolidated The One Tree Hill College Art Trust which it controls. Further information regarding this entity can be found in note 26.

Inter-entity transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Measurement Base

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

Presentation Currency

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

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Consolidation of entities

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at note 26.

Revenue Recognition

Government Grants

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

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

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

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

Other Grants

Other grants are recorded as revenue when the Group has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the Group.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

Use of Land and Buildings Expense

The property from which the Group operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The Group's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Operating Lease Payments

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

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.

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.

Accounts Receivable

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

Prior Year Policy

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

Investments

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

Equity investments are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

Prior Year Policy

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

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

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

Property, Plant and Equipment

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

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

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

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	10 years
Building improvements to Crown owned assets	10-75 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Motor vehicles	10 years
Art Prints	Nil
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment and intangible assets

The Group does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Revenue Received In Advance

Revenue received in advance relates to fees received from international students, homestay students and other activities funds received where there are unfulfilled obligations for the Group to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The Group holds sufficient funds to enable the refund of unearned fees in relation to the above revenue received in advance, should the Group be unable to provide the services to which they relate.

Funds Held in Trust

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Consolidated Statement of Revenue and Expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Provision for Cyclical Maintenance

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

Financial Assets and Liabilities

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

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

The Group's financial liabilities comprise accounts payable 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.

Goods and Services Tax (GST)

The consolidated financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Consolidated Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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 Consolidated Statement of Comprehensive Revenue and Expense.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

	School			Group		
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
2 Government Grants						
Operational grants	2,492,892	2,664,174	2,560,572	2,492,892	2,664,174	2,560,572
Teachers' salaries grants	6,152,035	5,786,750	5,963,262	6,152,035	5,786,750	5,963,262
Use of Land and Buildings grants	3,053,676	3,533,409	3,344,140	3,053,676	3,533,409	3,344,140
Other MoE Grants	373,187	184,320	287,420	373,187	184,320	287,420
Other government grants	66,400	67,000	66,400	66,400	67,000	66,400
	12,138,190	12,235,653	12,221,794	12,138,190	12,235,653	12,221,794

	School			Group		
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
3 Locally Raised Funds						
Local funds raised within the School's community are made up of:						
Revenue						
Donations	223,139	193,000	223,621	284,139	193,000	239,721
Fundraising	72,293	53,000	48,365	72,293	53,000	48,365
Other Revenue	120,509	119,000	189,552	120,509	119,000	189,552
Overseas Travel	-	-	156,703	-	-	156,703
Trading	171,212	145,000	145,345	171,212	145,000	145,345
Activities	313,357	327,739	338,119	313,357	327,739	338,119
	900,510	837,739	1,101,705	961,510	837,739	1,117,805
Expenses						
Trading	6,983	20,500	25,893	6,983	20,500	25,893
Fundraising (costs of raising funds)	11,934	8,100	11,602	11,934	8,100	11,602
Overseas Travel	-	-	137,876	-	-	137,876
Other Locally Raised Funds Expenditure	42,457	112,000	28,895	42,457	112,000	28,895
	61,374	140,600	204,266	61,374	140,600	204,266
Surplus for the year Locally Raised Funds	839,136	697,139	897,439	900,136	697,139	913,539

Overseas Travel

2019

There was no overseas travel in 2019.

2018

There was an overseas trip to the USA during the year for Geography, History, Tourism, Business Studies, Design and Visual Communication students. The trip cost \$137,876 and was fully funded by the students and fund raising of \$156,703.

	School			Group		
	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
4 International Student Revenue and Expenses						
International Student Roll	25	0	25	25	0	25
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
International student fees	399,189	359,648	386,026	399,189	359,648	386,026
Expenses						
Advertising	27,747	25,000	34,659	27,747	25,000	34,659
Commissions	30,699	20,000	12,748	30,699	20,000	12,748
International student levy	9,269	6,000	11,593	9,269	6,000	11,593
Employee Benefit - Salaries	122,778	143,000	121,312	122,778	143,000	121,312
Other Expenses	5,734	5,600	3,773	5,734	5,600	3,773
	196,227	199,600	184,085	196,227	199,600	184,085
Surplus for the year International Students'	202,962	160,048	201,941	202,962	160,048	201,941

Overseas Travel

2019

Included in Advertising expenses above the Principal and Director of International Students travelled to Japan and Vietnam at a cost of \$21,000 for the purpose of recruiting new foreign fee-paying students for the school. The travel was funded from the net surplus from foreign fee-paying student fees revenue.

2018

Included in Advertising expenses above is an overseas trip for International student marketing and promotion that cost \$18,658.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

	School			Group		
	2019 Actual	2019 Budget (Unaudited)	2018 Actual	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$	\$	\$	\$
5 Learning Resources						
Curricular	503,910	598,489	512,381	503,910	598,489	512,381
Information and communication technology	147,166	146,000	86,670	147,166	146,000	86,670
Extra-curricular activities	464,410	449,850	504,708	464,410	449,850	504,708
Library resources	4,108	9,000	6,500	4,108	9,000	6,500
Employee benefits - salaries	7,049,183	6,603,250	7,023,563	7,049,183	6,603,250	7,023,563
Staff development	48,056	53,000	50,812	48,056	53,000	50,812
	8,216,833	7,859,589	8,184,634	8,216,833	7,859,589	8,184,634

Overseas Travel

During the year ended December 2019, the Principal was awarded a Ministry of Education sabbatical. Along with 2 members of the senior leadership team, the Principal travelled to Australia at a cost of \$7,500 to attend the Australian Council for Educational Leaders (ACEL) conference. The costs were jointly funded by the Ministry of Education and Board of Trustees.

Travel to Australia by staff member to attend a Conference in Australia at a cost of \$2900 funded by Board of Trustees through staff development budget. During the year ended December 2019, the Principal was awarded a Ministry of Education sabbatical and travelled to Spain at a cost of \$5,000 to attend the EduLearn conference. The costs were jointly funded by the Ministry of Education and Board of Trustees staff development budget. (2018: Nil)

6 Administration

	2019 Actual	2019 Budget (Unaudited)	2018 Actual	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$	\$	\$	\$
Audit Fee	12,644	12,276	14,098	12,644	12,276	14,098
Board of Trustees Fees	4,850	7,000	1,977	4,850	7,000	1,977
Board of Trustees Expenses	20,965	17,000	7,713	20,965	17,000	7,713
Communication	30,243	30,000	21,698	30,243	30,000	21,698
Consumables	73,412	116,100	57,236	73,412	116,100	57,236
Operating Lease	30,458	107,000	92,818	30,458	107,000	92,818
Postage	12,051	10,000	14,616	12,051	10,000	14,616
Other	48,805	97,700	66,682	48,805	97,700	66,726
Employee Benefits - Salaries	399,177	371,000	342,904	399,177	371,000	342,904
Insurance	28,211	29,000	27,595	28,211	29,000	27,595
Service Providers, Contractors and Consultancy	17,058	17,000	16,198	17,058	17,000	16,198
	677,874	814,076	663,535	677,919	814,076	663,579

7 Property

	2019 Actual	2019 Budget (Unaudited)	2018 Actual	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$	\$	\$	\$
Caretaking and Cleaning Consumables	30,127	39,000	25,245	30,127	39,000	25,245
Consultancy and Contract Services	166,777	138,000	149,242	166,777	138,000	149,242
Cyclical Maintenance Provision	119,391	106,868	128,258	119,391	106,868	128,258
Grounds	34,253	34,000	23,821	34,253	34,000	23,821
Heat, Light and Water	109,336	99,000	98,705	109,336	99,000	98,705
Repairs and Maintenance	538,952	155,552	208,987	538,952	155,552	208,987
Use of Land and Buildings	3,053,676	3,533,409	3,344,140	3,053,676	3,533,409	3,344,140
Employee Benefits - Salaries	159,604	163,023	185,214	159,604	163,023	185,214
	4,212,116	4,268,852	4,163,612	4,212,116	4,268,852	4,163,612

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

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

	School			Group		
	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Buildings - School	44,844	36,563	44,305	44,844	36,563	44,305
Furniture and Equipment	76,578	58,933	64,183	76,578	58,933	64,183
Information and Communication Technology	61,429	45,520	59,145	61,429	45,520	59,145
Motor Vehicles	12,095	8,651	11,429	12,095	8,651	11,429
Leased Assets	150,859	104,588	138,174	150,859	104,588	138,174
Library Resources	5,715	5,745	5,715	5,715	5,745	5,715
	351,520	260,000	322,951	351,520	260,000	322,951

9 Cash and Cash Equivalents

	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Cash on Hand	400	400	400	400	400	400
Bank Current Account	395,971	194,091	275,777	447,323	194,091	275,821
Short-term Bank Deposits	200,000	-	504,124	200,000	-	504,124
Net cash and cash equivalents and bank overdraft	596,371	194,491	780,301	647,723	194,491	780,345

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

Of the \$780,345 Cash and Cash Equivalents, \$Nil is held by the School on behalf of the Ministry of Education.

10 Accounts Receivable

	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Receivables	76,859	20,000	21,150	76,859	20,000	21,150
Receivables from the Ministry of Education	-	-	42,950	-	-	42,950
Interest Receivable	7,382	10,000	10,170	7,382	10,000	10,170
Teacher Salaries Grant Receivable	451,435	450,000	437,597	451,435	450,000	437,597
	535,676	480,000	511,867	535,676	480,000	511,867
Receivables from Exchange Transactions	84,241	30,000	31,320	84,241	30,000	31,320
Receivables from Non-Exchange Transactions	451,435	450,000	480,547	451,435	450,000	480,547
	535,676	480,000	511,867	535,676	480,000	511,867

11 Investments

The School's investment activities are classified as follows:

	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Current Asset						
Short-term Bank Deposits	1,094,015	1,600,000	1,195,858	1,094,015	1,600,000	1,195,858
Total Investments	1,094,015	1,600,000	1,195,858	1,094,015	1,600,000	1,195,858

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

School

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	388,077	-	-	-	(44,844)	343,233
Furniture and Equipment	651,573	158,982	-	-	(76,578)	733,977
Information and Communication Technology	176,211	19,261	-	-	(61,429)	134,043
Motor Vehicles	66,182	48,702	-	-	(12,095)	102,789
Art Prints	264,657	-	(1,020)	-	-	263,637
Leased Assets	299,870	106,950	-	-	(150,859)	255,961
Library Resources	50,458	10,073	(283)	-	(5,715)	54,533
Balance at 31 December 2019	1,897,028	343,968	(1,303)	-	(351,520)	1,888,173

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	849,823	(506,590)	343,233
Furniture and Equipment	1,895,031	(1,161,054)	733,977
Information and Communication Technology	684,427	(550,384)	134,043
Motor Vehicles	191,366	(88,577)	102,789
Art Prints	263,637	-	263,637
Leased Assets	590,603	(334,642)	255,961
Library Resources	149,992	(95,459)	54,533
Balance at 31 December 2019	4,624,879	(2,736,706)	1,888,173

The net carrying value of equipment held under a finance lease is \$255,961. (2018: \$299,870)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	416,192	16,190	-	-	(44,305)	388,077
Furniture and Equipment	462,099	253,657	-	-	(64,183)	651,573
Information and Communication Technology	149,672	85,684	-	-	(59,145)	176,211
Motor Vehicles	63,915	13,696	-	-	(11,429)	66,182
Art Prints	272,387	-	(7,730)	-	-	264,657
Leased Assets	184,936	253,108	-	-	(138,174)	299,870
Library Resources	40,005	18,731	(2,563)	-	(5,715)	50,458
Balance at 31 December 2018	1,589,206	641,066	(10,293)	-	(322,951)	1,897,028

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	849,823	(461,746)	388,077
Furniture and Equipment	1,736,049	(1,084,476)	651,573
Information and Communication Technology	665,166	(488,955)	176,211
Motor Vehicles	142,664	(76,482)	66,182
Art Print	264,657	-	264,657
Leased Assets	483,653	(183,783)	299,870
Library Resources	140,708	(90,250)	50,458
Balance at 31 December 2018	4,282,720	(2,385,692)	1,897,028

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Group

Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	388,077	-	-	-	(44,844)	343,233
Furniture and Equipment	672,229	158,982	-	-	(76,578)	754,633
Information and Communication Technology	176,211	19,261	-	-	(61,429)	134,043
Motor Vehicles	66,182	48,702	-	-	(12,095)	102,789
Art Print	284,523	-	-	-	-	284,523
Leased Assets	299,870	106,950	-	-	(150,859)	255,961
Library Resources	50,458	10,073	(283)	-	(5,715)	54,533
Balance at 31 December 2019	1,937,550	343,968	(283)	-	(351,520)	1,929,715

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	849,823	(506,590)	343,233
Furniture and Equipment	1,915,687	(1,161,054)	754,633
Information and Communication Technology	684,427	(550,384)	134,043
Motor Vehicles	191,366	(88,577)	102,789
Art Print	284,523	-	284,523
Leased Assets	590,603	(334,642)	255,961
Library Resources	149,992	(95,459)	54,533
Balance at 31 December 2019	4,666,421	(2,736,706)	1,929,715

The net carrying value of equipment held under a finance lease is \$255,961. (2018: \$299,870)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	416,192	16,190	-	-	(44,305)	388,077
Furniture and Equipment	482,755	253,657	-	-	(64,183)	672,229
Information and Communication Technology	149,672	85,684	-	-	(59,145)	176,211
Motor Vehicles	63,915	13,696	-	-	(11,429)	66,182
Art Print	279,653	12,600	(7,730)	-	-	284,523
Leased Assets	184,936	253,108	-	-	(138,174)	299,870
Library Resources	40,005	18,731	(2,563)	-	(5,715)	50,458
Balance at 31 December 2018	1,617,128	653,666	(10,293)	-	(322,951)	1,937,550

	Cost or \$	Accumulated \$	Net Book Value \$
2018			
Buildings	849,823	(461,746)	388,077
Furniture and Equipment	1,756,705	(1,084,476)	672,229
Information and Communication Technology	665,166	(488,955)	176,211
Motor Vehicles	142,664	(76,482)	66,182
Art Print	284,523	-	284,523
Leased Assets	483,653	(183,783)	299,870
Library Resources	140,708	(90,250)	50,458
Balance at 31 December 2018	4,323,242	(2,385,692)	1,937,550

One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Accounts Payable	School			Group		
	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Operating creditors	222,709	250,000	251,201	222,709	250,000	251,201
Accruals	8,652	-	8,184	8,652	-	8,184
Banking staffing overuse	27,578	-	72,078	27,578	-	72,078
Employee Entitlements - salaries	456,879	523,000	442,839	456,879	523,000	442,839
Employee Entitlements - leave accrual	60,890	75,000	76,634	60,890	75,000	76,634
	776,708	848,000	850,936	776,708	848,000	850,936
Payables for Exchange Transactions	776,708	848,000	850,936	776,708	848,000	850,936
	776,708	848,000	850,936	776,708	848,000	850,936

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
International Student Fees	164,326	200,000	179,076	164,326	200,000	179,076
Other	367,349	400,000	423,786	367,349	400,000	423,786
	531,675	600,000	602,862	531,675	600,000	602,862

15 Provision for Cyclical Maintenance	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Provision at the Start of the Year	437,228	437,228	374,301	437,228	437,228	374,301
Increase to the Provision During the Year	119,391	106,868	128,258	119,391	106,868	128,258
Use of the Provision During the Year	(55,542)	(169,795)	(65,331)	(55,542)	(169,795)	(65,331)
Provision at the End of the Year	501,077	374,301	437,228	501,077	374,301	437,228
Cyclical Maintenance - Current	140,335	121,500	128,126	140,335	121,500	128,126
Cyclical Maintenance - Term	360,742	252,801	309,102	360,742	252,801	309,102
	501,077	374,301	437,228	501,077	374,301	437,228

16 Finance Lease Liability

The school has entered into a number of finance lease agreements for laptops, photocopiers, computer equipment and a vehicle
Minimum lease payments payable: (Including interest portion)

	2019	2019	2018	2019	2019	2018
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
No Later than One Year	160,102	-	194,223	160,102	-	194,223
Later than One Year and no Later than Five Years	95,883	-	143,023	95,883	-	143,023
	255,985	-	337,246	255,985	-	337,246

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

School and Group

17 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Dance/Drama	Completed	3,519	-	-	-	3,519
Food Tech Room	Completed	(35,865)	-	259,333	(295,198)	-
Tawa/Kowhai Roof	In progress	(10,604)	436,144	518,701	-	(93,161)
Gym Recladding	In progress	-	316,065	149,918	-	166,147
Totals		(42,950)	752,209	927,952	(295,198)	76,505

Represented by:

Funds Held on Behalf of the Ministry of Education

76,505
76,505

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Dance/Drama	Completed	-	27,000	23,481	-	3,519
Food Tech Room	Completed	-	600,953	622,639	14,179	(35,865)
Tawa/Kowhai Roof	In progress	-	-	10,604	-	(10,604)
Totals		-	627,953	656,724	14,179	(42,950)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

18 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.

19 Remuneration

Key management personnel compensation (School and Group)

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

	2019 Actual \$	2018 Actual \$
<i>Board Members - School</i>		
Remuneration	4,850	1,977
Full-time equivalent members	0.18	0.18
<i>Leadership Team</i>		
Remuneration	735,998	707,082
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	740,848	709,059
Total full-time equivalent personnel	6.18	6.18

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

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
130-140	1	-
110-120	3	1
100-110	2	4
	<u>6</u>	<u>5</u>

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

20 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
School and Group		
Total	-	-
Number of People	-	-

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

21 Contingencies

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

(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

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

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

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

22 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2018: nil)

(b) Operating Commitments (School and Group)

There were no operating commitments in 2019 and 2018

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

23 Managing Capital

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

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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	596,371	194,491	780,301	647,723	194,491	780,345
Receivables	535,676	480,000	511,867	535,676	480,000	511,867
Investments - Term Deposits	1,094,015	1,600,000	1,195,858	1,094,015	1,600,000	1,195,858
Total Financial Assets Measured at Amortised Cost	2,226,062	2,274,491	2,488,026	2,277,414	2,274,491	2,488,070
Financial liabilities measured at amortised cost						
Payables	776,708	848,000	850,936	776,708	848,000	850,936
Finance Leases	238,261	215,289	305,415	238,261	215,289	305,415
Total Financial Liabilities Measured at Amortised Cost	1,014,969	1,063,289	1,156,351	1,014,969	1,063,289	1,156,351

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

25 Events After Balance Date

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

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

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

26 Controlled Entities

The School consolidates The One Tree Hill College Art Trust (the Trust) as it is a controlled entity as outlined in the accounting policies. The Trust was established in 2009 as part of a formal process of protecting the School's important art collection. The Trust is a registered charitable trust.

The art collection was started in 1969 by the then principal Murray Print, with the help of Wally Crossman. The collection has been added to over the years largely through gifts and donations to the School and forms an important part of the School's culture and environment with the art work on display throughout the School.

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:

- Note 10 Receivables:

This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

Equity Investments: This policy has been updated to remove references to impairment losses, as NZ IFRS 9 no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense. Also, on disposal, the accumulated gains/losses are no longer transferred to surplus/(deficit) but are transferred to accumulated surplus/(deficit).

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS 9 there were no adjustments to these financial statements.

