

# One Tree Hill College

## Group Annual Report for the year ended 31 December 2020

<b>Ministry Number:</b>	85
<b>Principal:</b>	Nicholas Coughlan
<b>School Address:</b>	421-452 Great South Road, Penrose 1061
<b>School Postal Address:</b>	PO Box 17 471, Greenlane 1546
<b>School Phone:</b>	09 579 5049
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<b>Service Provider:</b>	Edtech Financial Services Ltd

**ONE TREE HILL COLLEGE 31 December 2020**

**Members of the Board of Trustees**

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Anderson, Derek	Parent Rep	Re-elected June 19	June 2022
Barnard, Judi	Student Rep	Re-elected Sept 19	September 22
Coughlan, Nicholas	Principal		
Crawford, Ann	Staff Rep	Re-elected June 19	June 2022
Fehoko, Edmond	Staff Rep	Elected June 19	June 2022
Felton, Alison	Staff Rep	Co-opted June 19	June 2022
Guptill, Max	Chairperson	Re-elected June 19	June 2022
Leadbetter, Mark	Parent Rep	Re-elected June 19	June 2022
McKnight, Rob	Deputy Chair	Re-elected June 19	June 2022
Whata, Stan	Staff Rep	Co-opted June 19	June 2022

# One Tree Hill College

## Group Annual Report

For the year ended 31 December 2020

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**One Tree Hill College**  
**Statement of Responsibility**  
For the year ended 31 December 2020

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these 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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 consolidated financial statements are authorised for issue by the Board.

Max Captill

Full Name of Board Chairperson

NICHOLAS COUGHLAN

Full Name of Principal

Max Captill

Signature of Board Chairperson

[Signature]

Signature of Principal

24/5/2021

Date:

24/5/2021

Date:

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	School 2020 Budget (Unaudited) \$	2019 Actual \$	2020 Actual \$	Group 2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>							
Government Grants	2	13,716,276	12,317,731	12,138,190	13,716,276	12,317,731	12,138,190
Locally Raised Funds	3	583,467	712,054	900,510	700,467	712,054	961,510
Interest Earned		32,107	55,000	55,919	32,194	55,000	55,976
Gain on Sale of Property, Plant and Equipment		73,647	-	9,414	16,173	-	(1)
International Students	4	276,119	425,687	399,189	276,119	425,687	399,189
<b>Total Revenue</b>		<b>14,681,616</b>	<b>13,510,472</b>	<b>13,503,222</b>	<b>14,741,229</b>	<b>13,510,472</b>	<b>13,554,864</b>
<b>Expenses</b>							
Locally Raised Funds	3	193,103	142,200	61,374	193,103	142,200	61,374
International Students	4	234,546	241,050	196,227	234,546	241,050	196,227
Learning Resources	5	8,833,975	8,331,005	8,216,833	8,833,975	8,331,005	8,216,833
Administration	6	608,717	731,487	677,874	608,762	731,487	677,919
Finance Costs		29,427	25,000	23,940	29,427	25,000	23,940
Property	7	4,046,159	3,788,805	4,212,116	4,046,159	3,788,805	4,212,116
Depreciation	8	423,687	340,000	351,520	423,687	340,000	351,520
Loss on Disposal of Property, Plant and Equipment		508	-	283	508	-	283
<b>Total Expenses</b>		<b>14,370,122</b>	<b>13,599,547</b>	<b>13,740,167</b>	<b>14,370,167</b>	<b>13,599,547</b>	<b>13,740,212</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>311,494</b>	<b>(89,075)</b>	<b>(236,945)</b>	<b>371,062</b>	<b>(89,075)</b>	<b>(185,348)</b>
Other Comprehensive Revenue and Expenses		-	-	-	-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>311,494</b>	<b>(89,075)</b>	<b>(236,945)</b>	<b>371,062</b>	<b>(89,075)</b>	<b>(185,348)</b>

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.



## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020	School	2019	2020	Group	2019
		Actual	2020 Budget (Unaudited)	Actual	Actual	2020 Budget (Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 January</b>		2,066,661	2,066,661	2,303,606	2,159,555	2,066,661	2,344,903
Total comprehensive revenue and expense for the year		311,494	(89,075)	(236,945)	371,062	(89,075)	(185,348)
<i>Capital Contributions from the Ministry of Education</i>							
Contribution - Furniture and Equipment Grant		47,735	-	-	47,735	-	-
<b>Equity at 31 December</b>	23	2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555
Retained Earnings		2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555
<b>Equity at 31 December</b>		2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555

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 2020

	Notes	2020 Actual \$	School 2020 Budget (Unaudited) \$	2019 Actual \$	2020 Actual \$	Group 2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>							
Cash and Cash Equivalents	9	1,029,829	408,106	596,371	1,123,962	408,106	647,723
Accounts Receivable	10	552,716	537,000	535,676	552,716	537,000	535,676
GST Receivable		91,142	65,000	64,102	89,759	65,000	64,102
Prepayments		8,322	12,500	12,550	8,322	12,500	12,550
Investments	11	1,168,945	1,000,000	1,094,015	1,168,945	1,000,000	1,094,015
		2,850,954	2,022,606	2,302,714	2,943,704	2,022,606	2,354,066
<b>Current Liabilities</b>							
Accounts Payable	13	1,120,101	746,000	776,708	1,109,501	746,000	776,708
Revenue Received in Advance	14	572,886	530,000	531,675	572,886	530,000	531,675
Provision for Cyclical Maintenance	15	99,861	75,113	140,335	99,861	75,113	140,335
Finance Lease Liability - Current Portion	16	73,972	73,299	147,081	73,972	73,299	147,081
Funds held for Capital Works Projects	17	158,221	-	76,505	158,221	-	76,505
		2,025,041	1,424,412	1,672,304	2,014,441	1,424,412	1,672,304
<b>Working Capital Surplus</b>		825,913	598,194	630,410	929,263	598,194	681,762
<b>Non-current Assets</b>							
Property, Plant and Equipment	12	2,191,864	1,888,173	1,888,173	2,240,976	1,888,173	1,929,715
		2,191,864	1,888,173	1,888,173	2,240,976	1,888,173	1,929,715
<b>Non-current Liabilities</b>							
Provision for Cyclical Maintenance	15	428,855	347,277	360,742	428,855	347,277	360,742
Finance Lease Liability	16	163,032	161,504	91,180	163,032	161,504	91,180
		591,887	508,781	451,922	591,887	508,781	451,922
<b>Net Assets</b>		2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555
<b>Equity</b>							
Accumulated surplus	23	2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555
<b>Total Equity</b>		2,425,890	1,977,586	2,066,661	2,578,352	1,977,586	2,159,555

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 2020

	Note	2020 Actual \$	School 2020 Budget (Unaudited) \$	2019 Actual \$	2020 Actual \$	Group 2020 Budget (Unaudited) \$	2019 Actual \$
<b>Cash flows from Operating Activities</b>							
Government Grants		3,417,879	3,181,529	2,903,351	3,417,879	3,181,529	2,903,351
Locally Raised Funds		650,066	622,054	788,364	767,066	622,054	849,364
International Students		238,260	390,687	384,439	238,260	390,687	384,439
Goods and Services Tax (net)		(7,382)	10,000	35,836	(5,999)	10,000	36,567
Payments to Employees		(1,502,401)	(1,776,185)	(1,566,671)	(1,502,401)	(1,776,185)	(1,566,671)
Payments to Suppliers		(1,775,803)	(2,378,571)	(2,541,676)	(1,786,448)	(2,378,571)	(2,541,721)
Interest Paid		(29,427)	(25,000)	(23,940)	(29,427)	(25,000)	(23,940)
Interest Received		36,031	58,000	58,707	36,118	58,000	58,764
Net cash from / (to) the Operating Activities		1,027,223	82,514	38,410	1,135,048	82,514	100,153
<b>Cash flows from Investing Activities</b>							
Proceeds from Sale of PPE (and Intangibles)		(443,903)	(12,000)	18,710	(443,903)	(12,000)	(284)
Purchase of PPE (and Intangibles)		(74,930)	(319,145)	(245,294)	(74,930)	(319,145)	(236,735)
Sale/(Purchase) of Investments		81,217	600,000	101,843	16,173	600,000	101,843
Net cash from / (to) the Investing Activities		(437,616)	268,855	(124,741)	(502,660)	268,855	(135,176)
<b>Cash flows from Financing Activities</b>							
Furniture and Equipment Grant		47,735	-	-	47,735	-	-
Finance Lease Payments		(177,291)	19,514	(174,104)	(177,291)	19,514	(174,104)
Painting contract payments		-	-	-	-	-	-
Loans Received/ (Repayment of Loans)		-	-	-	-	-	-
Funds Administered on Behalf of Third Parties		(26,593)	-	76,505	(26,593)	-	76,505
Net cash from Financing Activities		(156,149)	19,514	(97,599)	(156,149)	19,514	(97,599)
Net Increase/(decrease) in cash and cash equivalents		433,458	370,883	(183,930)	476,239	370,883	(132,622)
Cash and cash equivalents at the beginning of the year	9	596,371	37,223	780,301	647,723	37,223	780,345
Cash and cash equivalents at the end of the year	9	1,029,829	408,106	596,371	1,123,962	408,106	647,723

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.





# Notes to the Financial Statements

For the year ended 31 December 2020

## 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 and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 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 2020 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 assessing 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.

#### 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.



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### **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*

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 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.

#### *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.

#### *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.



## One Tree Hill College

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### **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.

### **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 (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.

### **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).

The Group has met the requirements of Section 154 (2)(b)(ii) of the Education and Training Act 2020 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Consolidated Statement of Comprehensive Revenue and Expense.

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



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### **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.

### **Employee Entitlements**

#### *Short-term employee entitlements*

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



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### *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 "financial assets at fair value through other comprehensive revenue and expense" 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.

### **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 2020

	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Operational grants	2,919,224	2,882,068	2,492,892	2,919,224	2,882,068	2,492,892
Teachers' salaries grants	6,812,661	6,082,526	6,152,035	6,812,661	6,082,526	6,152,035
Use of Land and Buildings grants	3,252,747	3,053,676	3,053,676	3,252,747	3,053,676	3,053,676
Other MoE Grants	664,049	230,611	373,187	664,049	230,611	373,187
Other government grants	67,595	68,850	66,400	67,595	68,850	66,400
	<b>13,716,276</b>	<b>12,317,731</b>	<b>12,138,190</b>	<b>13,716,276</b>	<b>12,317,731</b>	<b>12,138,190</b>

The School has opted in to the donations scheme for this year. Total amount received was \$165,900.

Other MOE Grants total includes additional COVID-19 funding totalling \$69,366 for the year ended 31 December 2020.

### 3 Locally Raised Funds

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

	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Donations	139,789	195,000	223,139	206,789	195,000	284,139
Fundraising	379	53,000	72,293	379	53,000	72,293
Other Revenue	146,094	131,000	120,509	196,094	131,000	120,509
Trading	108,775	137,000	171,212	108,775	137,000	171,212
Activities	188,430	196,054	313,357	188,430	196,054	313,357
	<b>583,467</b>	<b>712,054</b>	<b>900,510</b>	<b>700,467</b>	<b>712,054</b>	<b>961,510</b>
<b>Expenses</b>						
Trading	36,545	10,200	6,983	36,545	10,200	6,983
Fundraising (costs of raising funds)	634	8,000	11,934	634	8,000	11,934
Other Locally Raised Funds Expenditure	155,924	124,000	42,457	155,924	124,000	42,457
	<b>193,103</b>	<b>142,200</b>	<b>61,374</b>	<b>193,103</b>	<b>142,200</b>	<b>61,374</b>
<b>Surplus for the year Locally Raised Funds</b>	<b>390,364</b>	<b>569,854</b>	<b>839,136</b>	<b>507,364</b>	<b>569,854</b>	<b>900,136</b>

#### Overseas Travel

There was no overseas travel in 2020. (2019: Nil)

### 4 International Student Revenue and Expenses

	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	Number	Number	Number	Number	Number	Number
International Student Roll	21	25	25	21	25	25
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
International student fees	276,119	425,687	399,189	276,119	425,687	399,189
<b>Expenses</b>						
Advertising	2,100	25,000	27,747	2,100	25,000	27,747
Commissions	25,659	15,000	30,699	25,659	15,000	30,699
International student levy	10,126	10,750	9,269	10,126	10,750	9,269
Employee Benefit - Salaries	190,609	185,500	122,778	190,609	185,500	122,778
Other Expenses	6,052	4,800	5,734	6,052	4,800	5,734
	<b>234,546</b>	<b>241,050</b>	<b>196,227</b>	<b>234,546</b>	<b>241,050</b>	<b>196,227</b>
<b>Surplus for the year International Students'</b>	<b>41,573</b>	<b>184,637</b>	<b>202,962</b>	<b>41,573</b>	<b>184,637</b>	<b>202,962</b>

#### Overseas Travel

##### 2020

There was no overseas travel in 2020.

##### 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.





Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Curricular	443,785	562,784	503,910	443,785	562,784	503,910
Information and communication technology	155,137	146,560	147,166	155,137	146,560	147,166
Extra-curricular activities	558,388	519,950	464,410	558,388	519,950	464,410
Library resources	2,775	8,000	4,108	2,775	8,000	4,108
Employee benefits - salaries	7,646,175	7,039,711	7,049,183	7,646,175	7,039,711	7,049,183
Staff development	27,715	54,000	48,056	27,715	54,000	48,056
	8,833,975	8,331,005	8,216,833	8,833,975	8,331,005	8,216,833

**Overseas Travel**

**2020**

In 2020 there was no overseas travel.

**2019**

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.

**6 Administration**

	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Audit Fee	13,022	13,187	12,644	13,022	13,187	12,644
Board of Trustees Fees	6,105	7,500	4,850	6,105	7,500	4,850
Board of Trustees Expenses	3,589	10,000	20,965	3,589	10,000	20,965
Communication	28,685	30,000	30,243	28,685	30,000	30,243
Consumables	14,069	76,100	73,412	14,069	76,100	73,412
Operating Lease	10,643	40,000	30,458	10,643	40,000	30,458
Postage	2,273	10,000	12,051	2,273	10,000	12,051
Other	75,961	85,700	48,805	76,006	85,700	48,850
Employee Benefits - Salaries	409,499	411,500	399,177	409,499	411,500	399,177
Insurance	27,236	30,000	28,211	27,236	30,000	28,211
Service Providers, Contractors and Consultancy	17,635	17,500	17,058	17,635	17,500	17,058
	608,717	731,487	677,874	608,762	731,487	677,919

**7 Property**

	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Caretaking and Cleaning Consumables	29,351	25,500	30,127	29,351	25,500	30,127
Consultancy and Contract Services	165,945	156,000	166,777	165,945	156,000	166,777
Cyclical Maintenance Provision	59,679	105,639	119,391	59,679	105,639	119,391
Grounds	61,052	22,000	34,253	61,052	22,000	34,253
Heat, Light and Water	94,919	113,000	109,336	94,919	113,000	109,336
Repairs and Maintenance	260,550	177,990	538,952	260,550	177,990	538,952
Use of Land and Buildings	3,252,747	3,053,676	3,053,676	3,252,747	3,053,676	3,053,676
Employee Benefits - Salaries	121,916	135,000	159,604	121,916	135,000	159,604
	4,046,159	3,788,805	4,212,116	4,046,159	3,788,805	4,212,116

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.



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

8 Depreciation of Property, Plant and Equipment	School			Group		
	2020 Actual	2020 Budget (Unaudited)	2019 Actual	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$	\$	\$	\$
Buildings - School	44,844	40,000	44,844	44,844	40,000	44,844
Furniture and Equipment	89,904	76,000	76,578	89,904	76,000	76,578
Information and Communication Technology	76,544	55,000	61,429	76,544	55,000	61,429
Motor Vehicles	14,873	12,000	12,095	14,873	12,000	12,095
Leased Assets	191,807	150,000	150,859	191,807	150,000	150,859
Library Resources	5,715	7,000	5,715	5,715	7,000	5,715
	423,687	340,000	351,520	423,687	340,000	351,520

9 Cash and Cash Equivalents	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Cash on Hand	400	400	400	400	400	400
Bank Current Account	520,428	207,706	395,971	614,561	207,706	447,323
Short-term Bank Deposits	509,001	200,000	200,000	509,001	200,000	200,000
Net cash and cash equivalents and bank overdraft for	1,029,829	408,106	596,371	1,123,962	408,106	647,723

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

Of the \$1,123,962 Cash and Cash Equivalents, \$172,940 is held by the Group on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned Group buildings under the Group's Five Year Property Plan.

Of the \$1,123,962 Cash and Cash Equivalents, \$76,815 of unspent grant funding is held by the Group. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10 Accounts Receivable	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Receivables	12,515	75,000	76,859	12,515	75,000	76,859
Interest Receivable	3,458	7,000	7,382	3,458	7,000	7,382
Teacher Salaries Grant Receivable	536,743	455,000	451,435	536,743	455,000	451,435
	552,716	537,000	535,676	552,716	537,000	535,676
Receivables from Exchange Transactions	15,973	82,000	84,241	15,973	82,000	84,241
Receivables from Non-Exchange Transactions	536,743	455,000	451,435	536,743	455,000	451,435
	552,716	537,000	535,676	552,716	537,000	535,676

### 11 Investments

The School's investment activities are classified as follows:

	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Current Asset						
Short-term Bank Deposits	1,168,945	1,000,000	1,094,015	1,168,945	1,000,000	1,094,015
Total Investments	1,168,945	1,000,000	1,094,015	1,168,945	1,000,000	1,094,015





## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

School						
12 Property, Plant and Equipment	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	343,233	115,519	-	-	(44,844)	413,908
Furniture and Equipment	733,077	196,606	-	-	(89,904)	840,679
Information and Communication Technology	134,043	236,404	-	-	(76,544)	293,903
Motor Vehicles	102,789	-	-	-	(14,873)	87,916
Art Prints	263,637	-	(7,570)	-	-	256,067
Leased Assets	255,961	176,034	-	-	(191,807)	240,188
Library Resources	54,533	10,893	(508)	-	(5,715)	59,203
<b>Balance at 31 December 2020</b>	<b>1,888,173</b>	<b>735,456</b>	<b>(8,078)</b>	<b>-</b>	<b>(423,687)</b>	<b>2,191,864</b>

2020	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Buildings	965,342	(551,434)	413,908
Furniture and Equipment	2,091,637	(1,250,958)	840,679
Information and Communication Technology	920,831	(626,928)	293,903
Motor Vehicles	141,255	(53,339)	87,916
Art Prints	256,067	-	256,067
Leased Assets	664,389	(424,201)	240,188
Library Resources	159,487	(100,284)	59,203
<b>Balance at 31 December 2020</b>	<b>5,199,008</b>	<b>(3,007,144)</b>	<b>2,191,864</b>

The net carrying value of equipment held under a finance lease is \$240,188. (2019: \$255,961)

2019	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
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
<b>Balance at 31 December 2019</b>	<b>1,897,028</b>	<b>343,968</b>	<b>(1,303)</b>	<b>-</b>	<b>(351,520)</b>	<b>1,888,173</b>

2019	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
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 Print	263,637	-	263,637
Leased Assets	590,603	(334,642)	255,961
Library Resources	149,992	(95,459)	54,533
<b>Balance at 31 December 2019</b>	<b>4,624,879</b>	<b>(2,736,706)</b>	<b>1,888,173</b>



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

Group						
Property, Plant and Equipment						
2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	343,233	115,519	-	-	(44,844)	413,908
Furniture and Equipment	754,633	196,606	-	-	(89,904)	861,335
Information and Communication Technology	134,043	236,404	-	-	(76,544)	293,903
Motor Vehicles	102,789	-	-	-	(14,873)	87,916
Art Print	284,523	-	-	-	-	284,523
Leased Assets	255,961	176,034	-	-	(191,807)	240,188
Library Resources	54,533	10,893	(508)	-	(5,715)	59,203
<b>Balance at 31 December 2020</b>	<b>1,929,715</b>	<b>735,456</b>	<b>(508)</b>	<b>-</b>	<b>(423,687)</b>	<b>2,240,976</b>

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	965,342	(551,434)	413,908
Furniture and Equipment	2,112,293	(1,250,958)	861,335
Information and Communication Technology	920,831	(626,928)	293,903
Motor Vehicles	141,255	(53,339)	87,916
Art Print	284,523	-	284,523
Leased Assets	664,389	(424,201)	240,188
Library Resources	159,487	(100,284)	59,203
<b>Balance at 31 December 2020</b>	<b>5,248,120</b>	<b>(3,007,144)</b>	<b>2,240,976</b>

The net carrying value of equipment held under a finance lease is \$240,188. (2019: \$255,961)

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
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
<b>Balance at 31 December 2019</b>	<b>1,937,550</b>	<b>343,968</b>	<b>(283)</b>	<b>-</b>	<b>(351,520)</b>	<b>1,929,715</b>

2019	Cost or Valuation \$	Accumulated \$	Net Book Value \$
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
<b>Balance at 31 December 2019</b>	<b>4,666,421</b>	<b>(2,736,706)</b>	<b>1,929,715</b>



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

13 Accounts Payable	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Operating creditors	455,205	230,000	222,709	444,605	230,000	222,709
Accruals	8,682	-	8,652	8,682	-	8,652
Banking staffing overuse	15,476	-	27,578	15,476	-	27,578
Employee Entitlements - salaries	563,068	455,000	456,879	563,068	455,000	456,879
Employee Entitlements - leave accrual	77,670	61,000	60,890	77,670	61,000	60,890
	<u>1,120,101</u>	<u>746,000</u>	<u>776,708</u>	<u>1,109,501</u>	<u>746,000</u>	<u>776,708</u>
Payables for Exchange Transactions	1,120,101	746,000	776,708	1,109,501	746,000	776,708
	<u>1,120,101</u>	<u>746,000</u>	<u>776,708</u>	<u>1,109,501</u>	<u>746,000</u>	<u>776,708</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Grants in Advance - Ministry of Education	76,815	-	-	76,815	-	-
International Student Fees	126,467	165,000	164,326	126,467	165,000	164,326
Other	369,604	365,000	367,349	369,604	365,000	367,349
	<u>572,886</u>	<u>530,000</u>	<u>531,675</u>	<u>572,886</u>	<u>530,000</u>	<u>531,675</u>

15 Provision for Cyclical Maintenance	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Provision at the Start of the Year	501,077	501,077	437,228	501,077	501,077	437,228
Increase to the Provision During the Year	59,679	105,639	119,391	59,679	105,639	119,391
Use of the Provision During the Year	(32,040)	(184,326)	(55,542)	(32,040)	(184,326)	(55,542)
Provision at the End of the Year	<u>528,716</u>	<u>422,390</u>	<u>501,077</u>	<u>528,716</u>	<u>422,390</u>	<u>501,077</u>
Cyclical Maintenance - Current	99,861	75,113	140,335	99,861	75,113	140,335
Cyclical Maintenance - Term	428,855	347,277	360,742	428,855	347,277	360,742
	<u>528,716</u>	<u>422,390</u>	<u>501,077</u>	<u>528,716</u>	<u>422,390</u>	<u>501,077</u>

### 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)

	School			Group		
	2020	2020	2019	2020	2020	2019
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
No Later than One Year	90,217	73,299	160,102	90,217	73,299	160,102
Later than One Year and no Later than Five Years	182,793	161,504	95,883	182,793	161,504	95,883
	<u>273,010</u>	<u>234,803</u>	<u>255,985</u>	<u>273,010</u>	<u>234,803</u>	<u>255,985</u>



One Tree Hill College

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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:

2020	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	\$	\$	\$		\$
Dance/Drama	3,519	-	-	-	3,519
Food Tech Upgrade	-	135,216	85,678	-	49,538
Tawa/Kowhai Roof	(93,161)	226,108	133,235	-	(288)
Gym Recladding	166,147	26,531	198,761	(6,083)	-
Carpark/Driveway	-	105,292	105,292	-	-
Hall Roofing	-	27,805	41,493	(13,688)	-
Hinau Canopy	-	51,272	52,790	-	(1,518)
Upper Tawa & Kowhai Windows	-	132,485	136,868	(4,383)	-
SYA Proj Mgmt	-	-	2,191	-	(2,191)
Roofing Hinau & Gym	-	118,004	106,750	-	11,254
LSC Student Support	-	-	8,161	-	(8,161)
Canteen Canopy	-	59,444	89,878	(30,434)	-
Food Tech Room	-	-	51,124	(51,124)	-
Dilution Traps	-	22,299	21,956	-	343
Artificial Grass	-	22,936	22,936	-	-
Electrical	-	52,736	62,544	(9,808)	-
Upper Tawa Classroom	-	-	1,531	-	(1,531)
Upper Tawa & Kowhai Upgrade	-	250,000	141,426	-	108,574
Weather Tightness	-	-	1,318	-	(1,318)
SIP - Joinery & Electrical	-	-	-	-	-
Totals	76,505	1,230,128	1,263,932	(115,520)	158,221

Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

172,940  
(14,719)

158,221

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



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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.

	2020 Actual \$	2019 Actual \$
<i>Board Members - School</i>		
Remuneration	6,105	4,850
Full-time equivalent members	0.18	0.18
<i>Leadership Team</i>		
Remuneration	769,795	735,998
Full-time equivalent members	7.00	6.00
Total key management personnel remuneration	775,900	740,848
Total full-time equivalent personnel	7.18	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:

	2020 Actual \$000	2019 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	190-200	180 - 190
Benefits and Other Emoluments	0-5	4 - 5
Termination Benefits	-	-

#### *Other Employees*

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
130-140	-	1
120-130	1	-
110-120	2	3
100-110	13	2
	16	6

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:

	2020 Actual	2019 Actual
<b>School and Group</b>		
Total	-	-
Number of People	-	-



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 21 Contingencies

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

(Contingent liabilities and assets as at 31 December 2019: nil)

#### Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

### 22 Commitments

#### (a) Capital Commitments

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

(a) \$320,000 contract for LSC Student Support Projects, which will be fully funded by the Ministry of Education. None has been received of which \$8,161 has been spent on the project to date.

(b) \$357,163 contract for Upgrading Upper Tawa & Kowhai Blocks, which will be fully funded by the Ministry of Education. \$250,000 has been received of which \$141,426 has been spent on the project to date.

(Capital commitments as at 31 December 2019: nil)

#### (b) Operating Commitments (School and Group)

Operating commitments in 2020

	Parent		Group	
	2020 Actual	2019 Actual	2020 Actual	2019 Actual
No later than One Year	\$ 155,200	\$ -	\$ 155,200	\$ -
Later than One Year and No Later than Five Years	232,800	-	232,800	-
Later than Five Years	-	-	-	-
	<u>388,000</u>	<u>-</u>	<u>388,000</u>	<u>-</u>

There were no operating commitments in 2019



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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)

	2020 Actual	2020 Budget (Unaudited)	2019 Actual	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$	\$	\$	\$
Cash and Cash Equivalents	1,029,829	408,106	596,371	1,123,962	408,106	647,723
Receivables	552,716	537,000	535,676	552,716	537,000	535,676
Investments - Term Deposits	1,168,945	1,000,000	1,094,015	1,168,945	1,000,000	1,094,015
<b>Total Financial Assets Measured at Amortised Cost</b>	<b>2,751,490</b>	<b>1,945,106</b>	<b>2,226,062</b>	<b>2,845,623</b>	<b>1,945,106</b>	<b>2,277,414</b>
<b>Financial liabilities measured at amortised cost</b>						
Payables	1,120,101	746,000	776,708	1,109,501	746,000	776,708
Finance Leases	237,004	234,803	238,261	237,004	234,803	238,261
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,357,105</b>	<b>980,803</b>	<b>1,014,969</b>	<b>1,346,505</b>	<b>980,803</b>	<b>1,014,969</b>

### 25 Events After Balance Date

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

### 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.



**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF ONE TREE HILL COLLEGE'S GROUP  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

The Auditor-General is the auditor of One Tree Hill College ('the Parent') and its controlled entity (collectively referred to as 'the Group'). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the Parent and Group on his behalf.

**Opinion**

We have audited the financial statements of the Parent and Group on pages 2 to 20, that comprise the statements of financial position as at 31 December 2020, the statements of comprehensive revenue and expense, statements of changes in net assets/equity and statements 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 Parent and Group:

- present fairly, in all material respects:
  - their financial position as at 31 December 2020; and
  - their 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 May 2021. 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 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.

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.*

*Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.  
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### **Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the Parent and Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Parent and Group for assessing the Parent and Group'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 Parent and Group, 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 Parent and Group'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 Parent and Group'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 Parent and Group'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 Parent and Group 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 arises from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information obtained at the date of our report is the Analysis of Variance 2020 and the Kiwisport Funding Report, but 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 Group 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 Parent or its controlled entity.



Kurt Sherlock  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Auckland, New Zealand