

# LINWOOD COLLEGE



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

School Directory

Ministry Number: 337

Principal: Richard Edmundson

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# LINWOOD COLLEGE

Annual Report - For the year ended 31 December 2020

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# Linwood 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 financial statements.

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflect the financial position and operations of the School.

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

Finlay Boyd Laird

Full Name of Board Chairperson

Finlay Laird

Signature of Board Chairperson

25.5.21

Date:

Richard Edmundson

Full Name of Principal

R E Edmundson

Signature of Principal

25/5/21

Date:

# Linwood College

## Members of the Board of Trustees

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Findlay Laird	Chairperson	Elected	May 2022
Richard Edmundson	Principal	ex Officio	
Nathan Tipuna	Parent Rep	Elected	May 2022
Leanne Armstrong	Parent Rep	Elected	May 2022
Wayne Derham	Parent Rep	Elected	May 2022
Robbie Steele	Parent Rep	Elected	May 2022
Richard Jolly	Staff Rep	Elected	May 2022
Paigan-Lilly Hall	Student Rep	Elected	Oct 2020
	Student Rep	Elected	Oct 2021

# Linwood College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	9,656,961	8,523,788	8,356,661
Locally Raised Funds	3	525,030	579,894	593,556
Interest Income		48,671	60,000	51,235
International Students	4	22,835	19,000	58,541
		<u>10,253,497</u>	<u>9,182,682</u>	<u>9,059,993</u>
<b>Expenses</b>				
Locally Raised Funds	3	265,074	275,602	284,249
International Students	4	6,195	53,551	19,705
Learning Resources	5	8,201,793	7,542,017	7,241,903
Administration	6	497,842	565,063	536,007
Finance		9,638	-	10,905
Property	7	906,203	872,225	893,709
Depreciation	8	192,185	196,665	164,451
Loss on Disposal of Property, Plant and Equipment		1,714	-	70,596
		<u>10,080,644</u>	<u>9,505,123</u>	<u>9,221,525</u>
<b>Net Surplus / (Deficit) for the year</b>		172,853	(322,441)	(161,532)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>172,853</u></u>	<u><u>(322,441)</u></u>	<u><u>(161,532)</u></u>

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

**Linwood College**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Balance at 1 January</b>		3,057,993	3,057,993	1,905,722
Total comprehensive revenue and expense for the year		172,853	(322,441)	(161,532)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		20,552	-	1,313,803
<b>Equity at 31 December</b>	26	3,251,398	2,735,552	3,057,993
Retained Earnings		3,251,398	2,735,552	3,057,993
<b>Equity at 31 December</b>		3,251,398	2,735,552	3,057,993

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

**Linwood College**  
**Statement of Financial Position**  
As at 31 December 2020

		2020	2020 Budget	2019
	Notes	Actual \$	(Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	1,171,514	136,611	262,387
Accounts Receivable	10	565,795	453,705	453,705
GST Receivable		62,887	32,568	32,568
Prepayments		3,280	10,238	10,238
Inventories	11	50,120	22,904	22,904
Investments	12	1,845,819	2,793,300	2,793,300
		3,699,415	3,449,326	3,575,102
<b>Current Liabilities</b>				
Accounts Payable	14	801,611	575,050	575,050
Revenue Received in Advance	15	52,219	31,309	31,309
Finance Lease Liability - Current Portion	16	66,309	93,944	93,944
Funds held in Trust	17	3,328	18,426	18,426
Funds held for Capital Works Projects	18	7,458	-	-
Funds Held on Behalf of the Linwood Learning Community	19	40,191	35,941	35,941
Funds held for Kimihia Parents College	20	123,511	91,352	91,352
		1,094,627	846,022	846,022
<b>Working Capital Surplus/(Deficit)</b>		2,604,788	2,603,304	2,729,080
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	697,774	169,056	365,721
		697,774	169,056	365,721
<b>Non-current Liabilities</b>				
Finance Lease Liability	16	51,164	36,808	36,808
		51,164	36,808	36,808
<b>Net Assets</b>		3,251,398	2,735,552	3,057,993
<b>Equity</b>	26	3,251,398	2,735,552	3,057,993

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

**Linwood College**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		2,747,454	2,328,788	2,212,050
Locally Raised Funds		564,617	579,894	571,411
International Students		9,038	19,000	76,744
Goods and Services Tax (net)		(30,319)	-	(3,949)
Payments to Employees		(1,416,092)	(1,247,956)	(1,356,217)
Payments to Suppliers		(1,442,749)	(1,690,082)	(1,410,083)
Funds Administered on Behalf of Third Parties		(10,848)	-	14,744
Interest Received		39,249	60,000	47,955
Net cash from/(to) Operating Activities		460,350	49,644	152,655
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(429,304)	(175,420)	(30,715)
Purchase of Investments		-	-	(1,905,451)
Proceeds from Sale of Investments		947,481	-	-
Net cash from/(to) Investing Activities		518,177	(175,420)	(1,936,166)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		20,552	-	1,313,803
Finance Lease Payments		(97,410)	-	(119,171)
Funds held for Capital Works Projects		7,458	-	-
Net cash from/(to) Financing Activities		(69,400)	-	1,194,632
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>909,127</b>	<b>(125,776)</b>	<b>(588,879)</b>
Cash and cash equivalents at the beginning of the year	9	262,387	262,387	851,266
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>1,171,514</b>	<b>136,611</b>	<b>262,387</b>

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

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



# Linwood College

## Notes to the Financial Statements

For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### 1.1. Reporting Entity

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

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

##### **Financial Reporting Standards Applied**

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

##### **PBE Accounting Standards Reduced Disclosure Regime**

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

##### **Specific Accounting Policies**

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

##### **Critical Accounting Estimates And Assumptions**

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

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

##### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

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

#### ***Recognition of grants***

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **1.3. Revenue Recognition**

#### ***Government Grants***

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

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

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

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

#### ***Other Grants***

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

#### ***Donations, Gifts and Bequests***

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

#### ***Interest Revenue***

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

### **1.4. Use of Land and Buildings Expense**

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

### **1.5. Operating Lease Payments**

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

### **1.6. Finance Lease Payments**

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

### **1.7. Cash and Cash Equivalents**

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

### 1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

### 1.9. Inventories

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

### 1.10. Investments

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

### 1.11. Property, Plant and Equipment

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Land	Not Depreciated
Building improvements – Crown	20-50 years
Furniture and equipment	5–15 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### **1.12. Impairment of property, plant and equipment and intangible assets**

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

#### *Non cash generating assets*

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

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

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

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

### **1.13. Accounts Payable**

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

### **1.14. Employment Entitlements**

#### *Short-term employee entitlements*

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

#### *Long-term employee entitlements*

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

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

### **1.15. Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

### **1.16. Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

### **1.17. Shared Funds**

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

### **1.18. Financial Instruments**

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

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

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

### **1.19. Borrowings**

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

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

### **1.20. Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **1.21. Budget Figures**

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

### **1.22. Services received in-kind**

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

## 2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	2,058,228	2,040,465	1,797,300
Teachers' Salaries Grants	6,431,487	5,800,000	5,800,124
Use of Land and Buildings Grants	445,334	395,000	394,678
Other MoE Grants	630,620	230,190	292,851
Other Government Grants	91,292	58,133	71,708
	<u>9,656,961</u>	<u>8,523,788</u>	<u>8,356,661</u>

The School has opted in to the donations scheme for this year. Total amount received was \$106,500.

Other MOE Grants total includes additional COVID-19 funding totalling \$92,622 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	16,170	3,000	44,914
Bequests & Grants	-	-	7,372
Other Revenue	294,420	257,239	264,298
Trading	194,313	255,500	213,151
Activities	20,127	64,155	63,821
	<u>525,030</u>	<u>579,894</u>	<u>593,556</u>
<b>Expenses</b>			
Activities	16,848	26,402	67,033
Trading	243,919	244,350	208,915
Other Locally Raised Funds Expenditure	4,307	4,850	8,301
	<u>265,074</u>	<u>275,602</u>	<u>284,249</u>
<i>Surplus for the year Locally raised funds</i>	<u>259,956</u>	<u>304,292</u>	<u>309,307</u>

## 4. International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	2	2	2
	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International Student Fees	22,835	19,000	58,541
<b>Expenses</b>			
Advertising	-	10,000	1,472
Commissions	1,895	1,000	2,400
International Student Levy	686	716	1,578
Other Expenses	3,614	41,835	14,255
	<u>6,195</u>	<u>53,551</u>	<u>19,705</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>16,640</u>	<u>(34,551)</u>	<u>38,836</u>

## 5. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	550,219	768,285	505,565
Equipment Repairs	13,188	14,750	14,552
Information and Communication Technology	41,822	33,380	22,853
Library Resources	1,748	8,300	1,767
Employee Benefits - Salaries	7,579,630	6,679,622	6,675,221
Staff Development	15,186	37,680	21,945
	<u>8,201,793</u>	<u>7,542,017</u>	<u>7,241,903</u>

## 6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,957	7,957	6,600
Board of Trustees Fees	6,405	9,000	6,405
Board of Trustees Expenses	6,572	8,100	23,601
Communication	15,512	29,640	23,129
Consumables	28,768	34,570	31,309
Legal Fees	1,321	5,000	-
Other	128,104	174,390	176,888
Employee Benefits - Salaries	248,070	259,586	235,516
Insurance	27,834	21,820	19,070
Service Providers, Contractors and Consultancy	27,299	15,000	13,489
	<u>497,842</u>	<u>565,063</u>	<u>536,007</u>

## 7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	17,749	13,200	9,083
Consultancy and Contract Services	118,024	117,197	60,136
Grounds	25,840	17,250	11,598
Heat, Light and Water	101,111	120,000	103,825
Rates	14,115	19,500	17,124
Repairs and Maintenance	67,376	61,330	43,955
Use of Land and Buildings	445,334	395,000	394,678
Security	12,263	20,000	19,391
Employee Benefits - Salaries	104,391	108,748	233,919
	<u>906,203</u>	<u>872,225</u>	<u>893,709</u>

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

## 8. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	121	50	47
Furniture and Equipment	18,416	25,000	21,249
Information and Communication Technology	35,919	35,000	29,313
Motor Vehicles	24,030	21,615	2,243
Leased Assets	109,166	110,000	107,066
Library Resources	4,533	5,000	4,533
	<u>192,185</u>	<u>196,665</u>	<u>164,451</u>

## 9. Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash on Hand	1,200	-	1,200
Bank Current Account	135,906	136,611	54,975
Bank Call Account	1,034,408	-	206,212
Cash and cash equivalents for Statement of Cash Flows	<u>1,171,514</u>	<u>136,611</u>	<u>262,387</u>

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

Of the \$1,171,514 Cash and Cash Equivalents, \$7,458 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$1,171,514 Cash and Cash Equivalents, \$15,400 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$1,171,514 Cash and Cash Equivalents, \$40,191 is held by the School on behalf of the Linwood Learning Community cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

## 10. Accounts Receivable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	11,354	31,634	31,634
Receivables from the Ministry of Education	58,090	-	-
Interest Receivable	17,361	7,939	7,939
Teacher Salaries Grant Receivable	478,990	414,132	414,132
	<u>565,795</u>	<u>453,705</u>	<u>453,705</u>
Receivables from Exchange Transactions	28,715	39,573	39,573
Receivables from Non-Exchange Transactions	537,080	414,132	414,132
	<u>565,795</u>	<u>453,705</u>	<u>453,705</u>

## 11. Inventories

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
School Uniforms	50,120	22,904	22,904
	<u>50,120</u>	<u>22,904</u>	<u>22,904</u>

## 12. Investments

The School's investment activities are classified as follows:

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,845,819	2,793,300	2,793,300
Total Investments	<u>1,845,819</u>	<u>2,793,300</u>	<u>2,793,300</u>

Of the \$1,845,819 Term Investments, \$1,300,000 is a Furniture and Equipment Grant from the Ministry of Education held for the College to apply to the purchase of assets and resources as part of the transition to the new buildings in 2021/22.



### 13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Land	13,859	-	-	-	-	13,859
Building Improvements	2,297	3,795	-	-	(121)	5,971
Furniture and Equipment	104,081	14,826	-	-	(18,416)	100,491
Information and Communication Technology	71,151	88,730	(308)	-	(35,919)	123,654
Motor Vehicles	11,719	316,009	-	-	(24,030)	303,698
Leased Assets	130,891	96,648	-	-	(109,166)	118,373
Library Resources	31,723	7,336	(2,798)	-	(4,533)	31,728
<b>Balance at 31 December 2020</b>	<b>365,721</b>	<b>527,344</b>	<b>(3,106)</b>	<b>-</b>	<b>(192,185)</b>	<b>697,774</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Land	13,859	-	13,859
Building Improvements	93,149	(87,178)	5,971
Furniture and Equipment	813,924	(713,433)	100,491
Information and Communication Technology	417,154	(293,500)	123,654
Motor Vehicles	425,483	(121,785)	303,698
Leased Assets	295,553	(177,180)	118,373
Library Resources	98,060	(66,332)	31,728
<b>Balance at 31 December 2020</b>	<b>2,157,182</b>	<b>(1,459,408)</b>	<b>697,774</b>

The net carrying value of equipment held under a finance lease is \$118,373 (2019: \$130,891)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Land	13,859	-	-	-	-	13,859
Building Improvements	2,344	-	-	-	(47)	2,297
Furniture and Equipment	166,995	25,739	(67,404)	-	(21,249)	104,081
Information and Communication Technology	102,085	-	(1,621)	-	(29,313)	71,151
Motor Vehicles	13,962	-	-	-	(2,243)	11,719
Leased Assets	183,147	54,810	-	-	(107,066)	130,891
Library Resources	32,851	5,238	(1,833)	-	(4,533)	31,723
<b>Balance at 31 December 2019</b>	<b>515,243</b>	<b>85,787</b>	<b>(70,858)</b>	<b>-</b>	<b>(164,451)</b>	<b>365,721</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Land	13,859	-	13,859
Building Improvements	89,354	(87,057)	2,297
Furniture and Equipment	799,098	(695,017)	104,081
Information and Communication Technology	328,731	(257,580)	71,151
Motor Vehicles	122,274	(110,555)	11,719
Leased Assets	400,342	(269,451)	130,891
Library Resources	99,499	(67,776)	31,723
<b>Balance at 31 December 2019</b>	<b>1,853,157</b>	<b>(1,487,436)</b>	<b>365,721</b>

### 14. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	167,897	90,928	90,928
Accruals	9,382	9,160	9,160
Banking staffing overuse	77,795	-	-
Employee Entitlements - salaries	495,848	429,263	429,263
Employee Entitlements - leave accrual	50,689	45,699	45,699
	<b>801,611</b>	<b>575,050</b>	<b>575,050</b>
Payables for Exchange Transactions	801,611	575,050	575,050
	<b>801,611</b>	<b>575,050</b>	<b>575,050</b>

The carrying value of payables approximates their fair value.

### 15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	15,400	-	-
International Student Fees	4,406	18,203	18,203
Other	32,413	13,106	13,106
	<u>52,219</u>	<u>31,309</u>	<u>31,309</u>

### 16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	72,536	100,001	100,001
Later than One Year and no Later than Five Years	54,194	38,269	38,269
	<u>126,730</u>	<u>138,270</u>	<u>138,270</u>

### 17. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	3,328	18,426	18,426
	<u>3,328</u>	<u>18,426</u>	<u>18,426</u>

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

### 18. Funds Held for Capital Works

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 Contributions \$	Closing Balances \$
SIP - Heat Pumps	In Progress	-	96,859	(89,401)	-	7,458
Totals		-	96,859	(89,401)	-	7,458

#### Represented by:

Funds Held on Behalf of the Ministry of Education	<u>7,458</u>
	<u>7,458</u>

### 19. Funds Held on Behalf of the Linwood Learning Community Cluster

Linwood College was the lead school and holds funds on behalf of the Linwood Learning Community cluster.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	35,941	35,941	10,712
Funds Received from Cluster Members	7,000	-	8,000
Funds Received from MoE	-	-	23,558
Funds Spent on Behalf of the Cluster	(2,750)	-	(6,329)
Funds Held at Year End	<u>40,191</u>	<u>35,941</u>	<u>35,941</u>

## 20. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Revenue and Expense. During the year the funds were spent on curriculum resources, employee benefits, transport, administration and property management expenses.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	91,352	91,352	70,226
<i>Revenue</i>			
Funds Received from the Ministry of Education	159,651	-	147,186
Other Revenue	74,590	-	72,384
	<u>234,241</u>	<u>-</u>	<u>219,570</u>
Total funds available	<u>325,593</u>	<u>91,352</u>	<u>289,796</u>
<i>Expenses</i>			
Employee Benefit - Salaries	65,286	-	43,564
Administration	19,964	-	17,890
Curriculum Resources	66,922	-	117,683
Asset Purchases	33,720	-	6,957
Property Management	16,190	-	12,350
	<u>202,082</u>	<u>-</u>	<u>198,444</u>
Funds Held at Year End	<u>123,511</u>	<u>91,352</u>	<u>91,352</u>

## 21. 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.

## 22. Remuneration

### *Key management personnel compensation*

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	6,405	6,405
Full-time equivalent members	0.20	0.16
<i>Leadership Team</i>		
Remuneration	695,504	544,289
Full-time equivalent members	5.00	4.05
Total key management personnel remuneration	<u>701,909</u>	<u>550,694</u>
Total full-time equivalent personnel	<u>5.20</u>	<u>4.21</u>

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
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220 - 230	210 - 220
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 -110	10.00	3.00
110 -120	4.00	-
	<u>14.00</u>	<u>3.00</u>

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

### 23. Compensation and Other Benefits Upon Leaving

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

	2020 Actual	2019 Actual
Total	\$ -	\$ 12,488
Number of People	-	1

### 24. Contingencies

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

#### Cyclical Maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the Land, Buildings and other facilities on the School site. The School is part of the Christchurch Schools Rebuild Programme which will result in the School's Buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintainance required on the School's buildings so no cyclical maintainance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced.

### 25. Commitments

#### (a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) \$96,859 contract for Heat Pump supply and installation to be completed in 2021, which will be fully funded by the Ministry of Education. \$96,859 has been received of which \$89,401 has been spent on the project to date.

(Capital commitments at 31 December 2019: nil)

## (b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of a photocopier and VisTab

	2020 Actual \$	2019 Actual \$
No later than One Year	31,087	-
Later than One Year and No Later than Five Years	12,136	-
	<u>43,223</u>	<u>-</u>

(Operating commitments at 31 December 2019: nil)

## 26. Managing Capital

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

## 27. Financial Instruments

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

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	1,171,514	136,611	262,387
Receivables	565,795	453,705	453,705
Investments - Term Deposits	1,845,819	2,793,300	2,793,300
Total Financial assets measured at amortised cost	<u>3,583,128</u>	<u>3,383,616</u>	<u>3,509,392</u>

### Financial liabilities measured at amortised cost

Payables	801,611	575,050	575,050
Finance Leases	117,473	130,752	130,752
Total Financial liabilities measured at amortised Cost	<u>919,084</u>	<u>705,802</u>	<u>705,802</u>

## 28. Clubs

The Linwood College Rugby Club is administered by an executive committee appointed by Club members. This club is not a separate entity and its transaction are included in the College's activities. The following amounts are included in the College's equity, however they are to be used exclusively for the Rugby club's benefit. Current investments: \$57,382 (2019: \$63,820)

## 29. Events After Balance Date

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

## 30. Future Relocation and Rebuild of the School

During 2012 the Ministry of Education announced the potential future shape of education across greater Christchurch. Schools were informed that changes to the education network would be necessary due to the extent of damage to property and the ensuring relocation of people. Linwood College was advised that it would continue and be rebuilt on the School's existing site. The renewal announcement on 29 May 2013 confirmed that Linwood College will provide Yr 7-13 schooling. It has since been confirmed that the School will be temporarily relocated to what was the Avonside Girls' High School site while the School is rebuilt. The Tech Centre will continue in its current facilities.

## 31. Comparatives

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

