

QUEEN ELIZABETH COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 201
Principal: Chris Moller
School Address: Rangitikei Street, Palmerston North
School Postal Address: P.O Box 4047, Palmerston North 4442
School Phone: (06) 358 9033
School Email: office@qec.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
D Wallace	Chair Person	Elected	Military	Jun-19
S Speller	Chair Person	Elected	Report Writer MSD	Jun-22
C Moller	Principal	ex Officio	Principal	
M Plumridge	Parent Rep	Elected	Teacher Aide	Jun-22
K Roache	Parent Rep	Elected	Home Executive	Jun-22
M Parker	Parent Rep	Elected	IRD Advisor	Jun-22
S King	Parent Rep	Elected	Insurance	Jun-22
M Brown	Parent Rep	Elected	Tradesman	Jun-19
V Fuldseth	Parent Rep	Elected	Retail Sales	Jun-22
J De Burgh	Staff Rep	Elected	Teacher	Jun-22
M Marsden	Student Rep	Elected	Student	Jun-22
R Te Momo	Student Rep	Elected	Student	Jun-19

Accountant / Service Provider: Openbook Solutions Limited

QUEEN ELIZABETH COLLEGE

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
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Financial Statements

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6-9	Statement of Accounting Policies
10-17	Notes to the Financial Statements

Other Information

Analysis of Variance

Kiwisport

Queen Elizabeth College Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Stefan Speller

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

02/05/2020

Date:

CHRISTOPHER MOLLER

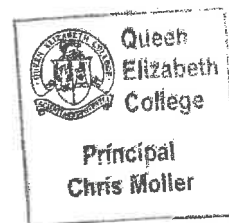
Full Name of Principal

[Signature]

Signature of Principal

02/05/2020

Date:



Queen Elizabeth College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	4,141,486	3,707,543	3,650,021
Locally Raised Funds	3	176,270	249,200	274,072
Interest income		4,129	2,500	5,117
Gain on Sale of Property, Plant and Equipment		702	0	0
		<u>4,322,587</u>	<u>3,959,243</u>	<u>3,929,211</u>
Expenses				
Locally Raised Funds	3	71,241	56,200	80,258
Learning Resources	4	2,560,072	2,217,100	2,247,953
Administration	5	290,743	229,250	320,117
Finance		14,821	10,500	11,013
Property	6	1,168,449	1,341,075	1,196,831
Depreciation	7	106,253	93,000	83,850
Loss on Disposal of Property, Plant and Equipment		0	0	2,141
Loss on Uncollectable Accounts Receivable		28,231	10,000	0
		<u>4,239,811</u>	<u>3,957,125</u>	<u>3,942,164</u>
Net Surplus / (Deficit) for the year		82,776	2,118	(12,953)
Other Comprehensive Revenue and Expenses		0	0	0
Total Comprehensive Revenue and Expense for the Year		<u>82,776</u>	<u>2,118</u>	<u>(12,953)</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.



Queen Elizabeth College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	424,287	424,287	437,240
Total comprehensive revenue and expense for the year	82,776	2,118	(12,953)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	11,197	0	0
Equity at 31 December	518,260	426,405	424,287
Retained Earnings	518,260	426,405	424,287
Reserves	0	0	0
Equity at 31 December	518,260	426,405	424,287

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.



Queen Elizabeth College
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	326,813	144,052	31,603
Accounts Receivable	9	172,231	220,000	215,030
GST Receivable		39,473	40,000	40,160
Prepayments		10,245	15,000	18,902
Inventories	10	23,164	30,000	35,727
Investments	11	100,000	200,000	200,000
		<u>671,926</u>	<u>649,052</u>	<u>541,422</u>
Current Liabilities				
Accounts Payable	13	274,719	245,000	254,211
Revenue Received in Advance	14	15,735	10,000	11,390
Provision for Cyclical Maintenance	15	67,002	279,530	215,200
Painting Contract Liability - Current Portion	16	0	0	26,322
Finance Lease Liability - Current Portion	17	57,311	50,362	48,997
Funds held for Capital Works Projects	18	197,783	0	(23,106)
		<u>612,550</u>	<u>584,892</u>	<u>533,014</u>
Working Capital Surplus/(Deficit)		59,376	64,159	8,408
Non-current Assets				
Property, Plant and Equipment	12	614,379	513,567	606,567
		<u>614,379</u>	<u>513,567</u>	<u>606,567</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	91,902	98,243	86,573
Finance Lease Liability	17	63,593	53,078	104,115
		<u>155,495</u>	<u>151,321</u>	<u>190,688</u>
Net Assets		518,260	426,405	424,287
Equity	28	518,260	426,405	424,287

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



Queen Elizabeth College
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,067,492	1,062,188	1,010,124
Locally Raised Funds		194,380	239,200	221,638
Goods and Services Tax (net)		688	(160)	(13,882)
Payments to Employees		(582,260)	(525,000)	(592,942)
Payments to Suppliers		(569,483)	(605,176)	(585,769)
Cyclical Maintenance Payments in the year		(3,293)	0	0
Interest Paid		(14,821)	(14,290)	(11,013)
Interest Received		4,129	2,500	5,117
Net cash from / (to) the Operating Activities		<u>96,832</u>	<u>159,262</u>	<u>33,273</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		951	0	0
Purchase of PPE (and Intangibles)		(79,176)	0	(43,954)
Purchase of Investments		0	0	(200,000)
Proceeds from Sale of Investments		100,000	0	0
Net cash from / (to) the Investing Activities		<u>21,775</u>	<u>0</u>	<u>(243,954)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		11,197	0	0
Finance Lease Payments		(45,504)	(43,597)	(20,954)
Painting contract payments		(26,322)	(26,322)	(21,843)
Funds Held for Capital Works Projects		237,232	23,106	(186,322)
Net cash from Financing Activities		<u>176,604</u>	<u>(46,813)</u>	<u>(229,120)</u>
Net increase/(decrease) in cash and cash equivalents		<u><u>295,210</u></u>	<u><u>112,448</u></u>	<u><u>(439,800)</u></u>
Cash and cash equivalents at the beginning of the year	8	31,603	31,603	471,403
Cash and cash equivalents at the end of the year	8	<u>326,813</u>	<u>144,052</u>	<u>31,603</u>

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



Queen Elizabeth College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Queen Elizabeth College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 28.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Cyclical maintenance provision

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.



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.

c) Revenue Recognition

Government Grants

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

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

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

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.

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

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

Prior Year Policy

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



h) Inventories

Inventories are consumable items held for sale and comprise of 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.

i) Investments

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

Prior Year Policy

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

j) 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.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10 - 75 years
Furniture and equipment	0 - 20 years
Information and communication technology	3 - 10 years
Motor vehicles	5 - 20 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

k) 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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

o) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

p) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised as "loans and receivables" 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.

q) 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.

r) Budget Figures

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

s) Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	914,525	861,500	880,889
Secondary Tertiary Alignment Resource	40,660	40,000	37,942
Teachers' salaries grants	2,089,861	1,800,000	1,798,737
Use of Land and Buildings grants	975,194	840,175	840,175
Other MoE Grants	27,321	90,868	33,312
Other government grants	93,925	75,000	58,965
	4,141,486	3,707,543	3,650,021

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	38,055	49,000	17,524
Fundraising	0	0	522
Other revenue	62,407	139,900	162,859
Trading	36,106	31,000	41,929
Activities	39,703	29,300	51,238
	176,270	249,200	274,072
Expenses			
Activities	44,049	29,200	47,670
Trading	27,192	27,000	32,488
Fundraising (costs of raising funds)	0	0	100
	71,241	56,200	80,258
	105,029	193,000	193,814

Surplus/ (Deficit) for the year Locally raised funds

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	107,096	130,350	121,417
Information and communication technology	14,157	12,000	34,095
Library resources	462	3,000	7,912
Employee benefits - salaries	2,424,650	2,064,000	2,076,095
Staff development	13,707	7,750	8,434
	2,560,072	2,217,100	2,247,953

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	8,227	9,461	7,988
Board of Trustees Fees	3,618	6,500	4,780
Board of Trustees Expenses	5,728	7,800	5,484
Communication	10,249	9,000	9,581
Consumables	14,406	7,600	18,660
Legal Fees	0	0	7,457
Other	61,323	57,350	72,215
Employee Benefits - Salaries	168,158	110,500	169,189
Insurance	10,541	10,000	10,888
Service Providers, Contractors and Consultancy	8,491	11,039	13,876
	290,743	229,250	320,117

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	9,076	9,000	9,226
Consultancy and Contract Services	65,495	74,750	29,105
Cyclical Maintenance Expense	(138,517)	76,000	36,620
Grounds	24,491	16,650	28,270
Heat, Light and Water	64,653	63,500	68,400
Rates	13,840	13,000	13,659
Repairs and Maintenance	65,774	96,400	38,901
Use of Land and Buildings	975,194	840,175	840,175
Security	1,975	1,100	3,244
Employee Benefits - Salaries	86,469	150,500	129,232
	1,168,449	1,341,075	1,196,831

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

7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	1,699	2,000	1,699
Furniture and Equipment	19,648	19,000	17,552
Information and Communication Technology	17,427	17,000	24,212
Motor Vehicles	10,095	10,000	10,095
Leased Assets	57,226	44,800	30,060
Library Resources	159	200	233
	106,253	93,000	83,850

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash on Hand	200	300	300
Bank Current Account	84,593	15,000	9,880
Bank Call Account	242,020	128,752	21,423
Cash and cash equivalents for Cash Flow Statement	326,813	144,052	31,603

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

Of the \$426,813 Cash and Cash Equivalents, \$197,783 is held by the School on behalf of the Ministry of Education. These funds are required to be spent on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Receivables	36,142	118,500	66,192
Receivables from the Ministry of Education	0	0	49,941
Allowance for credit/losses	(17,533)	(8,500)	(7,387)
Teacher Salaries Grant Receivable	153,622	110,000	106,284
	172,231	220,000	215,030
Receivables from Exchange Transactions	18,609	110,000	58,805
Receivables from Non-Exchange Transactions	153,622	110,000	156,225
	172,231	220,000	215,030



10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	23,164	30,000	35,727
	<u>23,164</u>	<u>30,000</u>	<u>35,727</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	100,000	200,000	200,000
Non-current Asset			
Long-term Bank Deposits	0	0	0
Total Investments	<u>100,000</u>	<u>200,000</u>	<u>200,000</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	77,161	0	0	0	(1,699)	75,463
Furniture and Equipment	288,678	81,755	(248)	0	(19,648)	350,536
Information and Communication	47,871	11,461	0	0	(17,427)	41,905
Motor Vehicles	27,881	0	0	0	(10,095)	17,786
Leased Assets	151,542	20,392	0	0	(57,226)	114,708
Library Resources	13,435	715	(10)	0	(159)	13,981
Balance at 31 December 2019	<u>606,567</u>	<u>114,323</u>	<u>(258)</u>	<u>0</u>	<u>(106,253)</u>	<u>614,379</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	115,570	(40,107)	75,463
Furniture and Equipment	778,223	(427,687)	350,536
Information and Communication Technology	406,014	(364,109)	41,905
Motor Vehicles	67,895	(50,109)	17,786
Leased Assets	201,152	(86,444)	114,708
Library Resources	55,449	(41,468)	13,981
Balance at 31 December 2019	<u>1,624,302</u>	<u>(1,009,924)</u>	<u>614,379</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	78,860	0	0	0	(1,699)	77,161
Furniture and Equipment	280,540	26,054	(365)	0	(17,552)	288,678
Information and Communication	65,835	8,023	(1,775)	0	(24,212)	47,871
Motor Vehicles	37,976	0	0	0	(10,095)	27,881
Leased Assets	12,970	168,632	0	0	(30,060)	151,542
Library Resources	18,869	1,815	(7,016)	0	(233)	13,435
Balance at 31 December 2018	<u>495,050</u>	<u>204,525</u>	<u>(9,157)</u>	<u>0</u>	<u>(83,850)</u>	<u>606,567</u>



2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	115,570	(38,408)	77,161
Furniture and Equipment	670,067	(381,389)	288,678
Information and Communication Technology	394,553	(346,683)	47,871
Motor Vehicles	67,895	(40,014)	27,881
Leased Assets	193,535	(41,993)	151,542
Library Resources	54,775	(41,340)	13,435
Balance at 31 December 2018	1,496,394	(889,827)	606,567

13. Accounts Payable

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Operating creditors	40,138	53,998	68,482
Accruals	15,656	20,000	18,981
Capital accruals for PPE items	6,115	0	2,152
Employee Entitlements - salaries	180,453	129,002	125,286
Employee Entitlements - leave accrual	32,357	42,000	39,311
	274,719	245,000	254,211
Payables for Exchange Transactions	274,719	245,000	254,211
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	0	0	0
Payables for Non-exchange Transactions - Other	0	0	0
	274,719	245,000	254,211

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Other	15,735	10,000	11,390
	15,735	10,000	11,390

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	301,773	301,773	265,153
Increase/ (decrease) to the Provision During the Year	(138,517)	76,000	36,620
Use of the Provision During the Year	(4,352)	0	0
Provision at the End of the Year	158,904	377,773	301,773
Cyclical Maintenance - Current	67,002	279,530	215,200
Cyclical Maintenance - Term	91,902	98,243	86,573
	158,904	377,773	301,773



16. Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	0	0	26,322
Non Current Liability	0	0	0
	0	0	26,322

In 2014 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2015, with regular maintenance in subsequent years. The agreement has an annual commitment of \$18,785. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

The Board terminated the above contract early, therefore the 2018 current liability reflects the amount due at termination.

17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	67,154	56,913	63,413
Later than One Year and no Later than Five Years	68,029	60,000	116,913
Later than Five Years	0	0	0
	135,183	116,913	180,326

18. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Block F Upgrade	<i>in progress</i>	0	100,748	(86,495)	0	14,254
Block I Refurbishment	<i>in progress</i>	0	158,469	(17,990)	0	140,479
Roofing & Spouting Upgrade	<i>completed</i>	(30,335)	30,335	0	0	0
Blocks I & M Roof Remediation	<i>in progress</i>	0	98,050	(55,000)	0	43,050
Reclad Blocks A & O	<i>completed</i>	7,229	3,094	(10,323)	0	0
Refurbishment to Block J	<i>completed</i>	0	93,531	(93,531)	0	0
Block K Outreach Teachers	<i>completed</i>	0	37,102	(37,102)	0	0
Special Needs Property Modifications	<i>completed</i>	0	0	(1,922)	1,922	0
Totals		(23,106)	521,329	(302,362)	1,922	197,783

Represented by:

Funds Held on Behalf of the Ministry of Education	197,783
Funds Due from the Ministry of Education	0
	197,783

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
J Block Re-roof project	<i>completed</i>	463	0	0	(463)	0
F Block Upgrade	<i>completed</i>	6,651	0	0	(6,651)	0
Roofing & Spouting Upgrade	<i>completed</i>	(39,098)	44,538	(35,775)	0	(30,335)
Special Needs Property Modifications	<i>completed</i>	168,556	37,953	(206,509)	0	0
Rationalisation of Block N	<i>completed</i>	0	41,783	(41,783)	0	0
Drainage / Stormwater	<i>completed</i>	0	17,393	(17,393)	0	0
Electrical Upgrade	<i>completed</i>	0	60,208	(60,208)	0	0
Reclad Blocks A & O	<i>in progress</i>	0	21,813	(14,584)	0	7,229
Totals		136,572	223,688	(376,251)	(7,114)	(23,106)



19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

20. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,618	4,780
Full-time equivalent members	0.06	0.14
<i>Leadership Team</i>		
Remuneration	435,297	426,469
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	438,915	431,249
Total full-time equivalent personnel	4.06	4.14

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	0	0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	1.00
110 - 120	0.00	0.00
	1.00	1.00

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



21. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	2	1
Number of People	17,000	6,500

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

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

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

23. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

- (a) \$120,748 contract for Block F upgrade, which will be fully funded by the Ministry of Education. \$100,748 has been received of which \$86,495 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (b) \$108,945 contract to have Blocks I & M Roof remediation as agent for the Ministry of Education. This project is fully funded by the Ministry and \$98,050 has been received of which \$55,000 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) \$178,469 contract for Block I refurbishment as agent for the Ministry of Education. The project is fully funded by the Ministry and \$158,469 has been received of which \$17,990 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2018: \$24,237)

(b) Operating Commitments

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

- (a) photocopier servicing charges;

	2019 Actual \$	2018 Actual \$
No later than One Year	4,328	4,328
Later than One Year and No Later than Five Years	5,576	11,180
Later than Five Years	0	0
	<u>9,904</u>	<u>15,508</u>

24. Managing Capital

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



25. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	326,813	144,052	31,603
Receivables	172,231	220,000	215,030
Investments - Term Deposits	100,000	200,000	200,000
Total Loans and Receivables	599,044	564,052	446,633

Financial liabilities measured at amortised cost

Payables	274,719	245,000	254,211
Borrowings - Loans	0	0	0
Finance Leases	120,904	103,441	153,112
Painting Contract Liability	0	0	26,322
Total Financial Liabilities Measured at Amortised Cost	395,623	348,441	433,645

26. Events After Balance Date

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

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

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

27. Comparatives

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

28. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables:

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

- Note 11 Investments:

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

Analysis of Variance Reporting

Queen Elizabeth College

201

Strategic Aim	School Wide Literacy Development
Annual Aim	To improve the literacy levels of pupils in all subject areas
Target	To accelerate the curriculum levels of literacy to at least one level in one calendar year.
Baseline Data	Baseline data is e-asTTle testing. We have to note that the testing is quite difficult and is a one-off test. A lot of our learners do not test well. With that in mind I have summarised the data for e-asTTle reading in year 9 and 10 in the section below. The data is difficult to analyse as there are differing numbers in both year groups but there are some definite trends that point towards a positive movement of data.

Actions	Outcomes	Reasons for Variance	Evaluation
<p>Asked departments to develop a literacy strategy in their department. Worked hard on basic language conventions</p>	<p>Year 10 data 2020 e-asTTle testing- Reading</p> <p>Curric Level 2 (12) Curric Level 3 (16) Curric Level 4 (30) Curric Level 5 (3)</p> <p>(61) Total</p> <p>Year 9 Data 2019 Easstle testing -Reading Curric Level 2 (11) Curric Level 3 (26) Curric Level 4 (18) Curric Level 5 (2)</p> <p>(57) Total</p>	<p>The pleasing result was the move through the levels three and four of the curriculum. Keeping in mind the limited nature of one-off testing we had little movement at level two and three of the curriculum but a big shift from the pupils in Level 3 and 4.</p> <p>2020, 26% of pupils were L 3 2019, 46% of pupils were L 3 2020, 49% of pupils were L4 2019 32% of pupils were L4</p> <p>Increase in a large % of pupils by more than 1 level in one year</p>	<p>The results are pleasing, and we would look to continue and improve the performance of the cohorts. By feeding back the statistics and data to the full staff the management will encourage all to continue the Mahi.</p> <p>Departments feedback that the best PD was delivered in meetings that were specific to their learning area.</p> <p>Management have decided to put a Literacy responsibility into the HOD English position advertised for 2020. The guidance for the new HOD will be to work with departments to enhance and develop skills further.</p>

Planning for next year

To advertise for a Literacy coordinator with 1 management unit and time allowance to continue the internal work with departments to develop literacy skills. To seek specific plans for Literacy development in all departments.

Strategic Aim	Student Achievement and Engagement
Annual Aim	All staff will use restorative practice
Target	More settled class environment that will result in less disruption in class and hence less reported incidents
Baseline Data	<p>Has been a significant change in serious pastoral consequences: 2018 Suspensions; 9, 5 excluded and 4 returned on conditions. 2019 Suspensions; 6, 3 were excluded and 2 returned on conditions and 1 had a suspension extended. 2018 40 stand downs 2019 19 stand downs</p> <p>All serious behavioural incidents involved verbal or physical abuse, illegal activity such as smoking, vaping alcohol or drug use.</p> <p>Baseline data; School wide pastoral data</p> <p>A change in the number of stand downs and suspensions between 2018 and 2019 is evident.</p> <p>Suspensions to the BOT 2019.</p> <p>5 students were suspended to the BOT and not allowed to return. 1 was suspended on conditions returning on the 28/4/2020. Major themes in the incidents were drugs.</p> <p>Stand down: 19 students were stood down in 2019</p> <p>The stand downs varied from 2 days to 5 days depending on the severity of the incident.</p> <p>The major theme of the incidents was either fighting or assaults, verbal abuse and smoking cigarettes.</p> <p>Classroom pastoral incidents are also reflected upon.</p> <p>Most incidents arise from, lateness, poor attendance, not having the correct equipment and defiance of staff.</p>

Actions	Outcomes	Reasons for Variance	Evaluation
<p>What did we do</p> <p>Worked on a comprehensive plan for improvement from assembly talks to form time support.</p> <p>We increased the number of pastoral staff. Employed support staff to work on attendance and student support as well as work pathways. Have regular parent meetings every term to talk with parents face to face. Our whanau support person goes out to families to meet with them at their homes to support whanau.</p> <p>We support with uniform and work through all issues that we can in a supportive manner.</p> <p>We increased our number of teacher aides from 2 -4</p>	<p>What happened</p> <p>Teachers have seen an improvement in the way pupils are responding especially the more mature. They are helping us and guiding us with the QEC way of dealing with incidents.</p> <p>Positive teaching programmes such as My Mahi have given pastoral time some structure.</p> <p>Worked hard to role model success and to have celebration assemblies for academic and sporting success.</p> <p>Created a time out as an option rather than standing down pupils.</p> <p>Giving pupils time to cool down and work alone has created space for the restorative process to begin.</p>	<p>Why did it happen</p> <p>Expectations of the management and school have become clearer and the culture of the school is changing. The Q, quality, E for high expectations, C for commitment has been focused on and the benefits of working hard in the class are constantly supported.</p> <p>This sits in the school charter and is often referred to in pastoral and assembly presentations.</p> <p>Also presenting the growth mindset to the staff and looking for positives in the classroom setting.</p> <p>Considering the best way to engage pupils and look for their strengths in the curriculum.</p>	<p>Where to next</p> <p>The new operations manual has had a theme of a new decade a new standard for the College. The Y 13 pupils are wearing uniform for the first time and doing so positively.</p> <p>Staff are given clear operational guidelines and professional standards to meet.</p> <p>Find more strengths to enhance for example the Samoan language class for fluent speakers of the language. This will give the pupils the boost for NCEA credits.</p>

Planning for next year

Lift the expectations to a higher level to have an even more settled environment to allow effective teaching and learning to take place. Start the positive “QEC Certificate” Rewards pupils for positive behaviors.

Kiwisport Report 2019

Kiwisport is a government funding initiative to support students participation in organised sport. In 2019 the College received Kiwi sport funding. This funding was used to fund the sports co-ordinator more hours so she could:

1. Implement new sports and continue to grow existing sports in the school. For the first time in many years the school entered a mixed cricket team and an U15 Boys Rugby team which won the Manawatu Grade. We had increases in volleyball, softball, Touch and girls and boys rugby. Extra hours allowed for continuous support to coaches, managers and volunteers within the school.
2. Touch Manawatu offered our school the rights to run the local Secondary School Competition from our school grounds in Term 4. Has been running smoothly with our assistance as we invested time in setting up the modules, we have continued to have extremely positive feedback within the region. The role involved co-ordinating the module, its referees, the draws and communicating with school sports co-ordinators in the Manawatu, Horowhenua and Taihape areas.
3. Offer opportunities for students to become officials in sport (Netball, Rugby and Touch). Co-ordinating workshops and certification courses so the students could gain their badges.
4. Co-ordinate the school second and third Sports Exchange.
5. I believe running the module from our school has also helped us with our increased participation numbers in sport.
6. The allocation of more hours helped with getting more kids and parents involved in our Saturday morning Courtesy Ford carwash. Many kids cannot play sport because of financial reason. However every week the carwash was offered, phone calls were made home offering this opportunity.
7. 2019 saw the launch of Health & Wellness Program. Getting inactive students active. Students learnt all facets of health and wellness from food, diet, exercise to time and commitment.
8. Keeping up with day to day paperwork and duties.
9. Grow my teacher/support staff team.
10. Continued support of our Service Academy, sharing my physical training skills to support his students get fit for the adventure challenge.
11. The extra hours allowed more time for the collection of sports fees, this is ongoing, phone calls home, setting up and following up student weekly payments. But this has paid off as we again have had over 98% of our students pay for all their sports fees. This allowed us to purchase more touch and volleyball uniforms for the 2020 season and the purchase of some new fitness equipment and thank you gifts for staff and outside volunteers.
12. Overall we saw some fantastic momentum forward within the school. We now have high volumes in 1st XV Rugby, U15 Rugby, Senior Girls Rugby, Softball, Sevens Boys, Sevens Girls, Senior Boys Touch, Junior Boys Touch, Girls Touch, Mixed Touch, Badminton, Boys Volleyball, Girls Volleyball, Croquet, Athletics, Senior Boys Basketball, Junior Boys Basketball, Girls Basketball, Netball and Cricket. I look forward to seeing a growth in participation numbers for 2020.