

# QUEEN ELIZABETH COLLEGE

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
S Speller	Chair Person	Elected	Jun-22
C Moller	Principal	ex Officio	
M Plumridge	Parent Rep	Elected	Jun-22
K Roache	Parent Rep	Elected	Jun-22
M Brown	Parent Rep	Elected	Jun-22
S King	Parent Rep	Elected	Jun-22
V Fuldseth	Parent Rep	Elected	Jun-22
R Te Momo	Student Rep	Elected	Jun-22
D Fonoti	Student Rep	Elected	Jun-22
J De Burgh	Staff Rep	Elected	Jun-22

**Accountant / Service Provider:** Openbook Solutions Limited

# QUEEN ELIZABETH COLLEGE

Annual Report - For the year ended 31 December 2020

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# Queen Elizabeth 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 reflects the financial position and operations of the school.

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

Stefan Speller  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

28 May 2021  
Date:

[Signature]  
Full Name of Principal

[Signature]  
Signature of Principal

26/05/2021  
Date:

# Queen Elizabeth 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	4,751,561	4,352,945	4,141,486
Locally Raised Funds	3	131,399	192,265	176,270
Interest income		1,416	3,000	4,129
Gain on Sale of Property, Plant and Equipment		5,152	0	702
		<u>4,889,528</u>	<u>4,548,210</u>	<u>4,322,587</u>
<b>Expenses</b>				
Locally Raised Funds	3	66,822	37,500	71,241
Learning Resources	4	2,757,199	2,691,588	2,560,072
Administration	5	297,620	291,075	290,743
Finance		10,134	0	14,821
Property	6	1,431,321	1,437,452	1,168,449
Depreciation	7	134,216	88,000	106,253
Loss on Uncollectable Accounts Receivable		7,903	0	28,231
		<u>4,705,215</u>	<u>4,545,615</u>	<u>4,239,811</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>184,313</b>	<b>2,595</b>	<b>82,776</b>
Other Comprehensive Revenue and Expense		0	0	0
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>184,313</u></b>	<b><u>2,595</u></b>	<b><u>82,776</u></b>

*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 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<b>518,260</b>	<b>518,260</b>	<b>424,287</b>
Total comprehensive revenue and expense for the year		184,313	2,595	82,776
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		0	0	11,197
<b>Equity at 31 December</b>	23	<b>702,573</b>	<b>520,855</b>	<b>518,260</b>
Retained Earnings		702,573	520,855	518,260
<b>Equity at 31 December</b>		<b>702,573</b>	<b>520,855</b>	<b>518,260</b>

*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 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	233,164	107,123	326,813
Accounts Receivable	9	186,317	175,000	172,231
GST Receivable		38,328	45,000	39,473
Prepayments		13,433	10,000	10,245
Inventories	10	34,507	25,000	23,164
Investments	11	0	100,000	100,000
		<u>505,749</u>	<u>462,123</u>	<u>671,926</u>
<b>Current Liabilities</b>				
Accounts Payable	13	455,903	270,000	274,719
Revenue Received in Advance	14	19,514	12,500	15,735
Provision for Cyclical Maintenance	15	22,649	0	67,002
Finance Lease Liability - Current Portion	16	51,608	49,731	57,311
Funds held for Capital Works Projects	17	16,335	0	197,783
		<u>566,009</u>	<u>332,231</u>	<u>612,550</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>(60,260)</b>	<b>129,893</b>	<b>59,376</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	811,669	536,379	614,379
		<u>811,669</u>	<u>536,379</u>	<u>614,379</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	31,912	131,554	91,902
Finance Lease Liability	16	16,924	13,862	63,593
		<u>48,836</u>	<u>145,416</u>	<u>155,495</u>
<b>Net Assets</b>		<b><u>702,573</u></b>	<b><u>520,855</u></b>	<b><u>518,260</u></b>
<b>Equity</b>	23	<b><u>702,573</u></b>	<b><u>520,855</u></b>	<b><u>518,260</u></b>

*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 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,271,812	1,040,660	1,067,492
Locally Raised Funds		143,906	141,500	194,380
Goods and Services Tax (net)		1,147	(2,769)	688
Payments to Employees		(615,782)	(529,500)	(582,260)
Payments to Suppliers		(531,443)	(541,688)	(569,483)
Cyclical Maintenance Payments in the year		(77,399)	(72,349)	(3,293)
Interest Paid		(10,134)	0	(14,821)
Interest Received		1,416	3,000	4,129
Net cash from Operating Activities		183,523	38,854	96,832
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property, Plant & Equipment (and Intangibles)		5,152	0	951
Purchase of Property, Plant & Equipment (and Intangibles)		(204,618)	(10,000)	(79,176)
Proceeds from Sale of Investments		100,000	0	100,000
Net cash from Investing Activities		(99,466)	(10,000)	21,775
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		0	0	11,197
Finance Lease Payments		(50,954)	(50,761)	(45,504)
Painting contract payments		0	0	(26,322)
Funds Held for Capital Works Projects		(126,752)	(197,783)	237,232
Net cash from Financing Activities		(177,706)	(248,544)	176,604
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(93,649)</b>	<b>(219,690)</b>	<b>295,210</b>
Cash and cash equivalents at the beginning of the year	8	326,813	326,813	31,603
<b>Cash and cash equivalents at the end of the year</b>	8	<b>233,164</b>	<b>107,123</b>	<b>326,813</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.*

# Queen Elizabeth College

## Notes to the Financial Statements

For the year ended 31 December 2020

### 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 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.

#### b) 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 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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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 (uncollectible debts). 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.

#### **h) Inventories**

Inventories are consumable items held for sale and comprised 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.

#### **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 - 100 years
Furniture and equipment	0 - 20 years
Information and communication technology	3 - 10 years
Motor vehicles	5 - 20 years
Leased assets held under a Finance Lease	Term of Lease
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, and also annual leave earned, by non teaching staff, 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 Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised as "financial assets measured at amortised cost" 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.

**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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operational Grants	1,131,504	968,495	955,185
Teachers' Salaries Grants	2,291,898	2,291,898	2,089,861
Use of Land and Buildings Grants	1,060,552	1,060,552	975,194
Other MoE Grants	233,674	25,000	60,654
Other Government Grants	33,933	7,000	60,592
	<b>4,751,561</b>	<b>4,352,945</b>	<b>4,141,486</b>

The school has opted in to the donations scheme for this year. Total amount received was \$35,700.

Other MOE Grants total includes additional COVID-19 funding totalling \$126,002 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	22,243	44,900	38,055
Activities	19,029	34,300	39,703
Trading	26,064	11,500	36,106
Other Revenue	64,063	101,565	62,407
	131,399	192,265	176,270
<b>Expenses</b>			
Activities	35,692	30,500	44,049
Trading	31,130	7,000	27,192
	66,822	37,500	71,241
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>64,577</b>	<b>154,765</b>	<b>105,029</b>

## 4. Learning Resources

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Curricular	107,951	117,390	107,096
Information and Communication Technology	7,841	9,000	14,157
Library Resources	11	4,000	462
Employee Benefits - Salaries	2,638,686	2,553,398	2,424,650
Staff Development	2,710	7,800	13,707
	<b>2,757,199</b>	<b>2,691,588</b>	<b>2,560,072</b>

## 5. Administration

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Audit Fee	8,474	8,500	8,227
Board of Trustees Fees	4,490	6,500	3,618
Board of Trustees Expenses	6,108	9,500	5,728
Communication	9,643	10,000	10,249
Consumables	17,487	9,500	14,406
Legal Fees	2,339	2,000	0
Other	87,786	63,575	61,323
Employee Benefits - Salaries	145,523	160,000	168,158
Insurance	9,957	10,000	10,541
Service Providers, Contractors and Consultancy	5,813	11,500	8,491
	<b>297,620</b>	<b>291,075</b>	<b>290,743</b>

## 6. Property

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	10,280	7,000	9,076
Consultancy and Contract Services	65,662	65,400	65,495
Cyclical Maintenance Provision	11,749	45,000	(138,517)
Grounds	27,304	17,800	24,491
Heat, Light and Water	64,520	62,500	64,653
Rates	13,582	13,000	13,840
Repairs and Maintenance	64,537	51,500	65,774
Use of Land and Buildings	1,060,552	1,060,552	975,194
Security	2,452	1,700	1,975
Employee Benefits - Salaries	110,683	113,000	86,469
	<b>1,431,321</b>	<b>1,437,452</b>	<b>1,168,449</b>

## 7. Depreciation

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Building Improvements - Crown	2,004	1,200	1,699
Furniture and Equipment	26,921	16,600	19,648
Information and Communication Technology	37,157	12,000	17,427
Motor Vehicles	10,095	10,000	10,095
Leased Assets	57,880	48,000	57,226
Library Resources	159	200	159
	<b>134,216</b>	<b>88,000</b>	<b>106,253</b>

## 8. Cash and Cash Equivalents

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cash on Hand	400	200	200
Bank Current Account	75,437	50,000	84,593
Bank Call Account	57,327	56,923	242,020
Short-term Bank Deposits	100,000	0	0
Cash and cash equivalents for Statement of Cash Flows	<b>233,164</b>	<b>107,123</b>	<b>326,813</b>

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

Of the \$233,164 Cash and Cash Equivalents, \$16,335 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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Receivables	13,641	35,000	36,142
Receivables from the Ministry of Education	9,928	0	0
Allowance for uncollectable outstanding receivable balances	(13,464)	(15,000)	(17,533)
Teacher Salaries Grant Receivable	176,212	155,000	153,622
	<b>186,317</b>	<b>175,000</b>	<b>172,231</b>
Receivables from Exchange Transactions	177	20,000	18,609
Receivables from Non-Exchange Transactions	186,140	155,000	153,622
	<b>186,317</b>	<b>175,000</b>	<b>172,231</b>

## 10. Inventories

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
School Uniforms	34,507	25,000	23,164
	<b>34,507</b>	<b>25,000</b>	<b>23,164</b>

## 11. Investments

The School's investment activities are classified as follows:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	0	100,000	100,000
Non-current Asset			
Long-term Bank Deposits	0	0	0
Total Investments	<b>0</b>	<b>100,000</b>	<b>100,000</b>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	75,463	7,333	0	0	(2,004)	80,792
Furniture and Equipment	350,536	120,457	0	0	(26,921)	444,072
Information and Communication	41,905	193,642	0	0	(37,157)	198,389
Motor Vehicles	17,786	0	0	0	(10,095)	7,691
Leased Assets	114,708	5,892	0	0	(57,880)	62,720
Library Resources	13,981	4,194	(11)	0	(159)	18,005
<b>Balance at 31 December 2020</b>	<b>614,379</b>	<b>331,518</b>	<b>(11)</b>	<b>0</b>	<b>(134,216)</b>	<b>811,669</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2020</b>	\$	\$	\$
Building Improvements	114,861	(34,069)	80,792
Furniture and Equipment	862,618	(418,546)	444,072
Information and Communication Technology	594,758	(396,369)	198,389
Motor Vehicles	67,895	(60,204)	7,691
Leased Assets	207,043	(144,323)	62,720
Library Resources	59,599	(41,594)	18,005
<b>Balance at 31 December 2020</b>	<b>1,906,774</b>	<b>(1,095,105)</b>	<b>811,669</b>

The net carrying value of equipment held under a finance lease is \$62,720 (2019: \$114,708).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2019</b>	\$	\$	\$	\$	\$	\$
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
<b>Balance at 31 December 2019</b>	<b>606,567</b>	<b>114,323</b>	<b>(258)</b>	<b>0</b>	<b>(106,253)</b>	<b>614,379</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2019</b>	\$	\$	\$
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
<b>Balance at 31 December 2019</b>	<b>1,624,302</b>	<b>(1,009,924)</b>	<b>614,379</b>

The net carrying value of equipment held under a finance lease is \$114,708 (2018: \$151,542).

### 13. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	169,928	65,000	40,138
Accruals	16,219	15,000	15,656
Capital Accruals for PPE items	7,259	0	6,115
Employee Entitlements - Salaries	223,245	155,000	180,453
Employee Entitlements - Leave Accrual	39,252	35,000	32,357
	<b>455,903</b>	<b>270,000</b>	<b>274,719</b>
Payables for Exchange Transactions	455,903	270,000	274,719
	<b>455,903</b>	<b>270,000</b>	<b>274,719</b>

The carrying value of payables approximates their fair value.

#### 14. Revenue Received in Advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Other	\$ 19,514	\$ 12,500	\$ 15,735
	<b>19,514</b>	<b>12,500</b>	<b>15,735</b>

#### 15. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Provision at the Start of the Year	\$ 158,904	\$ 158,904	\$ 301,773
Increase/ (decrease) to the Provision During the Year	32,531	45,000	(138,517)
Use of the Provision During the Year	(136,874)	(72,350)	(4,352)
Provision at the End of the Year	<b>54,561</b>	<b>131,554</b>	<b>158,904</b>
Cyclical Maintenance - Current	22,649	0	67,002
Cyclical Maintenance - Term	31,912	131,554	91,902
	<b>54,561</b>	<b>131,554</b>	<b>158,904</b>

#### 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	\$ 55,948	\$ 58,000	\$ 67,154
Later than One Year and no Later than Five Years	17,677	18,000	68,029
Later than Five Years	0	0	0
	<b>73,625</b>	<b>76,000</b>	<b>135,183</b>

#### 17. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Block F Upgrade	<i>completed</i>	14,254	6,997	(21,251)	0	0
Block I Refurbishment	<i>completed</i>	140,479	15,964	(156,443)	0	0
Blocks I & M Roof Remediation	<i>completed</i>	43,050	295	(43,345)	0	0
Stairwell Windows	<i>completed</i>	0	8,320	(8,320)	0	0
Security Breach	<i>completed</i>	0	5,300	(5,300)	0	0
Rugby Posts	<i>completed</i>	0	25,220	(25,220)	0	0
Leak in Gym	<i>completed</i>	0	16,569	(16,569)	0	0
Basketball Poles	<i>in progress</i>	0	11,288	(4,257)	0	7,031
Fencing	<i>in progress</i>	0	43,619	(43,015)	0	604
Resurface Hardcourt	<i>in progress</i>	0	9,315	(2,070)	0	7,245
Heating Upgrade	<i>in progress</i>	0	112,903	(111,448)	0	1,455
Totals		<b>197,783</b>	<b>255,790</b>	<b>(437,238)</b>	<b>0</b>	<b>16,335</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	16,335
Funds Due from the Ministry of Education	0
	<b>16,335</b>



	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
<b>Totals</b>		<b>(23,106)</b>	<b>521,329</b>	<b>(304,284)</b>	<b>3,844</b>	<b>197,783</b>

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2020 Actual	2019 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,490	3,618
Full-time equivalent members	0.09	0.06
<i>Leadership Team</i>		
Remuneration	548,806	435,297
Full-time equivalent members	5.00	4.00
Total key management personnel remuneration	<b>553,296</b>	<b>438,915</b>
Total full-time equivalent personnel	<b>5.09</b>	<b>4.06</b>

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	2019 Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
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	2020 FTE Number	2019 FTE Number
100 - 110	3	1
110 - 120	2	0
	<b>5</b>	<b>1</b>

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

## 20. Compensation and Other Benefits Upon Leaving

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

	2020 Actual	2019 Actual
Total	0	2
Number of People	0	17,000

## 21. 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.

## 22. Commitments

### (a) Capital Commitments

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

(a) \$12,542 contract for basketball poles, which will be fully funded by the Ministry of Education. \$11,288 has been received of which \$4,257 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) \$48,465 contract for fencing and gates as agent for the Ministry of Education. This project is fully funded by the Ministry and \$43,619 has been received of which \$43,015 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$10,350 contract to resurface the hardcourt as agent for the Ministry of Education. The project is fully funded by the Ministry and \$9,315 has been received of which \$2,070 has been spent on the project to balance date. This project has been approved by the Ministry.

(d) A \$125,448 contract to upgrade the heating as agent for the Ministry of Education. The project is fully funded by the Ministry and \$112,903 has been received of which \$111,448 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: \$408,162)

## (b) Operating Commitments

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

(a) photocopier servicing charges;

	2020 Actual \$	2019 Actual \$
No later than One Year	4,328	4,328
Later than One Year and No Later than Five Years	2,525	5,576
Later than Five Years	0	0
	<u>6,853</u>	<u>9,904</u>

## 23. 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.

## 24. Financial Instruments

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

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	233,164	107,123	326,813
Receivables	186,317	175,000	172,231
Investments - Term Deposits	0	100,000	100,000
Total Financial assets measured at amortised cost	<u>419,481</u>	<u>382,123</u>	<u>599,044</u>

### Financial liabilities measured at amortised cost

Payables	455,903	270,000	274,719
Finance Leases	68,532	63,593	120,904
Total Financial Liabilities Measured at Amortised Cost	<u>524,435</u>	<u>333,593</u>	<u>395,623</u>

## 25. Events After Balance Date

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

## 26. Comparatives

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

# Analysis of Variance Reporting



<b>School Name:</b>	Queen Elizabeth College	<b>School Number:</b>	201
<b>Strategic Aim:</b>	Student achievement and engagement		
<b>Annual Aim:</b>	All staff will use Microsoft 365 as a digital platform		
<b>Target:</b>	Engage learners with digital tools to remove barriers and to enhance learning.		
<b>Baseline Data:</b>	<p>Staff have reported that pupils are more engaged with learning on the digital platform</p> <p>Stationery barriers are removed, eg, need for books, pens, pencils, pens.</p> <p>Pupils can work at their own pace and use tools such as immersive reader</p> <p>Quiz's such as Kahoot can be used to get instant feedback</p> <p>COVID-19 ready and capable if lockdown is required.</p> <p>Enough computers available for Y9 to use digital, ended with the whole school having access.</p> <p>Evidence of greater engagement and less pastoral issues.</p> <p>Being digital ready for NZQA requirements for on-line examinations.</p>		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Had a plan to improve the digital fluency of both staff and pupils. A major barrier was the lack of devices or access to devices. COVID-19 forced the digital goal to be the major focus. In three months, we moved from a plan to incorporate year 9 technology to having enough computers for the whole school. The MOE provided the computers to take away the barriers to learning. The Digital goal and uptake of Microsoft 365 became a major focus.</p>	<p>Lock down in March of 2020 and the subsequent threat of further lockdowns forced the school and the MOE to focus on the online learning model. Many staff spent the time learning the system and refining use and strategies. In some cases, we had limited pupil engagement but the provision of resource to the school in the form of laptops and the focus of staff on delivering learning on a digital platform had the silver lining of intense focus on the goal. On return to the school programme many of the new initiatives and gains have continued.</p>	<p>The original goal was to achieve digital programmes for year 9. The concept being to fund and develop staff teaching the younger ones. Also, to look for resources to provide the laptops required. By the end of the year, we had the whole school on laptops and all staff involved with the digital platform. This was a case of necessity and resourcing from the MOE and the school Board also contributing 50 devices.</p>	<p>To build on the rapid progress made. To look for more PD from Digital Circus and to form a lead team within the school. Assign a COL within- school teacher to work on becoming a Microsoft accredited school. Goal is to be eventually paperless.</p>
<b>Planning for next year:</b>			
As above; Where to next?			

**Queen Elizabeth College**

## **KiwiSport**

Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2020, the school did not receive any funding.