



GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	373
Principal:	Mason Stretch
School Address:	Barry Ave, Cromwell
School Postal Address:	Barry Ave, Cromwell 9310
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CROMWELL COLLEGE

Group Annual Report - For the year ended 31 December 2019

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Cromwell College

Statement of Responsibility

For the year ended 31 December 2019

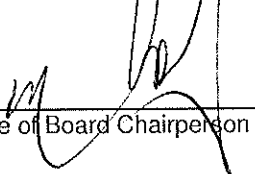
The Board of Trustees accepts responsibility for the preparation of the annual consolidated financial statements and the judgements used in these consolidated financial statements.

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

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

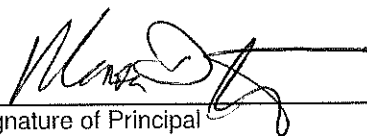
The School's 2019 consolidated financial statements are authorised for issue by the Board.


Full Name of Board Chairperson


Signature of Board Chairperson

29/5/2020
Date:


Full Name of Principal


Signature of Principal

29/05/2020
Date:

Cromwell College

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Greg Wilkinson	Chairperson	Elected	May 2019
Geoff Owen	Parent Rep	Elected	May 2019
Mike Jones	Parent Rep	Elected	May 2019
Matt Dicey	Chairperson	Elected	May 2022
Terry Davis	Parent Rep	Elected	May 2022
Paul Bisset	Parent Rep	Elected	May 2022
Odette Hopgood-Bride	Parent Rep	Elected	May 2022
Beth Phelps	Parent Rep	Elected	May 2022
Kirsten Dixon	Staff Rep	Elected	May 2019
Kate Borrie	Staff Rep	Elected	May 2022
Myah Scott	Student Rep	Elected	Sep 2019
Bella Dickison	Student Rep	Elected	Sep 2020
Mason Stretch	Principal	ex Officio	

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

	Notes	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
		Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Revenue							
Government Grants	2	6,067,843	6,004,579	5,866,796	6,067,843	6,004,579	5,866,796
Locally Raised Funds	3	500,343	151,128	426,635	576,162	222,128	486,887
Interest Earned		11,633	15,000	13,932	14,459	17,800	16,703
Hostel	4	582,941	577,613	565,636	582,941	577,613	565,636
International Students	5	121,395	100,039	90,460	121,395	100,039	90,460
<i>Total revenue</i>		<u>7,284,155</u>	<u>6,848,359</u>	<u>6,963,459</u>	<u>7,362,800</u>	<u>6,922,159</u>	<u>7,026,482</u>
Expenses							
Locally Raised Funds	3	142,360	14,100	159,528	190,904	62,120	210,234
Hostel	4	561,582	527,188	522,497	487,582	453,188	448,497
International Students	5	98,449	78,267	62,496	98,449	78,267	62,496
Learning Resources	6	4,040,791	4,411,100	3,888,498	4,040,791	4,411,100	3,888,498
Administration	7	339,475	329,226	343,481	339,475	329,226	343,481
Finance		6,124	-	39,012	17,623	11,499	52,268
Property	8	1,831,935	1,446,736	1,821,763	1,831,935	1,446,736	1,821,763
Depreciation	9	159,164	100,000	133,838	199,272	137,000	170,179
Loss on Disposal of Property, Plant and Equipment		574	-	-	574	-	-
<i>Total expenses</i>		<u>7,180,454</u>	<u>6,906,617</u>	<u>6,971,113</u>	<u>7,206,605</u>	<u>6,929,136</u>	<u>6,997,416</u>
Net Surplus / (Deficit) for the year		103,701	(58,258)	(7,654)	156,195	(6,977)	29,066
Other Comprehensive Revenue and Expenses							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations		-	-	-	-	-	-
<i>Total other comprehensive revenue and expense</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Revenue and Expense for the Year		<u><u>103,701</u></u>	<u><u>(58,258)</u></u>	<u><u>(7,654)</u></u>	<u><u>156,195</u></u>	<u><u>(6,977)</u></u>	<u><u>29,066</u></u>

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

Cromwell College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual	School Budget	Actual	Actual	Group Budget	Actual
		2019	(Unaudited)	2018	2019	(Unaudited)	2018
		\$	\$	\$	\$	\$	\$
Balance at 1 January		1,004,959	1,004,959	1,012,613	2,048,168	2,048,168	2,019,102
Total comprehensive revenue and expense for the year		103,701	(58,258)	(7,654)	156,195	(6,977)	29,066
<i>Capital Contributions from the Ministry of Education</i>							
Contribution - Furniture and Equipment Grant		33,256	-	-	33,256	-	-
Equity at 31 December	30	<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>
Retained Earnings		1,141,916	946,701	1,004,959	2,237,619	2,041,191	2,048,168
Equity at 31 December		<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>
Reserve Movements Analysis							
Accumulated surplus/(deficit)							
Balance at 1 January		1,004,959	1,004,959	1,012,613	2,048,168	2,048,168	2,019,102
Furniture & Equipment grant		33,256	-	-	33,256	-	-
Surplus/(deficit) for the year		103,701	(58,258)	(7,654)	156,195	(6,977)	29,066
Balance 31 December		<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>
Total equity		<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>

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

Cromwell College Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets							
Cash and Cash Equivalents	10	799,824	333,097	291,355	862,262	480,758	350,735
Accounts Receivable	11	560,538	304,441	304,441	561,764	305,663	305,663
GST Receivable		66,443	55,813	55,813	62,433	49,448	49,448
Prepayments		35,807	35,180	35,180	53,055	50,418	50,418
Investments	12	192,534	239,453	239,453	271,944	316,214	316,214
		<u>1,655,146</u>	<u>967,984</u>	<u>926,242</u>	<u>1,811,458</u>	<u>1,202,501</u>	<u>1,072,478</u>
Current Liabilities							
Accounts Payable	14	425,140	393,339	393,339	430,334	394,489	394,489
Borrowings - Due in one year	15	-	-	-	27,162	27,162	27,162
Revenue Received in Advance	16	246,386	221,267	221,267	246,386	221,267	221,267
Provision for Cyclical Maintenance	17	18,382	36,477	36,477	18,382	36,477	36,477
Finance Lease Liability - Current Portion	18	78,587	50,317	50,317	78,587	50,317	50,317
Funds held in Trust	19	4,168	4,168	4,168	4,168	4,168	4,168
Funds held for Capital Works Projects	20	565,573	(7,543)	(7,543)	565,573	(7,543)	(7,543)
Funds for RTLB services	21	2,937	37,277	37,277	2,937	37,277	37,277
Funds held on behalf of other Clusters	22,23,24	55,498	62,239	62,239	55,498	62,239	62,239
		<u>1,396,671</u>	<u>797,541</u>	<u>797,541</u>	<u>1,429,027</u>	<u>825,853</u>	<u>825,853</u>
Working Capital Surplus/(Deficit)		<u>258,475</u>	<u>170,443</u>	<u>128,701</u>	<u>382,431</u>	<u>376,648</u>	<u>246,625</u>
Non-current Assets							
Property, Plant and Equipment	13	1,110,475	956,142	1,056,142	2,235,258	2,028,081	2,165,081
		<u>1,110,475</u>	<u>956,142</u>	<u>1,056,142</u>	<u>2,235,258</u>	<u>2,028,081</u>	<u>2,165,081</u>
Non-current Liabilities							
Borrowings	15	-	-	-	153,036	183,654	183,654
Provision for Cyclical Maintenance	17	148,777	146,340	146,340	148,777	146,340	146,340
Finance Lease Liability	18	78,257	33,544	33,544	78,257	33,544	33,544
		<u>227,034</u>	<u>179,884</u>	<u>179,884</u>	<u>380,070</u>	<u>363,538</u>	<u>363,538</u>
Net Assets		<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>
Total equity		<u>1,141,916</u>	<u>946,701</u>	<u>1,004,959</u>	<u>2,237,619</u>	<u>2,041,191</u>	<u>2,048,168</u>

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

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

	Notes	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
		Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Cash flows from Operating Activities							
Government Grants		1,280,356	1,208,284	1,260,969	1,280,356	1,208,284	1,260,969
Locally Raised Funds		279,071	151,128	340,569	394,865	222,128	400,820
Hostel		582,941	577,613	565,636	582,941	577,613	565,636
International Students		117,170	100,039	111,046	117,170	100,039	111,046
Goods and Services Tax (net)		(10,630)	-	(27,236)	(12,985)	-	(25,638)
Payments to Employees		(881,120)	(822,725)	(767,102)	(881,120)	(822,725)	(767,101)
Payments to Suppliers		(1,343,255)	(1,154,797)	(1,458,101)	(1,315,765)	(1,128,817)	(1,458,304)
Cyclical Maintenance Payments in the year		(32,018)	(32,800)	(28,124)	(32,018)	(32,800)	(4,686)
Interest Paid		(6,124)	-	(39,012)	(17,623)	(11,499)	(52,268)
Interest Received		10,981	15,000	12,287	13,803	17,800	14,449
Net cash from / (to) the Operating Activities		(2,628)	41,742	(29,068)	129,624	130,023	44,923
Cash flows from Investing Activities							
Proceeds from Sale of PPE (and Intangibles)		(575)	-	-	(575)	-	-
Purchase of PPE (and Intangibles)		(98,002)	-	(61,416)	(153,954)	-	(106,526)
Purchase of Investments		46,919	-	43,193	44,270	-	16,432
Net cash from / (to) the Investing Activities		(51,658)	-	(18,223)	(110,259)	-	(90,094)
Cash flows from Financing Activities							
Furniture and Equipment Grant		33,256	-	-	33,256	-	-
Finance Lease Payments		(42,511)	-	(44,953)	(42,511)	-	(44,953)
Loans Received/ Repayment of Loans		-	-	-	(30,618)	-	(28,862)
Funds Administered on Behalf of Third Parties		(1,106)	-	17,004	(41,081)	-	17,004
Funds Held for Capital Works Projects		573,116	-	(266,355)	573,116	-	(266,355)
Net cash from Financing Activities		562,755	-	(294,304)	492,162	-	(323,166)
Net increase/(decrease) in cash and cash equivalents		508,469	41,742	(341,595)	511,527	130,023	(368,337)
Cash and cash equivalents at the beginning of the year	10	291,355	291,355	632,950	350,735	350,735	719,072
Cash and cash equivalents at the end of the year	10	799,824	333,097	291,355	862,262	480,758	350,735

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

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

Cromwell College

Notes to the Group Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Cromwell College is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Cromwell College Group (the "Group") consists of Cromwell College and its subsidiary Cromwell College Charitable Trust. The subsidiary is a School Trust ("Trust") which supports the school by raising funds and making donations for the

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

Basis of Consolidation

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

Details of investment in subsidiaries are set out in Note 35.

Financial Reporting Standards Applied

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

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 34.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Consolidation of entities

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 35.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) 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.

g) 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.

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

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

Prior Year Policy

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,500 are not capitalised, they are recognised as an expense in the Consolidated Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	50 years
Furniture and equipment	10–20 years
Information and communication technology	4–5 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

m) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the Group, 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).

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

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

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

y) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see "Basis of Consolidation" above) less accumulated impairment losses, if any.

2. Government Grants

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,132,845	1,106,394	1,072,060	1,132,845	1,106,394	1,072,060
Teachers' Salaries Grants	3,244,979	3,670,271	3,125,574	3,244,979	3,670,271	3,125,574
Use of Land and Buildings Grants	1,520,799	1,118,681	1,480,253	1,520,799	1,118,681	1,480,253
Other MoE Grants	78,782	38,500	151,576	78,782	38,500	151,576
Other Government Grants	90,438	70,733	37,333	90,438	70,733	37,333
	6,067,843	6,004,579	5,866,796	6,067,843	6,004,579	5,866,796

3. Locally Raised Funds

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
Donations	182,711	36,200	176,394	142,711	(3,800)	136,394
Fundraising	30,318	26,000	30,238	30,318	26,000	30,238
Bequests & Grants	41,551	13,460	-	41,551	13,460	-
Other Revenue	91,279	37,968	40,126	207,098	148,968	140,378
Trading	4,401	2,000	7,685	4,401	2,000	7,685
Activities	150,083	35,500	172,192	150,083	35,500	172,192
	500,343	151,128	426,635	576,162	222,128	486,887
Expenses						
Activities	141,848	13,100	152,834	141,848	13,100	152,834
Trading	512	1,000	3,869	512	1,000	3,869
Other Locally Raised Funds Expenditure	-	-	2,825	48,544	48,020	53,531
	142,360	14,100	159,528	190,904	62,120	210,234
<i>Surplus for the year Locally raised funds</i>	357,983	137,028	267,107	385,258	160,008	276,653

4. Hostel Revenue and Expenses

	2019 Actual Number	School 2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	Group 2019 Budget (Unaudited) Number	2018 Actual Number
Hostel Financial Performance						
Hostel Full Boarders	28	23	23	28	23	23
	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
Hostel Fees	261,310	266,113	565,636	261,310	266,113	565,636
Other Revenue	321,631	311,500	-	321,631	311,500	-
	582,941	577,613	565,636	582,941	577,613	565,636
Expenses						
Kitchen	-	-	38,272	-	-	38,272
Extra Curricular/Activities	41,202	40,000	42,774	41,202	40,000	42,774
Administration	29,000	20,000	23,328	29,000	20,000	23,328
Property	390,903	366,838	332,951	316,903	292,838	258,951
Employee Benefit - Salaries	100,477	100,350	85,172	100,477	100,350	85,172
	561,582	527,188	522,497	487,582	453,188	448,497
<i>Surplus for the year Hostel</i>	21,359	50,425	43,139	95,359	124,425	117,139

5. International Student Revenue and Expenses

	2019 Actual Number	School 2019 Budget (Unaudited) Number	2018 Actual Number	2019 Actual Number	Group 2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	7	8	8	7	8	8

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Revenue						
International Student Fees	121,395	100,039	90,460	121,395	100,039	90,460
Expenses						
Recruitment	53,012	39,163	7,659	53,012	39,163	7,659
International Student Levy	2,973	2,190	2,573	2,973	2,190	2,573
Employee Benefit - Salaries	42,464	36,914	25,248	42,464	36,914	25,248
Other Expenses	-	-	27,016	-	-	27,016
	98,449	78,267	62,496	98,449	78,267	62,496
<i>Surplus for the year International Students</i>	22,946	21,772	27,964	22,946	21,772	27,964

The International Director travelled to Europe on a recruiting trip to visit agents and attend the 2019 Europe EXPO. The total cost was less than \$20,000 and was funded from the International Student programme.

6. Learning Resources

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	238,699	164,009	238,492	238,699	164,009	238,492
Information and Communication Technology	21,026	48,020	39,372	21,026	48,020	39,372
Extra-Curricular Activities	10,007	29,800	23,126	10,007	29,800	23,126
Library Resources	3,152	6,700	2,732	3,152	6,700	2,732
Employee Benefits - Salaries	3,724,378	4,123,571	3,543,043	3,724,378	4,123,571	3,543,043
Staff Development	43,529	39,000	41,733	43,529	39,000	41,733
	4,040,791	4,411,100	3,888,498	4,040,791	4,411,100	3,888,498

7. Administration

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,448	6,377	7,121	5,448	6,377	7,121
Board of Trustees Fees	3,205	3,500	4,250	3,205	3,500	4,250
Board of Trustees Expenses	3,524	500	2,002	3,524	500	2,002
Communication	19,179	14,000	14,347	19,179	14,000	14,347
Consumables	24,647	38,050	51,673	24,647	38,050	51,673
Other	38,081	42,450	38,356	38,081	42,450	38,356
Employee Benefits - Salaries	202,554	186,299	186,902	202,554	186,299	186,902
Insurance	33,812	32,000	32,861	33,812	32,000	32,861
Service Providers, Contractors and Consultancy	9,025	6,050	5,969	9,025	6,050	5,969
	339,475	329,226	343,481	339,475	329,226	343,481

8. Property

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	10,317	7,000	8,079	10,317	7,000	8,079
Consultancy and Contract Services	82,760	83,500	79,734	82,760	83,500	79,734
Cyclical Maintenance Provision	16,360	32,800	28,124	16,360	32,800	28,124
Grounds	23,136	20,800	23,750	23,136	20,800	23,750
Heat, Light and Water	70,896	74,250	71,064	70,896	74,250	71,064
Rates	2,184	1,500	1,258	2,184	1,500	1,258
Repairs and Maintenance	53,503	50,500	56,150	53,503	50,500	56,150
Use of Land and Buildings	1,520,799	1,118,681	1,480,253	1,520,799	1,118,681	1,480,253
Security	2,911	4,500	4,477	2,911	4,500	4,477
Employee Benefits - Salaries	49,069	53,205	68,874	49,069	53,205	68,874
	1,831,935	1,446,736	1,821,763	1,831,935	1,446,736	1,821,763

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



9. Depreciation

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Buildings - School	-	-	-	28,980	29,000	28,979
Building Improvements - Crown	20,412	20,000	20,824	20,412	20,000	20,824
Furniture and Equipment	28,671	20,000	26,102	39,799	28,000	33,464
Information and Communication Technology	10,114	9,500	14,522	10,114	9,500	14,522
Motor Vehicles	15,676	10,000	15,809	15,676	10,000	15,809
Leased Assets	83,413	40,000	56,088	83,413	40,000	56,088
Library Resources	878	500	493	878	500	493
	<u>159,164</u>	<u>100,000</u>	<u>133,838</u>	<u>199,272</u>	<u>137,000</u>	<u>170,179</u>

10. Cash and Cash Equivalents

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Cash on Hand	200	-	200	200	-	200
Bank Current Account	133,759	333,097	163,547	196,197	-	222,927
Bank Call Account	665,865	-	127,608	665,865	480,758	127,608
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	<u>799,824</u>	<u>333,097</u>	<u>291,355</u>	<u>862,262</u>	<u>480,758</u>	<u>350,735</u>

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

Of the \$862,262 Cash and Cash Equivalents, \$408,383 is held by the Group on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned group buildings under the Group's Five Year Property Plan.

Of the \$862,262 Cash and Cash Equivalents, \$2,937 is held by the School on behalf of the RTL B cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

Of the \$862,262 Cash and Cash Equivalents, \$30,275 is held by the School on behalf of the RTLit cluster. See note 22 for details of how the funding received for the cluster has been spent in the year.

Of the \$862,262 Cash and Cash Equivalents, \$13,795 is held by the School on behalf of the Alt Ed Consort cluster. See note 23 for details of how the funding received for the cluster has been spent in the year.

Of the \$862,262 Cash and Cash Equivalents, \$11,428 is held by the School on behalf of the Central Otago Youth Employment cluster. See note 24 for details of how the funding received for the cluster has been spent in the year.

Of the \$862,262 Cash and Cash Equivalents, \$4,168 is held by the Group for Funds held in Trust. See note 19.

11. Accounts Receivable

	2019	School 2019 Budget	2018	2019	Group 2019 Budget	2018
	Actual	(Unaudited)	Actual	Actual	(Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Receivables	228,303	17,662	17,662	228,303	17,662	17,662
Receivables from the Ministry of Education	14,366	-	-	14,366	-	-
Interest Receivable	3,916	3,264	3,264	5,142	4,486	4,486
Teacher Salaries Grant Receivable	313,953	283,515	283,515	313,953	283,515	283,515
	<u>560,538</u>	<u>304,441</u>	<u>304,441</u>	<u>561,764</u>	<u>305,663</u>	<u>305,663</u>
Receivables from Exchange Transactions	232,219	20,926	20,926	233,445	22,148	22,148
Receivables from Non-Exchange Transactions	328,319	283,515	283,515	328,319	283,515	283,515
	<u>560,538</u>	<u>304,441</u>	<u>304,441</u>	<u>561,764</u>	<u>305,663</u>	<u>305,663</u>



12. Investments

The Group and School's investment's are classified as follows:

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset						
Short-term Bank Deposits	192,534	239,453	239,453	271,944	316,214	316,214
	192,534	239,453	239,453	271,944	316,214	316,214
Total Investments	192,534	239,453	239,453	271,944	316,214	316,214

13. Property, Plant and Equipment

GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land and Buildings - Trust	1,008,906	-	-	-	(28,980)	979,926
Building Improvements	627,595	1,712	-	-	(20,412)	608,895
Furniture and Equipment	339,881	92,217	-	-	(39,799)	392,299
Information and Communication	28,663	-	-	-	(10,114)	18,549
Motor Vehicles	85,484	-	-	-	(15,676)	69,808
Leased Assets	71,101	171,946	-	-	(83,413)	159,634
Library Resources	3,451	4,148	(574)	-	(878)	6,147
Balance at 31 December 2019	2,165,081	270,023	(574)	-	(199,272)	2,235,258

GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land and Buildings - Trust	1,448,968	(469,042)	979,926
Building Improvements	908,241	(299,346)	608,895
Furniture and Equipment	846,893	(454,594)	392,299
Information and Communication	312,759	(294,210)	18,549
Motor Vehicles	191,391	(121,583)	69,808
Leased Assets	288,361	(128,727)	159,634
Library Resources	51,420	(45,273)	6,147
Balance at 31 December 2019	4,048,033	(1,812,775)	2,235,258

The net carrying value of equipment held under a finance lease is \$159,634 (2018: \$71,101)

GROUP

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Land and Buildings - Trust	1,037,885	-	-	-	(28,979)	1,008,906
Building Improvements	648,419	-	-	-	(20,824)	627,595
Furniture and Equipment	231,166	142,179	-	-	(33,464)	339,881
Information and Communication	33,089	10,096	-	-	(14,522)	28,663
Motor Vehicles	94,744	6,549	-	-	(15,809)	85,484
Leased Assets	66,125	61,064	-	-	(56,088)	71,101
Library Resources	927	3,017	-	-	(493)	3,451
Work in Progress	62,285	(62,285)	-	-	-	-
Balance at 31 December 2018	2,174,640	160,620	-	-	(170,179)	2,165,081

GROUP

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Land and Buildings - Trust	1,448,968	(440,062)	1,008,906
Building Improvements	906,529	(278,934)	627,595
Furniture and Equipment	754,673	(414,792)	339,881
Information and Communication Technology	312,759	(284,096)	28,663
Motor Vehicles	191,392	(105,908)	85,484
Leased Assets	172,867	(101,766)	71,101
Library Resources	56,710	(53,259)	3,451
Balance at 31 December 2018	3,843,898	(1,678,817)	2,165,081

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	627,595	1,712	-	-	(20,412)	608,895
Furniture and Equipment	239,848	36,265	-	-	(28,671)	247,442
Information and Communication Technology	28,663	-	-	-	(10,114)	18,549
Motor Vehicles	85,484	-	-	-	(15,676)	69,808
Leased Assets	71,101	171,946	-	-	(83,413)	159,634
Library Resources	3,451	4,148	(574)	-	(878)	6,147
Balance at 31 December 2019	1,056,142	214,071	(574)	-	(159,164)	1,110,475

Accumulated Depreciation

SCHOOL	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	908,241	(299,346)	608,895
Furniture and Equipment	683,545	(436,103)	247,442
Information and Communication Technology	312,759	(294,210)	18,549
Motor Vehicles	191,391	(121,583)	69,808
Leased Assets	288,361	(128,727)	159,634
Library Resources	51,420	(45,273)	6,147
Balance at 31 December 2019	2,435,717	(1,325,242)	1,110,475

The net carrying value of equipment held under a finance lease is \$159,634 (2018: \$71,101)

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	648,419	-	-	-	(20,824)	627,595
Furniture and Equipment	231,166	34,784	-	-	(26,102)	239,848
Information and Communication Technology	33,089	10,096	-	-	(14,522)	28,663
Motor Vehicles	94,744	6,549	-	-	(15,809)	85,484
Leased Assets	66,125	61,064	-	-	(56,088)	71,101
Library Resources	927	3,017	-	-	(493)	3,451
Balance at 31 December 2018	1,074,470	115,510	-	-	(133,838)	1,056,142

Accumulated Depreciation

SCHOOL	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	906,529	(278,934)	627,595
Furniture and Equipment	647,278	(407,430)	239,848
Information and Communication Technology	312,759	(284,096)	28,663
Motor Vehicles	191,392	(105,908)	85,484
Leased Assets	172,867	(101,766)	71,101
Library Resources	56,710	(53,259)	3,451
Balance at 31 December 2018	2,287,535	(1,231,393)	1,056,142

14. Accounts Payable

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	65,042	48,324	48,324	69,206	48,324	48,324
Accruals	7,334	8,189	8,189	8,364	9,339	9,339
Banking Staffing Overuse	-	7,343	7,343	-	7,343	7,343
Employee Entitlements - Salaries	318,911	304,320	304,320	318,911	304,320	304,320
Employee Entitlements - Leave Accrual	33,853	25,163	25,163	33,853	25,163	25,163
	425,140	393,339	393,339	430,334	394,489	394,489
Payables for Exchange Transactions	425,140	393,339	393,339	430,334	394,489	394,489
	425,140	393,339	393,339	430,334	394,489	394,489

The carrying value of payables approximates their fair value.

15. Borrowings

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Due in One Year	-	-	-	27,162	27,162	27,162
Due Beyond One Year	-	-	-	153,036	183,654	183,654
	-	-	-	180,198	210,816	210,816

The Group has borrowings at 31 December 2019 of \$180,198 (31 December 2018 \$ 210,816). This loan is from the Central Otago District Council and is secured by a mortgage over the Cromwell College Charitable Trust property. The loan had a term of 20 years from 1 February 2005 with interest currently at 5.84%. The property has a quotable value of \$3,120,000 (QV dated 1 Sep 2016).



16. Revenue Received in Advance

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	-	-	-	-	-	-
International Student Fees	161,592	165,817	165,817	161,592	165,817	165,817
Other	84,794	55,450	55,450	84,794	55,450	55,450
	<u>246,386</u>	<u>221,267</u>	<u>221,267</u>	<u>246,386</u>	<u>221,267</u>	<u>221,267</u>

17. Provision for Cyclical Maintenance

	2019 Actual \$	School and Group 2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	182,817	182,817	187,503
Increase/ (decrease) to the Provision During the Year	16,360	-	28,124
Use of the Provision During the Year	(32,018)	-	(32,810)
	<u>167,159</u>	<u>182,817</u>	<u>182,817</u>
Cyclical Maintenance - Current	18,382	36,477	36,477
Cyclical Maintenance - Term	148,777	146,340	146,340
	<u>167,159</u>	<u>182,817</u>	<u>182,817</u>

18. Finance Lease Liability

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	81,265	54,998	54,998	81,265	54,998	54,998
Later than One Year and no Later than Five Years	79,026	35,178	35,178	79,026	35,178	35,178
	<u>160,291</u>	<u>90,176</u>	<u>90,176</u>	<u>160,291</u>	<u>90,176</u>	<u>90,176</u>

19. Funds held in Trust

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	4,168	4,168	4,168	4,168	4,168	4,168
	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>

These funds relate to arrangements where the school is acting as agent and therefore these are not included in the Consolidated Statement of Comprehensive Revenue and Expense.

20. Funds Held for Capital Works Projects

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

School and GROUP

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
B Block refurbishment	Completed	53,922	72,551	126,473	-	-
Science Lab upgrade	Completed	(37,156)	38,864	1,708	-	-
Boiler replacement	In Progress	(28,404)	1,081,910	645,123	-	408,383
Boiler bunker door	Completed	3,729	-	3,729	-	-
Water damage	Completed	366	-	366	-	-
Classroom Prototyping	In Progress	-	157,190	-	-	157,190
Air Conditioning	Completed	-	16,648	16,648	-	-
Lighting and access	Completed	-	15,842	16,816	(974)	-
Totals		<u>(7,543)</u>	<u>1,383,005</u>	<u>810,863</u>	<u>(974)</u>	<u>565,573</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	565,573
	<u>565,573</u>

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
		\$	\$	\$		\$
B Block refurbishment	In Progress	304,538	234,000	484,616	-	53,922
3rd classroom & toilet blk	Completed	(73,483)	88,025	14,542	-	-
Science Lab upgrade	In Progress	2,906	-	40,062	-	(37,156)
Boiler replacement	In Progress	(5,260)	-	23,144	-	(28,404)
Boiler bunker door	In Progress	7,718	-	3,989	-	3,729
Admin carpet upgrade	Completed	22,393	-	22,393	-	-
Water damage	In Progress	-	8,936	8,570	-	366
Library airconditioning	Completed	-	16,872	16,872	-	-
Music suite lighting	Completed	-	1,062	900	162	-
Totals		258,812	348,895	615,088	162	(7,543)

21. Funds for RTLB Services

Cromwell College is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

School and GROUP	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	37,277	37,277	38,517
<i>Revenue</i>			
Teachers' Salary Grant	1,073,961	-	984,582
Administration Grant	36,453	-	47,383
Learning Support Funding	66,729	-	57,963
Year 11-13 Funding	-	-	-
Travel Grant	67,127	-	63,584
Other Revenue	58	-	76
	1,244,328	-	1,153,588
Total funds available	1,281,605	37,277	1,192,105
<i>Expenses</i>			
Employee Benefit - Salaries	1,129,137	-	1,026,996
Administration	44,237	-	54,171
Learning Support	17,341	-	7,228
Year 11-13	-	-	1,389
Travel	60,431	-	61,254
Other Expenses	27,522	-	3,790
	1,278,668	-	1,154,828
Purchase of Assets	-	-	-
Funds Held at Year End	2,937	37,277	37,277

22. Funds Held on Behalf of RTLit Cluster

Cromwell College is the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry.

School and GROUP	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	24,958	24,958	26,691
Funds Received from MoE	18,660	-	16,019
Total funds received	43,618	24,958	42,710
Funds Spent on Behalf of the Cluster	13,343	-	17,752
Funds Held at Year End	30,275	24,958	24,958

23. Funds Held on Behalf of Alt Ed Consort Cluster

Cromwell College is the lead school and holds funds on behalf of the Alt Ed Consort cluster, a group of schools funded by the Ministry.

School and GROUP	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	23,888	23,888	17,304
Funds Received from MoE	114,063	-	110,201
Total funds received	137,951	23,888	127,505
Funds Spent on Behalf of the Cluster	124,156	-	103,617
Funds Held at Year End	13,795	23,888	23,888

24. Funds Held on Behalf of Central Otago Youth Employment Cluster

Cromwell College is the lead school and holds funds on behalf of the Central Otago Youth Employment cluster, a group of schools funded by the Central Lakes Trust.

School and GROUP	2019	2019	2018
	Actual \$	Budget (Unaudited) \$	Actual \$
Funds Held at Beginning of the Year	13,393	13,393	-
Funds Received from Cluster Members	58,254	-	50,000
Total funds received	<u>71,647</u>	<u>13,393</u>	<u>50,000</u>
Funds Spent on Behalf of the Cluster	60,219	-	36,607
Funds Held at Year End	<u>11,428</u>	<u>13,393</u>	<u>13,393</u>

25. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group 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 Group 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 Group 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.

26. Remuneration

Key management personnel compensation (School and Group)

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

	2019	2018
	Actual \$	Actual \$
<i>Board Members - School</i>		
Remuneration	3,205	4,250
Full-time equivalent members	0.20	0.17
<i>Leadership Team</i>		
Remuneration	543,827	532,413
Full-time equivalent members	5	5.00
Total key management personnel remuneration	<u>547,032</u>	<u>536,663</u>
Total full-time equivalent personnel	<u>5.20</u>	<u>5.17</u>

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

Principal

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

	2019	2018
	Actual \$000	Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	20 - 30	10 - 20
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2019	2018
	FTE Number	FTE Number
100 - 110	3.00	2.00
110 - 120	1.00	-
	<u>4.00</u>	<u>2.00</u>

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

27. 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:

School and GROUP	2019	2018
	Actual	Actual
Total	-	-
Number of People	-	-

28. 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.

29. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works::

(Capital commitments at 31 December 2018: \$nil)

(b) Operating Commitments School and GROUP

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

(a) operating lease of IT equipment and leases on five vehicles:

	2019 Actual \$	2018 Actual \$
No later than One Year	8,494	43,287
Later than One Year and No Later than Five Years	7,993	-
	16,487	43,287

30. Managing Capital

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

Breakdown of equity and further information

	Actual 2019 \$	School Budget (Unaudited) 2019 \$	Actual 2018 \$	Actual 2019 \$	Group Budget (Unaudited) 2019 \$	Actual 2018 \$
Accumulated surplus/(deficit)						
Balance at 1 January	1,004,959	1,004,959	1,012,613	2,048,168	2,048,168	2,019,102
Furniture & Equipment grant	33,256	-	-	33,256	-	-
Surplus/(deficit) for the year	103,701	(58,258)	(7,654)	156,195	(6,977)	29,066
Balance 31 December	1,141,916	946,701	1,004,959	2,237,619	2,041,191	2,048,168
Total equity	1,141,916	946,701	1,004,959	2,237,619	2,041,191	2,048,168

31. Financial Instruments

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

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

	2019 Actual \$	School 2019 Budget (Unaudited) \$	2018 Actual \$	2019 Actual \$	Group 2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	799,824	333,097	291,355	862,262	480,758	350,735
Receivables	560,538	304,441	304,441	561,764	305,663	305,663
Investments - Term Deposits	192,534	239,453	239,453	271,944	316,214	316,214
Total Financial Assets Measured at Amortised Cost	1,552,896	876,991	835,249	1,695,970	1,102,635	972,612
Financial liabilities measured at amortised cost						
Payables	425,140	393,339	393,339	430,334	394,489	394,489
Finance Leases	156,844	83,861	83,861	156,844	83,861	83,861
Total Financial Liabilities Measured at Amortised Cost	581,984	477,200	477,200	767,376	689,166	689,166

32. Investment in Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Value of investment \$000	
			2019	2018	2019	2018
Cromwell College Charitable Trust	Supporting education	Cromwell, New Zealand	100%	100%	1,096.00	1,043.00

All subsidiaries have 31 December balance dates, are 100% owned by the School, and are incorporated and domiciled in New Zealand.

The School controls the Trust for financial reporting purposes because, in substance, the Institute predetermined the objectives of the Trust at establishment and benefits from the Trust's complementary activities.

The Trust is a registered charity. Under its constitution, the company is prohibited from paying dividends (or similar distributions) to the School.

Cromwell College Charitable Trust

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Revenue			
Rent received from Cromwell College	74,000	74,000	74,000
Bunkroom receipts	115,819	111,000	100,252
Interest received	2,826	2,800	2,771
	<u>192,645</u>	<u>187,800</u>	<u>177,023</u>
Expenditure			
Loan interest	11,499	11,499	13,256
Administration	1,285	1,520	1,251
Insurance	24,397	23,000	21,484
Rates	10,210	10,000	9,831
Grants to Cromwell College	40,000	40,000	40,000
Repairs and maintenance	12,652	13,500	18,140
Depreciation	40,108	37,000	36,342
	<u>140,151</u>	<u>136,519</u>	<u>140,304</u>
Net Surplus	<u>52,494</u>	<u>51,281</u>	<u>36,719</u>
Current Assets			
Cash and equivalents	62,438	73,499	59,380
Investments (Short term bank deposits)	79,410	76,762	76,762
Income accrued	1,226	1,222	1,222
Prepayments	17,248	15,238	15,238
	<u>160,322</u>	<u>166,721</u>	<u>152,602</u>
Current Liabilities			
Accounts payable	4,164	-	-
Accrued expenses	1,030	1,150	1,150
Term loan - current portion	27,162	27,162	27,162
GST Payable	4,010	6,365	6,365
	<u>36,366</u>	<u>34,677</u>	<u>34,677</u>
Working Capital	<u>123,956</u>	<u>132,044</u>	<u>117,925</u>
Non Current Assets			
Fixed Assets - Land, Buildings and Work in Progress			
Opening balance	1,108,938	1,108,938	1,100,169
Add current year additions	55,953	47,000	45,111
Less depreciation	(40,108)	(37,000)	(36,342)
Closing balance	<u>1,124,783</u>	<u>1,118,938</u>	<u>1,108,938</u>
Non Current Liabilities			
Loans			
Opening balance	210,816	210,816	239,678
Less repayments	(30,618)	(27,162)	(28,862)
Less current portion	(27,162)	(27,162)	(27,162)
	<u>153,036</u>	<u>156,492</u>	<u>183,654</u>
Net Assets	<u>1,095,703</u>	<u>1,094,490</u>	<u>1,043,209</u>

33. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26th 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 until 18 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- A reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely

34. 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:

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.

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

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