

JOHN McGLASHAN COLLEGE
BOARD OF TRUSTEES

ANNUAL REPORT

&

FINANCIAL STATEMENTS

For the year ended 31 December 2018

School Number: 387

2 Pilkington Street
Maori Hill
Dunedin 9010

Phone: 03 467 6620

Email: admin@mcglashan.school.nz

JOHN McGLASHAN COLLEGE

BOARD OF TRUSTEES

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John McGlashan College

Statement of Responsibility

For the year ended 31 December 2018

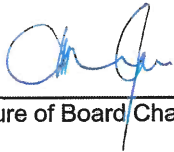
The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Tim Hannagan

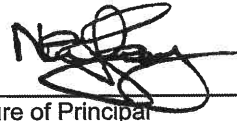


Signature of Board Chairperson

29 May 2019

Date:

Neil Garry



Signature of Principal

29 May 2019

Date:

John McGlashan College
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,339,581	4,251,400	4,317,207
Locally Raised Funds	3	358,716	110,100	498,421
Use of Land and Buildings Integrated		2,128,621	1,862,600	2,128,621
Interest Earned		14,686	10,300	20,974
Gain on Sale of Property, Plant and Equipment		-	-	346
International Students	4	763,710	664,700	602,895
		<u>7,605,314</u>	<u>6,899,100</u>	<u>7,568,464</u>
Expenses				
Locally Raised Funds	3	59,690	60,700	43,685
International Students	4	270,742	283,600	234,656
Learning Resources	5	4,052,812	4,139,000	4,145,103
Administration	6	362,390	353,500	374,600
Finance		10,452	-	9,793
Property	7	2,564,384	2,279,900	2,563,185
Depreciation	8	175,915	133,400	159,749
Loss on Disposal of Property, Plant and Equipment		8,392	-	13,069
		<u>7,504,777</u>	<u>7,250,100</u>	<u>7,543,840</u>
Net Surplus / (Deficit) for the year		100,537	(351,000)	24,624
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>100,537</u>	<u>(351,000)</u>	<u>24,624</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

John McGlashan College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	502,905	502,905	478,281
Total comprehensive revenue and expense for the year	100,537	(351,000)	24,624
Equity at 31 December	603,442	151,905	502,905
Retained Earnings	603,442	151,905	502,905
Equity at 31 December	603,442	151,905	502,905

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



John McGlashan College Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	686,548	542,105	282,777
Accounts Receivable	10	527,267	320,000	260,080
Prepayments		9,563	5,000	1,992
Inventories	11	3,919	5,000	5,507
Investments	12	-	-	708,533
		<u>1,227,297</u>	<u>872,105</u>	<u>1,258,889</u>
Current Liabilities				
GST Payable		31,577	30,000	45,514
Accounts Payable	14	434,506	458,500	387,458
Revenue Received in Advance	15	607,162	691,500	793,339
Provision for Cyclical Maintenance	16	5,000	5,000	5,000
Finance Lease Liability - Current Portion	17	50,337	50,000	53,533
		<u>1,128,582</u>	<u>1,235,000</u>	<u>1,284,844</u>
Working Capital Surplus/(Deficit)		98,715	(362,895)	(25,955)
Non-current Assets				
Property, Plant and Equipment	13	558,368	570,000	585,215
		<u>558,368</u>	<u>570,000</u>	<u>585,215</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	20,200	20,200	20,200
Finance Lease Liability	17	33,441	35,000	36,155
		<u>53,641</u>	<u>55,200</u>	<u>56,355</u>
Net Assets		<u>603,442</u>	<u>151,905</u>	<u>502,905</u>
Equity		<u>603,442</u>	<u>151,905</u>	<u>502,905</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



John McGlashan College
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,053,819	1,012,800	1,004,473
Locally Raised Funds		166,133	100,100	458,998
International Students		577,533	770,553	776,813
Goods and Services Tax (net)		(13,937)	30,000	45,850
Payments to Employees		(944,837)	(872,900)	(1,015,324)
Payments to Suppliers		(991,204)	(1,004,100)	(1,049,639)
Interest Paid		(10,452)	-	(9,794)
Interest Received		21,550	10,300	17,771
Net cash from / (to) the Operating Activities		(141,395)	46,753	229,148
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(3,390)	-	470
Purchase of PPE (and Intangibles)		(102,882)	(100,000)	(110,561)
Purchase of Investments		-	-	(408,533)
Proceeds from Sale of Investments		708,533	-	-
Net cash from / (to) the Investing Activities		602,261	(100,000)	(518,624)
Cash flows from Financing Activities				
Finance Lease Payments		(57,095)	(4,648)	(40,591)
Net cash from Financing Activities		(57,095)	(4,648)	(40,591)
Net increase/(decrease) in cash and cash equivalents		403,771	(57,895)	(330,067)
Cash and cash equivalents at the beginning of the year	9	282,777	600,000	612,844
Cash and cash equivalents at the end of the year	9	686,548	542,105	282,777

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

John McGlashan College

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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



Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

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

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

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to

collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

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 Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

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 School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the 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 school may incur on sale or other disposal.

The School 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 Proprietor 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 Proprietor 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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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:

Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years



Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) 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.

o) Revenue Received in Advance

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

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

p) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "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 School'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.

r) 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.

s) Budget Figures

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

t) 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.

u) New standards adopted in the current period**PBE IFRS 9 Financial Instruments**

The School has early adopted PBE IFRS 9 Financial Instruments from the year ended 31 December 2018 (although not mandatory until periods beginning on or after 1 January 2022). This accounting standard introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting. The Board of Trustees is of the view that there is no material impact to the recognition or measurement of financial instruments and disclosure of the school's financial assets and liabilities for the current period and each prior period presented.

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	988,360	981,800	968,539
Teachers' salaries grants	3,220,714	3,178,600	3,257,254
Resource teachers learning and behaviour grants	800	2,500	2,500
Other MoE Grants	67,398	38,200	43,288
Other government grants	62,309	50,300	45,626
	<u>4,339,581</u>	<u>4,251,400</u>	<u>4,317,207</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	247,355	10,000	376,355
Activities	34,274	35,100	31,416
Fundraising	37,610	60,000	65,954
Other Revenue	39,477	5,000	24,696
	<u>358,716</u>	<u>110,100</u>	<u>498,421</u>
Expenses			
Activities	14,820	15,700	13,377
Fundraising costs	44,871	45,000	30,308
	<u>59,690</u>	<u>60,700</u>	<u>43,685</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>299,025</u>	<u>49,400</u>	<u>454,736</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	47	40	40
Revenue			
International student fees	763,710	664,700	602,895
Expenses			
Advertising	44,187	51,400	29,417
Commissions	53,627	60,000	41,040
International student levy	32,186	30,800	27,823
Employee Benefit - Salaries	140,743	141,400	136,376
	<u>270,742</u>	<u>283,600</u>	<u>234,656</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>492,968</u>	<u>381,100</u>	<u>368,239</u>

5. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	73,795	82,700	64,282
Equipment repairs	11,127	8,500	7,478
Information and communication technology	34,585	64,300	35,197
Extra-curricular activities	93,502	140,400	122,636
Library resources	6,170	21,500	6,959
Employee benefits - salaries	3,769,373	3,738,600	3,863,931
Staff development - New Zealand	48,304	83,000	44,620
Staff development - Overseas	15,956	-	-
	<u>4,052,812</u>	<u>4,139,000</u>	<u>4,145,103</u>

Staff Development – Overseas expenditure of \$15,956 comprises two members of the senior management team attending an International Boys' Schools Conference in Australia and four International Baccalaureate teachers attending training programmes not available to them in New Zealand. All overseas travel expenditure was funded by International Student Revenue.

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,236	4,300	3,538
Board of Trustees Fees	5,845	6,800	5,260
Board of Trustees Expenses	4,155	6,000	4,254
Communication	29,331	32,900	36,515
Consumables	44,971	58,300	34,796
Legal Fees	6,822	10,000	18,453
Other	40,225	41,300	47,826
Employee Benefits - Salaries	194,133	184,900	216,196
Insurance	3,812	2,600	2,692
Service Providers, Contractors and Consultancy	28,860	6,400	5,070
	<u>362,390</u>	<u>353,500</u>	<u>374,600</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	32,969	28,800	29,896
Consultancy and Contract Services	127,775	131,700	128,499
Heat, Light and Water	100,906	98,200	94,803
Repairs and Maintenance	115,989	107,000	131,064
Use of Land and Buildings	2,128,621	1,862,600	2,128,621
Employee Benefits - Salaries	58,124	51,600	50,302
	<u>2,564,384</u>	<u>2,279,900</u>	<u>2,563,185</u>

8. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	77,796	85,300	71,825
Information and Communication Technology	34,887	23,500	37,676
Leased Assets	53,643	-	40,935
Library Resources	9,589	24,600	9,313
	<u>175,915</u>	<u>133,400</u>	<u>159,749</u>

9. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	610	-	527
Bank Current Account	235,818	150,000	229,053
Bank Call Account	450,120	392,105	53,197
Cash and cash equivalents for Cash Flow Statement	<u>686,548</u>	<u>542,105</u>	<u>282,777</u>

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

Of the \$686,548 Cash and Cash Equivalents, \$607,162 of unspent international student fees is held by the School. These fees are subject to the Fees Protection Policy.

10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	232,989	10,000	40,406
Receivables from the Ministry of Education	60,351	60,000	(4,696)
Interest Receivable	-	-	6,866
Teacher Salaries Grant Receivable	233,927	250,000	217,504
	<u>527,267</u>	<u>320,000</u>	<u>260,080</u>
Receivables from Exchange Transactions	232,989	10,000	47,272
Receivables from Non-Exchange Transactions	294,278	310,000	212,808
	<u>527,267</u>	<u>320,000</u>	<u>260,080</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	3,919	5,000	5,507
	<u>3,919</u>	<u>5,000</u>	<u>5,507</u>

12. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	-	-	708,533
Non-current Asset			
Long-term Bank Deposits	-	-	-



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Furniture and Equipment	355,379	78,942			(77,796)	356,525
Information and Communication	85,109	7,421			(34,887)	57,643
Motor Vehicles	-				-	-
Leased Assets	79,540	51,185			(53,643)	77,082
Library Resources	65,187	19,912	(8,392)		(9,589)	67,118
Balance at 31 December 2018	585,215	157,460	(8,392)	-	(175,915)	558,368

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Furniture and Equipment	948,713	(592,189)	356,524
Information and Communication	383,768	(326,126)	57,642
Motor Vehicles	11,212	(11,212)	-
Leased Assets	257,434	(180,352)	77,082
Library Resources	166,368	(99,248)	67,120
Balance at 31 December 2018	1,767,495	(1,209,127)	558,368

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture and Equipment	370,616	56,588	-	-	(71,825)	355,379
Information and Communication Technology	101,685	21,099	-	-	(37,676)	85,108
Motor Vehicles	-	-	-	-	-	-
Leased Assets	110,237	10,238	-	-	(40,935)	79,540
Library Resources	54,819	54,000	(34,318)	-	(9,313)	65,188
Balance at 31 December 2017	637,357	141,925	(34,318)	-	(159,749)	585,215

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture and Equipment	869,772	(514,393)	355,379
Information and Communication Technology	377,703	(292,594)	85,109
Motor Vehicles	11,212	(11,212)	-
Leased Assets	206,249	(126,709)	79,540
Library Resources	168,094	(102,907)	65,187
Balance at 31 December 2017	1,633,030	(1,047,815)	585,215



14. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	42,861	48,500	67,691
Accruals	91,851	95,000	33,218
Employee Entitlements - salaries	229,224	240,000	212,959
Employee Entitlements - leave accrual	70,569	75,000	73,590
	<u>434,506</u>	<u>458,500</u>	<u>387,458</u>
Payables for Exchange Transactions	434,506	458,500	387,458
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	<u>434,506</u>	<u>458,500</u>	<u>387,458</u>

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	607,162	691,500	793,339
	<u>607,162</u>	<u>691,500</u>	<u>793,339</u>

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	25,200	25,200	25,200
Increase/ (decrease) to the Provision During the Year	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>25,200</u>	<u>25,200</u>	<u>25,200</u>
Cyclical Maintenance - Current	5,000	5,000	5,000
Cyclical Maintenance - Term	20,200	20,200	20,200
	<u>25,200</u>	<u>25,200</u>	<u>25,200</u>

17. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	46,470	50,000	53,533
Later than One Year and no Later than Five Years	22,034	35,000	36,155
	<u>68,504</u>	<u>85,000</u>	<u>89,688</u>



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.

The Proprietor of the School, John McGlashan Presbyterian College Inc, is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

The School and Proprietor have in place a current account for inter-entity transactions which are repaid on a monthly basis. The balance of the current account at 31 December 2018 was a receivable to the School of \$209,653 (2017: \$39,227 receivable). Additionally, during the year the Proprietor provided for a one off \$217,600 donation to the School.

19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	5,845	5,260
Full-time equivalent members	0.1	0.1
<i>Leadership Team</i>		
Remuneration	430,112	562,329
Full-time equivalent members	3.5	5
Total key management personnel remuneration	435,957	567,589
Total full-time equivalent personnel	3.60	5.10

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	10 - 20	10 - 20
Termination Benefits	-	-



Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	1.00	3.00
110 - 120	1.00	0.00
	<u>2.00</u>	<u>3.00</u>

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:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

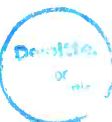
(a) Capital Commitments

As at 31 December 2018 the Board has no capital commitments

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has no operating commitments



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:

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	686,548	542,105	282,777
Receivables	527,267	320,000	260,080
Investments - Term Deposits	-	-	708,533
Total Loans and Receivables	<u>1,213,815</u>	<u>862,105</u>	<u>1,251,390</u>

Financial liabilities measured at amortised cost

Payables	434,506	458,500	387,458
Borrowings - Loans	-	-	-
Finance Leases	83,778	85,000	89,688
Total Financial Liabilities Measured at Amortised Cost	<u>518,283</u>	<u>543,500</u>	<u>477,146</u>

25. Events After Balance Date

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF JOHN MCGLASHAN COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of John McGlashan College (the College). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the College on his behalf.

Opinion

We have audited the financial statements of the College on pages 2 to 18, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the College:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 29 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

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

In preparing the financial statements, the Board of Trustees is responsible on behalf of the College for assessing the College's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the College, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the College's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. Other Information has not been received by the auditor at the date the audit report is signed. Other information does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the College in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the College.



Mike Hawken
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand

JOHN McGLASHAN COLLEGE

Members of the Board of Trustees

Name	Position	How position on Board Gained	Occupation	Term Expires
Mrs A Anderson	Staff Rep	elected Jun 2016	Teacher	May 2019
Mrs L Brook	Parent Rep	appointed Nov 2017	Research Manager	May 2019
Mr T Chirnside	Student Rep	elected Sep 2018	Student	Sept 2019
Mrs V Farrow	Parent Rep	appointed Nov 2017	Lawyer	May 2019
Mr N Garry	Principal	appointed Jan 2014	Principal	
Mr D Grey	Parent Rep	elected Mar 2018	Director	May 2019
Mr T Hannagan	Parent Rep	elected Jun 2016	Director	May 2019
Ms N Ingram	Parent Rep	elected Mar 2018	Senior Lecturer	May 2019
Mr W Paterson	Student Rep	elected Sep 2017	Student	Sept 2018

Proprietors Representatives

Mr J R H Anderson	Prop Rep	appointed May 2001	Retired Farmer	retired Aug 2018
Mr J Bell	Prop Rep	appointed Aug 2015	Farmer	confirmed annually
Mr D Ford	Prop Rep	appointed May 2016	Director	confirmed annually
Mrs R Johnston	Prop Rep	appointed Sep 2018	Accountant	confirmed annually
Mrs T Paterson	Prop Rep	appointed Sep 2018	Farmer	confirmed annually
Mrs D Sangster	Prop Rep	appointed Apr 2014	Farmer	retired Aug 2018

Analysis of Variance

Report on 2018 Targets

Senior Student Examination Results for Year 11

The primary target in Year 11 is to have this school's results (in percentages, for NCEA level 1) exceed the mean results for:

- A. decile 10 boys' schools,
- B. decile 10, all schools and
- C. decile 10 boys in all schools.

This is to be achieved in each of the following categories for NCEA level 1 Endorsement: % Merit or Excellence; % Excellence.

	JMC					
2018	2018	2017	2016	National Decile: 10 Gender: Boys Schools: Boys	National Decile: 10 Gender: Boys/Girls Schools: ALL	National Decile: 10 Gender: Boys Schools: ALL
NCEA Lvl 1	93.8	98.9	99.0	91.4 Achieved	80.8 Achieved	76.9 Achieved
M+E Endors.	65.8	78.6	72.7	71.3 Not Achieved	78.0 Not Achieved	67.7 Not Achieved
E Endors.	32.9	39.3	30.3	30.7 Achieved	36.4 Not Achieved	27.1 Achieved

The secondary targets in Year 11 are to:

1. Ensure that the % of regular students in Year 11 gaining (level 1) literacy and numeracy exceeds that of Decile 10 Boys schools.
 - % Level 1 Literacy: 99% **Achieved** (Decile 10 Boys 98%)
 - % Level 1 Numeracy: 98% **Achieved** (Decile 10 Boys 97%)
2. Have a mean grade point average (GPA) exceed 50 and a mean credit total exceed 120.
 - Level 1 mean GPA: 57 **Achieved**
 - Mean credit total: 113 **Not Achieved**
3. Ensure the number of Level 1 M & E endorsements exceed the predicted number from MidYIS target graphs.
 - Predicted Level 1 Excellence Endorsement: DATA NOT AVAILABLE
 - Actual Level 1 Excellence Endorsements: DATA NOT AVAILABLE
 - Predicted Lvl 1 Merit/Excel Endorsements: DATA NOT AVAILABLE
 - Actual Lvl 1 Merit/Excel Endorsements: DATA NOT AVAILABLE

Senior Student Examination Results for Year 12

The primary target in Year 12 is to have this school's results (in percentages, for NCEA level 2) exceed the mean results for:

- A. decile 10 boys' schools,
- B. decile 10, all schools and
- C. decile 10 boys in all schools.

This is to be achieved in each of the following categories for NCEA level 2 Endorsement: % Merit or Excellence; % Excellence.

2018	JMC			National Decile: 10 Gender: Boys Schools: Boys	National Decile 10 Gender: Boys/Girls Schools: ALL	National Decile 10 Gender: Boys Schools: ALL
	2018	2017	2016			
NCEA Lvl 2	98.9	98.9	100	90.0 Achieved	83.2 Achieved	79.8 Achieved
M+E Endors.	72.5	55.7	54.6	59.5 Achieved	63.8 Achieved	51.3 Achieved
Excl Endors.	28.9	19.0	25.3	25.6 Achieved	28.5 Achieved	20.2 Achieved
No Endors.	26.1	44.3	35.4	57.1	36.2	48.6

Senior Student Examination Results for Year 13

The primary target in Year 13 is to have this school's results (in percentages, for NCEA level 3) exceed the mean results for:

- A. decile 10 boys' schools,
- B. decile 10, all schools and
- C. decile 10 boys in all schools.

This is to be achieved in each of the following categories for NCEA level 3 Endorsement: % Merit or Excellence; % Excellence.

* JMC				National Decile: 10 Gender: Boys Schools: Boys	National Decile: 10 Gender: Boys/Girls Schools: ALL	National Decile: 10 Gender: Boys Schools: ALL	
	2018	2018	2017	2016			
NCEA Lvl 3		90.5	92.6	93.0	83.3 Achieved	78.8 Achieved	74.8 Achieved
M+E Endors.		36.5	52.3	51.0	52.2 Not Achieved	60.4 Not Achieved	49.8 Not Achieved
E Endors.		11.1	20.6	20.8	19.1 Not Achieved	23.4 Not Achieved	16.3 Not Achieved
No Endors.		53.5	47.6	23.3	48.0	39.6	50.2

** Data excludes Yr 13 IB students, significantly reducing likelihood of meeting targets.*

The secondary target in Year 13 is to:

1. Ensure that the % of boys gaining University Entrance to exceed that of Decile 10 boys schools nationally.
 - **74.6% (excluding IB)** **Achieved** (Decile 10: 72.3%)

International Baccalaureate

The primary targets for the IB students are:

1. To meet or exceed world-wide mean point score (average) for Nov 2017 for the 2018 for diploma candidates.
 - Mean points score 29 **Achieved** (IB average for Nov 2017: 29)
2. For 90%+ to gain automatic entry to University with diploma points in excess of 26.
 - % Gain Automatic Entry 65% **Not Achieved**

Years 9, 10 and 11

The primary target for the Year 9, 10 and 11 students is:

1. To ensure that the MIDYIS-based, **overall measure of “added value”** for the Year 11 cohort remains significantly above the mean “added value” scores for all schools in the survey.

- Mean added value: >2SD **Achieved ***

* Value added for 2017 indicates VA being two Standard Deviations (SD) above mean level for all schools in this survey.

JOHN McGLASHAN COLLEGE

Report on Contestable Funding

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2018, the school received total Kiwisport funding of \$11,123.77 (excluding GST). The funding was spent on the employment of a sports co-ordinator to maintain high participation rates.