

# ALBANY JUNIOR HIGH SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

<b>Ministry Number:</b>	6948
<b>Principal:</b>	Stephen Kendall-Jones
<b>School Address:</b>	19 Appleby Road, Albany, Auckland
<b>School Postal Address:</b>	P O Box 303269, North Harbour, Auckland, 0751
<b>School Phone:</b>	09 415 5473
<b>School Email:</b>	office@ajhs.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires/ Expired</b>
Jeff Stangl	Chairperson	Elected	Nov 2020
Lisa Compton	Chairperson	Elected	Jun 2022
Stephen Kendall-Jones	Principal	ex Officio	
Fran Dowson	Parent Rep	Elected	Jun 2022
Cristina Casey	Parent Rep	Elected	Mar 2021
Trish Ripi	Parent Rep	Co-opted	Jun 2022
Stuart Tabuteau	Parent Rep	Elected	Jun 2022
Gareth Juddery	Parent Rep	Elected	Nov 2023
Lindie du Toit	Parent Rep	Elected	May 2021
Lisa Lumsden	Staff Rep	Elected	Jun 2022

**Accountant / Service Provider:** Education Services Ltd

# ALBANY JUNIOR HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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# Albany Junior High School

## Statement of Responsibility

For the year ended 31 December 2020

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

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

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


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

LISA COMPTON  
Full Name of Board Chairperson

  
Signature of Board Chairperson

11/06/2021  
Date:

S KENDALL-JONES  
Full Name of Principal

  
Signature of Principal

11/06/2021  
Date:

**Albany Junior High School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	12,200,561	8,913,493	10,894,859
Locally Raised Funds	3	1,162,362	952,247	1,460,012
Interest income		3,306	9,119	9,108
Gain on Sale of Property, Plant and Equipment		392	-	-
International Students	4	723,790	1,031,433	1,001,116
Other Revenue		2,173	-	-
		<u>14,092,584</u>	<u>10,906,292</u>	<u>13,365,095</u>
<b>Expenses</b>				
Locally Raised Funds	3	443,522	198,719	630,192
International Students	4	185,475	233,762	383,206
Learning Resources	5	8,650,305	7,451,102	7,763,339
Administration	6	771,939	251,925	1,088,538
Finance		4,125	-	3,785
Property	7	3,540,744	2,710,738	3,565,351
Depreciation	8	139,886	105,833	134,059
		<u>13,735,996</u>	<u>10,952,079</u>	<u>13,568,470</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>356,588</b>	<b>(45,787)</b>	<b>(203,375)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>356,588</b></u>	<u><b>(45,787)</b></u>	<u><b>(203,375)</b></u>

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

**Albany Junior High School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>(172,453)</u>	<u>10,205</u>	<u>10,205</u>
Total comprehensive revenue and expense for the year		356,588	(45,787)	(203,375)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	20,717
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	24	<u>184,135</u>	<u>(35,582)</u>	<u>(172,453)</u>
Retained Earnings		184,135	(35,582)	(172,453)
<b>Equity at 31 December</b>		<u>184,135</u>	<u>(35,582)</u>	<u>(172,453)</u>

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

**Albany Junior High School**  
**Statement of Financial Position**  
As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	796,976	598,471	1,266,910
Accounts Receivable	10	506,357	488,572	477,210
GST Receivable		81,134	-	-
Prepayments		12,843	10,449	8,199
Inventories	11	46,412	55,083	35,294
		<u>1,443,722</u>	<u>1,152,575</u>	<u>1,787,613</u>
<b>Current Liabilities</b>				
GST Payable		-	46,697	113,978
Accounts Payable	13	1,246,133	840,233	959,763
Revenue Received in Advance	14	310,131	514,169	618,965
Provision for Cyclical Maintenance	15	90,714	149,500	90,714
Finance Lease Liability - Current Portion	16	24,189	23,160	19,330
Funds held in Trust	17	5,762	159,357	146,188
Funds held for Capital Works Projects	18	167,933	-	497,181
		<u>1,844,862</u>	<u>1,733,116</u>	<u>2,446,119</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>(401,140)</b>	<b>(580,541)</b>	<b>(658,506)</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	697,346	666,000	587,164
		<u>697,346</u>	<u>666,000</u>	<u>587,164</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	88,782	107,500	88,782
Finance Lease Liability	16	23,289	13,541	12,329
		<u>112,071</u>	<u>121,041</u>	<u>101,111</u>
<b>Net Assets</b>		<u><b>184,135</b></u>	<u><b>(35,582)</b></u>	<u><b>(172,453)</b></u>
<b>Equity</b>		<u><b>184,135</b></u>	<u><b>(35,582)</b></u>	<u><b>(172,453)</b></u>

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

**Albany Junior High School**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		2,891,215	1,965,345	1,873,688
Locally Raised Funds		1,106,341	1,317,828	1,538,633
International Students		425,526	1,031,433	1,066,647
Goods and Services Tax (net)		(195,112)	-	67,281
Funds Administered on Behalf of Third Parties		(140,426)	-	(13,169)
Payments to Employees		(2,408,904)	(2,042,458)	(2,249,492)
Payments to Suppliers		(1,556,106)	(2,099,270)	(2,199,631)
Cyclical Maintenance Payments in the year		-	(214,000)	(3,423)
Interest Paid		(4,125)	-	(3,785)
Interest Received		3,365	9,119	9,049
Net cash from/(to) Operating Activities		121,774	(32,003)	85,798
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(174,521)	(115,000)	(149,691)
Net cash from/(to) Investing Activities		(174,521)	(115,000)	(149,691)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	20,717
Finance Lease Payments		(10,252)	-	(9,726)
Funds Held for Capital Works Projects		(406,935)	-	574,338
Net cash from/(to) Financing Activities		(417,187)	-	585,329
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(469,934)</b>	<b>(147,003)</b>	<b>521,436</b>
Cash and cash equivalents at the beginning of the year	9	1,266,910	745,474	745,474
<b>Cash and cash equivalents at the end of the year</b>	9	<b>796,976</b>	<b>598,471</b>	<b>1,266,910</b>

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

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



# Albany Junior High School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### **Reporting Period**

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

###### **Basis of Preparation**

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

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

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

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

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

###### **Measurement Base**

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

###### **Presentation Currency**

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

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

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

**BDO**

BDO AUCKLAND



### **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.

#### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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

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

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

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) 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**

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

**i) Inventories**

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