

# Endeavour School

## Annual Report

for the year ended 31 December 2019

### School Directory:

Ministry Number: 6941  
Principal: Marcus Freke  
School Address: 86 Endeavour Road, Flagstaff, Hamilton  
School Postal Address: P O Box 12 147, Hamilton 3248  
School Phone: 07 855 5257  
School Email: [office@endeavour.school.nz](mailto:office@endeavour.school.nz)

**Members of the Board of Trustees:**

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Occupation</b>	<b>Term Expired/ Expires</b>
Karin Adams	Parent Rep	Elected	HR Consultant	June 2022
Marcus Freke	Chairperson			
Mike Lewis	Principal	ex Officio	Principal	June 2022
Michael Walen	Parent Rep	Elected	Photographer	June 2022
Heather Connolly	Parent Rep	Elected	Director of Professional Programmes	June 2022
Scott Keelty	Parent Rep	Elected	General Manager	June 2022
Kylee Edwards	Staff Rep	Elected	Assistant Principal	June 2022
Aaron Coombes	Parent Rep	Term expired		June 2019
Glen McGregor	Parent Rep	Term expired		June 2019
Peta-Maree Parsonage	Staff Rep	Term expired		June 2019

**Accountant / Service Provider:** Russell Wilkinson

# Endeavour School

## Annual Report

for the year ended 31 December 2019

### Index

Page	Statement
<b>Financial Statements</b>	
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets / Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 20	Notes to the Financial Statements
<b>Other Information</b>	
21	Kiwisport
	Analysis of Variance

# Endeavour School

## Statement of Responsibility

for the year ended 31 December 2019

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

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

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

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

Karin Adams

Full Name of Board Chairperson

MARUS FRECK

Full Name of Principal

K Adams

Signature of Board Chairperson

[Signature]

Signature of Principal

11/6/2020  
Date

11/6/2020  
Date

**Endeavour School**

**Statement of Comprehensive Revenue and Expense**

for the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government grants	2	4,461,967	4,056,703	4,292,970
Locally raised funds	3	252,586	283,300	217,430
Interest income		14,558	5,000	8,574
International students	4	181,688	140,000	58,717
		<u>4,910,799</u>	<u>4,485,003</u>	<u>4,577,691</u>
<b>Expenses</b>				
Locally raised funds	3	118,616	196,400	124,157
International students	4	76,870	89,100	12,484
Learning resources	5	2,722,324	2,548,199	2,560,282
Administration	6	256,844	248,137	242,961

Finance	4,763	3,937	4,385
Property	1,484,446	1,212,906	1,424,008
Depreciation	142,617	140,000	134,958
	<u>4,806,480</u>	<u>4,438,679</u>	<u>4,503,235</u>
<b>Net Surplus / (Deficit) for the year</b>	<u>104,319</u>	<u>46,324</u>	<u>74,456</u>
Other comprehensive revenue and expenses	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<u>104,319</u>	<u>46,324</u>	<u>74,456</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.

## Endeavour School

### Statement of Changes in Net Assets / Equity

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>	<u>871,521</u>	<u>871,521</u>	<u>795,865</u>
Total comprehensive revenue and expense for the year	104,319	46,324	74,456
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	-	-	1,200
<b>Equity at 31 December</b>	<u><u>975,840</u></u>	<u><u>917,845</u></u>	<u><u>871,521</u></u>
Retained Earnings	975,840	917,845	871,521
Reserves	-	-	-
<b>Equity at 31 December</b>	<u><u>975,840</u></u>	<u><u>917,845</u></u>	<u><u>871,521</u></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.

## Endeavour School

### Statement of Financial Position

as at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and cash equivalents	9	295,104	385,904	314,682
Accounts receivable	10	176,547	153,224	153,224
GST receivable		1,712	-	-
Prepayments		12,631	26,297	26,297
Inventories	11	72,652	70,194	70,194
Investments	12	373,153	130,000	130,000
		<u>931,799</u>	<u>765,619</u>	<u>694,397</u>
<b>Current Liabilities</b>				
Accounts payable	14	219,904	191,032	191,032



GST payable				1,742	1,742
Revenue received in advance	15	-		-	61,811
Provision for cyclical maintenance	16	87,346		-	-
Finance lease liability - current portion	17	24,792	7,007	17,628	17,628
		<u>332,042</u>	<u>199,781</u>	<u>272,213</u>	
<b>Working Capital Surplus</b>		599,757	565,838	422,184	
<b>Non Current Assets</b>					
Property, plant and equipment	13	455,555	414,771	514,271	
<b>Non Current Liabilities</b>					
Provision for cyclical maintenance	16	61,920	61,920	51,600	
Finance lease liability	17	17,552	844	13,334	
		<u>79,472</u>	<u>62,764</u>	<u>64,934</u>	
<b>Net Assets</b>		<u>975,840</u>	<u>917,845</u>	<u>871,521</u>	
<b>Equity</b>		<u>975,840</u>	<u>917,845</u>	<u>871,521</u>	

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

## Endeavour School

### Statement of Cash Flows

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$	Note
<b>Cash flows from Operating Activities</b>				
Government grants	751,846	800,740	801,305	
Locally raised funds	255,860	282,966	209,274	
International students	206,107	78,523	120,194	
Goods and Services Tax (net)	(3,454)	-	13,801	
Payments to employees	(473,144)	(438,957)	(369,746)	
Payments to suppliers	(448,360)	(597,632)	(514,379)	
Interest paid	(4,763)	(2,105)	(4,385)	
Interest received	12,002	5,000	6,260	
<b>Net cash from operating activities</b>	<b>296,094</b>	<b>128,535</b>	<b>262,324</b>	
<b>Cash flows from Investing Activities</b>				
Proceeds from sale of PPE (and Intangibles)	-	-	-	
Purchase of PPE (and Intangibles)	(45,934)	(40,500)	(52,635)	
Purchase of investments	(243,153)	-	(130,000)	
Proceeds from sale of investments	-	-	-	
<b>Net cash from investing activities</b>	<b>(289,087)</b>	<b>(40,500)</b>	<b>(182,635)</b>	
<b>Cash flows from Financing Activities</b>				
Furniture and equipment grant	-	-	1,200	
Finance lease payments	(26,585)	(16,813)	(23,586)	
Funds administered on behalf of third parties	-	-	-	
<b>Net cash from financing activities</b>	<b>(26,585)</b>	<b>(16,813)</b>	<b>(22,386)</b>	

**Net increase/(decrease) in cash and cash equivalents**

(19,578)	71,222	57,303
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Cash and cash equivalents at the beginning of the year

9	314,682	257,379
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**Cash and cash equivalents at the end of the year**

295,104	385,904	314,682
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The Statement of Cash Flows records only those cash flows directly within the control of the School. This means that 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.*

## **Endeavour School**

### **Notes to the Financial Statements**

for the year ended 31 December 2019

#### **1. Statement of Accounting Policies**

##### **a) Reporting entity**

Endeavour School (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 the School is a public benefit entity for financial reporting purposes.

##### **b) Basis of Preparation**

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

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

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

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

###### ***Financial reporting standards applied***

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

###### ***Standard early adopted***

In line with the financial statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in note 26.

***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.

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

***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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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.

***Recognition of grants***

The School reviews the grant 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 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.

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

***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. 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 on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

**Prior Year Policy**

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

**Endeavour School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2019**

**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 amount is not trivial.

**Prior Year Policy**

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

*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.*

**k) Property, Plant, and Equipment**

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

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

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

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

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

**Finance Leases**

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

**Depreciation**

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

The estimated useful lives of the assets are:

- Furniture and equipment 5 - 15 years
- Information and communication technology 5 years
- Other equipment 10 years
- Leased assets held under a finance lease 3 - 5 years
- Library resources 12.5% diminishing value

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

**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 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 and annual leave earned but not yet taken at balance date.

**o) Revenue Received in Advance**

Revenue received in advance relates to student fees 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 and grants earned.

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

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

**p) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's 10-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 are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and funds held on behalf of the Ministry of Education. 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 Statement 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.

Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>2. Government grants</b>			
Operational grants	589,038	655,740	606,652
Teachers' salaries grants	2,390,028	2,202,410	2,237,494
Use of land and buildings grants	1,297,168	1,045,423	1,271,130
Other government grants	185,733	153,130	177,694
	<u>4,461,967</u>	<u>4,056,703</u>	<u>4,292,970</u>

**3. Locally raised funds**

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

<b>Revenue</b>			
Donations	46,684	33,000	34,665
Fundraising	13,728	1,000	2,574
Other revenue	51,201	23,800	39,865
Activities	91,490	75,500	72,513
Trading	49,483	150,000	67,813
	<u>252,586</u>	<u>283,300</u>	<u>217,430</u>
<b>Expenses</b>			
Fundraising (costs of raising funds)	15,611	1,000	1,039
Activities	75,520	75,400	46,552
Trading	27,485	120,000	76,566
	<u>118,616</u>	<u>196,400</u>	<u>124,157</u>
	<u>133,970</u>	<u>86,900</u>	<u>93,273</u>
<b>Surplus (deficit) for the year locally raised funds</b>			

During the year ended december 2019 the principal travelled to China at a cost of 2,280 for the purposes of developing a sister school relationship and to market the school for international student recruitment. The travel was funded from the operational grant.



During the year ended December 2019 two Deputy Principals travelled to Australia at a cost of \$3,491 to attend a conference for professional development. The travel was funded from the operational grant.

**4. International Student revenue and expenses**

International student roll	16.4	12	4
<b>Revenue</b>			
International student fees	181,688	140,000	58,717
<b>Expenses</b>			
Commissions	14,214	2,500	3,235
Recruitment	122	500	205
International student levy	-	14,400	37
Employee benefit - salaries	53,870	68,000	6,986
Other expenses	8,664	3,700	2,021
	<u>76,870</u>	<u>89,100</u>	<u>12,484</u>
	<u>104,818</u>	<u>50,900</u>	<u>46,233</u>
<b>Surplus (deficit) for the year international students</b>			

**Endeavour School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2019**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>5. Learning resources</b>			
Curricular	50,322	62,832	63,798
Equipment repairs	3,504	2,000	2,046
Library resources	6,909	4,500	3,985
Employee benefits - salaries	2,650,194	2,447,410	2,466,406
Staff development	11,395	31,457	24,047
	<u>2,722,324</u>	<u>2,548,199</u>	<u>2,560,282</u>

<b>6. Administration</b>			
Audit fees	6,551	6,551	6,360
Board of Trustees fees	2,545	3,240	3,060
Board of Trustees expenses	8,167	6,500	3,907
Communication	11,675	8,000	9,763
Consumables	17,960	14,250	14,996
Operating lease	599	546	833
Other	59,540	57,900	75,959
Employee benefits - salaries	132,914	140,650	117,768
Insurance	10,933	5,000	4,915
Service providers, contractors, consultancy	5,960	5,500	5,400
	<u>256,844</u>	<u>248,137</u>	<u>242,961</u>

<b>7. Property</b>			
Caretaking and cleaning consumables	4,157	5,500	9,062
Consultancy and contract services	38,436	40,000	-
Cyclical maintenance provision	10,320	10,320	10,320
Grounds	5,638	4,700	4,846
Heat, light, and water	42,768	37,000	40,749

Rates	4,223	4,000	8,727
Repairs and maintenance	18,842	23,963	10,833
Use of land and buildings	1,297,168	1,045,423	1,271,130
Security	10,176	7,000	7,981
Employee benefits - salaries	52,718	35,000	60,360
	<u>1,484,446</u>	<u>1,212,906</u>	<u>1,424,008</u>

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

#### 8. Depreciation

Furniture & equipment	35,298	35,000	34,002
Information and communication technology	59,250	57,000	55,415
Leased equipment	25,581	25,000	23,614
Library resources	2,460	3,000	2,529
Other fixed assets	20,028	20,000	19,398
	<u>142,617</u>	<u>140,000</u>	<u>134,958</u>

**Endeavour School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2019**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>9. Cash and Cash Equivalents</b>			
ASB Current account	72,850	221,755	150,533
ASB International Student account	220,026	126,079	126,079
ASB Visa account	-	1,016	1,016
ASB Omni account	57	182	182
ASB Business Saver account	2,171	36,872	36,872
Cash and cash equivalents for Statement of Cash Flows	<u>295,104</u>	<u>385,904</u>	<u>314,682</u>

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

**10. Accounts Receivable**

Receivables	-	2,158	2,158
Interest receivable	4,870	2,314	2,314
Teacher salaries grant receivable	171,677	148,752	148,752
	<u>176,547</u>	<u>153,224</u>	<u>153,224</u>

Receivables from exchange transactions  
 Receivables from non-exchange transactions

	4,870	4,472	4,472
	171,677	148,752	148,752
	<u>176,547</u>	<u>153,224</u>	<u>153,224</u>

**11. Inventories**

School uniforms	<u>72,652</u>	<u>70,194</u>	<u>70,194</u>
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**12. Investments**

The School's investment activities are classified as follows:

**Current asset:**

Short-term bank deposits	373,153	130,000	130,000
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**13. Property, Plant and Equipment**

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Furniture & equipment	237,821	14,075	-	-	(35,298)	216,598
Information & communication	93,364	19,677	-	-	(59,250)	53,791
Leased assets	28,629	37,967	-	-	(25,581)	41,015
Library resources	17,704	1,974	-	-	(2,460)	17,218
Other fixed assets	136,753	10,208	-	-	(20,028)	126,933
Balance at 31 December 2019	514,271	83,901	-	-	(142,617)	455,555

Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019

13. Property, Plant and Equipment (cont'd)

2019	Cost or Valuation	Accumulated Depreciation	Net Book Value
Furniture & equipment	356,132	139,534	216,598
Information & communication	307,693	253,902	53,791
Leased assets	97,221	56,206	41,015
Library resources	29,107	11,889	17,218
Other fixed assets	204,446	77,513	126,933
Balance at 31 December 2019	994,599	539,044	455,555

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture & equipment	261,492	10,331	-	-	(34,002)	237,821
Information & communication	121,526	27,253	-	-	(55,415)	93,364
Leased assets	38,976	13,267	-	-	(23,614)	28,629
Library resources	17,049	3,184	-	-	(2,529)	17,704
Other fixed assets	144,284	11,867	-	-	(19,398)	136,753
Balance at 31 December 2018	583,327	65,902	-	-	(134,958)	514,271

2018	Cost or Valuation	Accumulated Depreciation	Net Book Value
Furniture & equipment	342,057	104,236	237,821
Information & communication	288,016	194,652	93,364
Leased assets	90,908	62,279	28,629
Library resources	27,134	9,430	17,704

Other fixed assets	194,238	57,485	136,753
Balance at 31 December 2018	942,353	428,082	514,271

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	30,456	28,108	28,108
Employee entitlements - salaries	179,318	150,277	150,277
Employee entitlements - leave accrual	10,130	12,647	12,647
	219,904	191,032	191,032
Payables for exchange transactions	219,904	191,032	191,032
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	219,904	191,032	191,032

**14. Accounts Payable**

Operating creditors  
Employee entitlements - salaries  
Employee entitlements - leave accrual  
Payables for exchange transactions  
Payables for non-exchange transactions - taxes payable (PAYE and rates)  
Payables for non-exchange transactions - other

The carrying value of payables approximates their fair value

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
15. Revenue received in Advance			
Student fees	1,450	-	334
International student fees	85,896	-	61,477
	<u>87,346</u>	<u>-</u>	<u>61,811</u>

**16. Provision for Cyclical Maintenance**

Provision at the start of the year	51,600	51,600	41,280
Increase to the provision during the year	10,320	10,320	10,320
Use of the provision during the year	-	-	-
Provision at the end of the year	<u>61,920</u>	<u>61,920</u>	<u>51,600</u>
Cyclical maintenance - current	-	-	-
Cyclical maintenance - term	61,920	61,920	51,600
	<u>61,920</u>	<u>61,920</u>	<u>51,600</u>

**17. Finance Lease Liability**

The School has entered into finance lease agreements for photocopying equipment and teacher laptops Minimum lease payments payable:

No later than one year	24,792	7,007	17,628
Later than one year and no later than five years	17,552	844	13,334
Later than five years	-	-	-
	<u>42,344</u>	<u>7,851</u>	<u>30,962</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 conditions 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.

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

**19. Remuneration**

**Key management personnel compensation**

Key management personnel of the School includes all Trustees of the Board, Principal, Deputy Principals and Heads of Department.

	2019 Actual \$	2018 Actual \$
<b>Board Members</b>		
Remuneration	2,545	3,060
Full time equivalent members	0.14	0.12
<b>Leadership Team</b>		
Remuneration	359,651	343,791
Full time equivalent members	3.00	3.00
Total key management personnel remuneration	362,196	346,851
Total full time equivalent personnel	3.14	3.12

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

**Principal**

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

	2019 Actual \$000	2018 Actual \$000
Salaries and other short term employee benefits:		
Salary and other payments	140 - 150	140 - 150
Benefits and other emoluments	3 - 4	3 - 4
Termination benefits	Nil	Nil

**Other Employees**

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

Remuneration \$000	2019 FTE	2018 FTE
100 - 110	3	Nil

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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2019 Actual	2018 Actual
Total value	Nil	Nil.
Number of people	Nil	Nil

**Endeavour School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2019**

**21. Contingencies**

There are no contingent liabilities (except as listed 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 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.

**22. 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***

As at 31 December 2019 the Board has not entered into any operating commitments  
(Operating commitments at 31 December 2018 - Nil).

### **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 revenue 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.

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

**24. Financial Instruments**

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Financial assets measured at amortised cost (2018: Loans and receivables)</b>			
Cash and cash equivalents	295,104	385,904	314,682
Receivables	176,547	153,224	153,224
Investments - term deposits	373,153	130,000	130,000
Total financial assets measured at amortised cost	<u>844,804</u>	<u>669,128</u>	<u>597,906</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	219,904	191,032	191,032
Finance leases	42,344	7,851	30,962
Total financial liabilities measured at amortised cost	<u>262,248</u>	<u>198,883</u>	<u>221,994</u>

**25. Events After Balance Date**

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

At the date of issuing the financial statements, the school has been able to absorb some 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 school's ability to undertake fundraising 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.

Additional costs incurred in developing alternative methods of delivering curriculum to students, so that they can learn remotely.

A reduction in revenue from student fees and charges from International students including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

## **26. 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 the 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 impairment of short-term receivables is now determined by applying an expected credit loss model.
- Investments : 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.

Upon transition to PBE IFRS 9 there were no material adjustments to the financial statements.

**Endeavour School  
Notes to the Financial Statements (cont'd)  
for the year ended 31 December 2019**

**27. Breach of Law - Failure to Comply With Section 87 of the Education Act**

The Board of Trustees has failed to comply with section 87 of the Education Act 1989 in that the Board did not report by 31 May 2020, the date fixed by the Minister of Education, by which schools were required to have sent their financial statements to the Ministry of Education. On March 11, 2020, the World Health Organisation declared the outbreak of COVID-29 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced which has caused time delays during the financial statement completion and audit process and resulted in a breach of Section 87C of the Education Act.



## **Endeavour School**

### **Kiwisport Note**

for the year ended 31 December 2019

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2018 the school received total Kiwisport funding of \$6,801 excluding GST (2018 - \$7,231). The funding was spent on tournament entry fees, the purchase of sports equipment and the purchase of a sports storage facility.