

Hobsonville Point Schools

2019 Annual Report & Financial Statements



2019 Kapa Haka Group - HPSS



2019 - HPPS LC4 Camp

School Numbers: 6977 & 6788

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Board / Principal Reports

Hobsonville Point Schools Chairperson Report 2019

Tēnā koutou.

Our schools continue to grow, achieve and cement themselves as an important part of the Hobsonville Point Community. Hobsonville Point Primary is very close to capacity and thanks to the hours of consultation and work put in by the Primary Principal Daniel, expansion of the school will begin in 2020. Hobsonville Point Secondary is also growing and looking ahead to the future, there may also need to be some expansion, but for now, things are ticking along nicely.

A huge celebration for the Secondary school's ERO (Education Review Office) report where the school scored the highest possible rating. A testament to Secondary Principal, Maurie, and his senior leadership team. Their personal investment of time and heart continues to see the school culture value each and every one of our students, supporting them to become life-long learners with values and habits that ensure future success.

HPPS have two new members of leadership, appointing Kerry Taiala and Margo Thorpe as Assistant Principals. At both schools, the growth in numbers is not just students, but staff numbers have grown rapidly too. Whilst staff room space is at a premium these days, induction into the culture and pedagogy of our schools is consistent and well received.

Finally, 2019 was an election year for the parent representatives on the Board. We farewelled Sandra Atkins, Sharon Afu and Marcus Hogan. Sandra has been on the board for nearly five years, Sharon and Marcus three years. A heartfelt thank you to them for their service. Graeme Aitken and I were re-elected along with new members; Nathan Rarere, Ashley Pierce and Philip Jellyman. Kylan Waters was our 2019 student rep, with Selena Wong elected late in the year to be the 2020 rep. Staff representative Lisa Squire stood down and the staff elected Ngahuia Lott as their new representative for a three-year term.

Ngā mihi nui

Meredith Kennett

Board Chair, March 2019



Principal's Report. Hobsonville Point Secondary School, 2019

2019 was the second year we had all 5 cohorts within our school. Students continue to play a special part in helping us create our school. The year started with seniors being challenged to leave an enduring legacy in relation to a positive, supportive and inclusive culture.

Lea, Sally and Di presented a strong induction programme for new staff and when all staff came together for the first time we had a strong focus on whanaungatanga. During our first week all new families met their Coaches through our Individual Education Meeting (IEM) programme. This was followed by two days of whole school induction which included our continuing Whanau Picnic in collaboration with Hobsonville Point Primary School. I am proud of the way in which we walk the talk about putting relationships at the centre and making sure we create the time to do so.

We continued our programme of Modules (2 terms), SPINS (1 term Special Interest) and Big Project involving learners across our Foundation Year Levels and similar model for our Q1 (Year 11 students). We continued our Q2 (Year 12) structure which included 1 Connected Learning Module, 2 SPINS and an Impact or Pathway Project, and continued our Q3 (Year 13 structure which comprised 5 SPINs and a Pathways Project

As in previous years we did not subject our Year 11 cohort to a full NCEA L1 programme as this takes the focus off learning and can produce unnecessary stress for learners. Rather, Year 11 students collected some NCEA L1 or L2 credits that fell out of their learning as and when they were ready. The intention is to achieve in the vicinity of 20 Level 1 or 2 credits in Year 11 so that the focus will remain on learning and allow their focus in their Year 12 year to be on at least 60 quality Level 2 credits. The second year of this 2 year journey to a quality NCEA L2 was again very successful. Once again our NCEA results, especially the level of Merits and Excellence, the improved performance of boys at NCEA L2 and the complete closing of the gap for Maori at NCEA L2.

Our Kāhui Ako continued to develop with a successful Staff Only Day at which Dr Russell Bishop provoked our thinking in relation to teaching to the north-east - his model of combining high relationships with high teaching skills to bring about high levels of engagement and achievement for all learners, but particularly Maori.

As a staff, our professional learning focus was on embedding culturally sustainable practices, and with the drive from our Across and Within School leads made huge progress. Staff sing our school waiata 2 -3 mornings a week, our spirals of inquiry had a culturally sustainable focus and more staff were supported in their learning of

Te Reo me Tikanga. We have also strengthened our relationship with local iwi, Kawerau a Maki, involving them in the leadership of our professional learning.

The Education Review Office (ERO) visited the school near the end of Term 3 and published a strong and affirming report on our school. They spoke strongly on the level of coherence and cohesion throughout all programmes and processes in our school built on a strongly present vision, mission, set of principles, values and dispositions.

The strong links we are striving to maintain between our vision, values and principles and our practice were once again strongly evident in our End Of Year Celebration when students were recognised for displaying excellence in our Hobsonville Habits and in our school Values. This was no better displayed than when the staff and students combined to farewell and applaud our departing Q3 students as they left the building on their last day.

Our BOT, which went through an election mid-year, continued to provide strong governance and stewardship for the school as it moved through its sixth year of operation and should feel proud of guiding the school to its current situation. Teaching and non-teaching staff have all contributed strongly to our establishment journey and are committed to our vision and values.

Maurie Abraham

Principal, Secondary School, 2019

Principal's Report. Hobsonville Point Primary School, 2019

2019 marked the end of our seventh year of operation as the first Public Private Partnership School in New Zealand.

We started with 570 students and ended with 694. The diversity of enrolments continue with a larger number of ESOL students arriving. We ended at 43% ESOL.

We have inducted 17 new staff and have had one staff member leave and three take maternity leave. As with many schools, we are finding it hard to recruit quality staff.

We have employed 2 new AP's to support leadership and growth.

The PPP model has been a challenge this year with many issues around the growth of the school being slow to be resolved.

We continue to induct new staff and new families into the school. The demise of the Parent Network has been a set back, however Emma is back for 2020. Staff now take the role of supporting the induction of new staff.

We have hosted over 800 educational visitors through the school, this has been both beneficial and time consuming. We do believe it is part of our role to help challenge how learning works and support change in other schools.

The students have been achieving very well both across the dispositions and learning areas, the ownership of both learning and the space has been very pleasing. Students are developing a real sense of themselves as learners. The diversity of learners has made reporting very challenging and will be a focus for 2020.

Hobsonville Point Primary School

Analysis of Variance 2019

Target 1: Engagement at HPP will be above the national norm. (MOE Survey “Me and My School” Tool)

Very positive responses overall, particularly from students who have been at HPPS for 2+ years. The “Me & My School survey in Term 1 identified at or above national norms for Years 4-6 students. While Yrs 7-8 scores were mostly consistent with national norms, engagement of these students increased considerably throughout the year. A need for an induction programme for new students in Yrs 4-8 was identified. The Term 4 survey showed growth in areas not ranked highly in Term 1’s, particularly for Yrs 7-8 students in work ethic and self-motivation. Observations of student engagement in Learning Commons 2 & 4 throughout the year indicated much self-motivation, focus on tasks through to completion, and cooperation/consensus within shared and group activities.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Survey Students	Me and My School Survey Tool	Lisa	Term 1 Term 4	Collate data to find patterns Prepare a Google survey to check aspects that did not score highly in Term 1	Survey completed and analysed Student focus groups discussed issues and ways to move forward
Gather data on engagement	Compare with national norms	Lisa	Term 1/2 Term 4	Student focus groups	Data analysed and an action plan created
Reflect on ethnic groups	Compare with national norms	Lisa	Terms 1/2	Comparison completed	Snapshot at end of 2019 included a reflection on differences between ethnicities.
Plan strategy if needed on addressing engagement gaps	Engagement rises	SLT	Terms 2/3/4	Meetings held to strategise and teams implemented actions.	Student and staff focus groups held, concerns identified and action plan implemented

Target 2: 80% of students in Years 4-8 who are working at curriculum levels that are 2 or more sub-levels below cohort expectation at the beginning of the year will experience accelerated progress by year's end.

These students are regularly reviewed at both Learning Common meetings and SENCO meetings. Targeted workshops have been conducted to cater for individuals and small groups. All but 15 students have accelerated their progress, several moving more than two sub-levels. Those who haven't made progress are either ESOL or children, or have an Individual Education Plan to cater for their special learning needs.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Complete all standardised assessments of all students who do not have current data, and new learners in literacy and numeracy to establish levels.	Timetabled and conducted with data entered into LMS	Lisa	Term 1, Feb-March New students - on-going	Curriculum levels have been calculated via goals rather than standardised assessments	Each learner's CL for english and mathematics will be entered in LMS
Establish expected levels at the start of the year	Established and shared	SLT/middle leaders	April 1	Established and reviewed in Nov 2019	Known target
Include all below level expected level in Special Needs Register and use and monitor and track progress	Present on Register and is regularly reviewed and updated	Erin & Kerry	April 1	Identified students are reviewed regularly and their needs updated	Individual students have plans and can be tracked
Provide interventions through target workshops to target gaps identified	Workshops are provided	Erin & Kerry, middle leaders	On-going	On-going, and regularly reviewed	Progress through levels accelerated
Provide Professional Learning to all staff on how to interpret the data and appropriate strategies	Timetabled and held	SLT & Megan Erin & Kerry	Data analysis points On-going	Coaching sessions undertaken with individuals and groups	Needs of the learners and how to support effectively understood and met.

Target 3: 80% of Maori learners in Years 5-8 will be achieving at expected curriculum levels in mathematics by year's end.

67% of Maori learners in years 5-8 are achieving at or above in mathematics. Students who are in the well below category have been identified within classes and have individual plans in place. Students who are below are receiving additional support to increase engagement and achievement in mathematics.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Establish a process, including timelines, for extracting curriculum level information for each learner at schoolwide level.	Timetabled and groups identified in a physical and digital visual	Lisa & Megan	February	Ontrack -schoolwide processes being followed	Curriculum levels of Maori and Pasifika clearly identified
Disaggregate data to determine sub groups	Maori data is disaggregated from cohort into year levels. Collate and share.	Lisa/Middle Leaders	March	identification done in an on-going manner and clearly labelled on SMS	Groups of students identified and shared.
LAs to plan learning designs to meet needs of learners, that includes culturally responsive pedagogy	Connected curriculum plans are in place and teaching practice reflects culturally responsive approaches	Middle Leaders, LC Leads	Term by term	School curriculum and practices live our responsive pedagogies	Needs of maori students are met.
Learning Advisors have processes in place to track learners	All students are identified who are working below curriculum levels at the start of the year (and on-going for new-comers)	Led by Middle Leaders SLT	Term by term	On-going monitoring in place	Needs of Maori students have been identified
Interventions and strategies are decided on based on termly data	Differentiation in place Connected curriculum evident Cultural contexts included in learning plans Engagement with whanau SENCo referrals to outside agencies	SLT SEN Team Middle Leaders	Term by term	Interventions regularly reviewed	Maori learners needs are met and well supported.

Target 4: 80% of Pasifika learners will be achieving at or above expected curriculum levels in writing by year's end.

Curriculum levels of Maori and Pasifika are clearly identified on the data wall at mid-year and end-of-year, and progress noted. Pasifika students are moving forward at similar or better pace than all other students. 9% are slightly below cohort expectation, and 1% are still performing well below cohort. These students have individualised support programmes. The percentage of Pasifika who started their schooling with us is higher than those who joined later.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Establish a process, including timelines, for extracting curriculum level information for each learner at school wide level.	Timetabled and groups identified in a physical and digital visual	Lisa & Megan	February	Data is being entered as per our schoolwide schedule	Data entered and analysed. Summative visual recording on the data wall bi-annually
			July		
			December		
Disaggregate data to determine sub groups	Pasifika data is disaggregated from cohort into year levels. Collate and share.	Lisa/Middle Leaders	March	Groups identified and individual teaching teams tracking individuals	Groups of students identified through Linc-Ed and shared.
LAs to plan learning designs to meet needs of learners, that includes culturally responsive pedagogy	Connected curriculum plans are in place and teaching practice reflects culturally responsive approaches	Middle Leaders, LC Leads	Term by term	Culturally responsive practice through personalisation and authentic learning experience evidence across teams	Needs of pasifika students are met.
Learning Advisors have processes in place to track learners	All students are identified who are working below curriculum levels at the start of the year (and on-going for new-comers)	Led by Middle Leaders SLT	Term by term	Responsive plans in place	Needs of Pasifika students have been identified.
Interventions and strategies are decided on based on termly data	Differentiation in place Connected curriculum evident Cultural contexts included in learning plans Engagement with whanau SENCo referrals to outside agencies	SLT SEN Team Middle Leaders	Term by term	Interventions reviewed regularly	Pasifika learners needs are met and well supported.



Hobsonville Point Secondary School

Analysis of Variance 2019

Targets 2019

Target 1: 80% of all Year 9 students who are identified at more than one sub-level below expected in literacy and numeracy (=Stanines 1 – 3) at start of year experience accelerated progress by year’s end.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Complete PAT assessments of all Year 9 learners in literacy and numeracy to establish levels	Timetabled and conducted	Wallis	Term 1, Week 2 (All Yr 9 and PLs Yr 10 during Symtxt) Term 4 (Yrs 9 and and PLs 10)		Numeracy 76% achieved Stanine 4 or moved at least 1 Stanine Literacy 62% achieved Stanine 4
Establish expected levels at start and end of year for Years 9 and 10 cohorts	Established and shared	SLT/LOIs/Data	March 1		
Include all below expected level in Special Needs Register and use this to monitor and track progress	Present on Register and is regularly reviewed and updated	Vanna	March 13		
Provide interventions through SPINS and FloorTime workshops to target the gaps identified	Workshops are provided	Vanna, Dana	On-going		
Provide Professional Learning to all staff on how to interpret the data and appropriate strategies	Timetabled and held	Vanna, Dana, Jill	Start of each Semester		

Target 2: 70% of all akonga at Year 10 will have an average (median) curriculum level at or above expected level of progression (5P+) at year's end

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Establish a process, including timelines, for extracting Curriculum Level information for each student and to determine an averaging process.		SLT	February		Achieved 40% at 5P+ and 71% at 5D+
Disaggregate data from this process to determine position of Year 10 male akonga	Year 10 male akonga disaggregated data collated and shared	Sally	End of Semester Mid Year		This data raises serious questions as to our assessment practices and/or rubrics as this does not align with achievement at NCEA. We may be setting the bar too high in relation to the Foundation Curriculum levels.
Line of sight processes for all Coaches and Modules teachers	All teachers aware of their students who are below average curriculum level at start of Semester 2	Led by COL leads/LOLs			
Interventions and strategies decided based on termly data <ul style="list-style-type: none"> • Line of sight with whole staff • SymTxt • SENCO referral • Differentiation PL • PL re low Curriculum Levels 	Possibly: Learning support strategies shared SENCO referrals to external agencies Professional learning around differentiation strategies	PL Team SENCO LDL			

Target 3: 70% of Year 10 Maori akonga will have an average curriculum level at or above expected level of progression (5P+)

Action	Measure	Personnel	Timeframe	Tracking	Outcome
Establish a process, including timelines, for extracting Curriculum Level information for each student and to determine an averaging process.		SLT	February		Achieved 29% at 5P+ and 59% at 5D+
Disaggregate data from this process to determine position of Year 10 Maori and Pasifika akonga	Year 10 Maori and Pasifika akonga disaggregated data collated and shared	Sally	End of Semester		This data raises serious questions as to our assessment practices and/or rubrics as this does not align with achievement at NCEA. We may be setting the bar too high in relation to the Foundation Curriculum levels.
Line of sight processes for all Coaches and Modules teachers	All teachers aware of their students who are below average curriculum level at start of Semester 2	Led by COL leads/LOLs	Mid Year		
Interventions and strategies decided based on termly data <ul style="list-style-type: none"> Line of sight with whole staff SymTxt SENCO referral Differentiation PL PL re low Curriculum Levels 	Possibly: Learning support strategies shared SENCO referrals to external agencies Professional learning around differentiation strategies	PL Team SENCO LDL			
Provide professional learning opportunities to develop culturally responsive pedagogies	Timetabled and delivered	PLT	Ongoing		

Target 4: 75% of graduating students will achieve NCEA Level 2 with 57% at Merit or Excellence Endorsed.

Action	Measure	Personnel	Timeframe	Tracking	Outcome
All Modules to provide sufficient Achievement Standard per Learning Area.	Achievement Standards identified in course material	LDLs	Start of each semester		All students have access to a sufficient number of AS's.
Tracking and monitoring of each student's progress towards NCEA established	Tracking and monitoring procedures exist and are being used	Data/LOL (assmt) Team	Term 2		Students, teachers and parents have up-to-date information of students' progress
Responsive SPINs, Floortimes and other catch up opportunities provided for students in danger of falling short of the target	SPINs, Floortimes and catch up opportunities scheduled	LDLs	End of Term 2		
Students supported by Coaches through Hub goals and monitoring	Hub goals supported by Coaches	LCLs	Termly		Appropriate programmes are provided
Track Numeracy and Level 1 Literacy with Q1/2 Cohort	Achievement Standards and Unit Standards accredited to literacy and numeracy.	Jill, Su Min, Andrea			
Track UE Literacy and students on alternative pathways from UE.	Achievement and unit standards.	Jill, Celeste, Su Min, Andrea			

Target 5: 60% of NCEA L3 Qualifications are at Merit or Excellence Endorsed

Action	Measure	Personnel	Timeframe	Tracking	Outcome
All Modules to provide sufficient Achievement Standards per Learning Area to contribute to Level 3 certificate.	Achievement Standards identified in course material Clear school course design policy	LDLs	Start of each semester		Achieved 47% which is a pleasing result considering the cohort and Decile 8 - 10 was 53%
Tracking and monitoring of each student's progress towards NCEA L3 established	Tracking and monitoring procedures exist and are being used		Term 2		
Responsive support and extension opportunities provided for students	SPINs, FloorTimes and other opportunities scheduled		End of Term 2		

Kiwisport Funding: For the Year ended 31 December 2019

Kiwisport is a Government funding initiative to support student participation in organised sport. In 2019, the schools received total Kiwisport funding of \$22,289.40.

With our rapidly increasing roll, the funding contributed to expanding the sports codes we already had in place, and supported the introduction of new sporting codes. Some of these new codes our students were able to try out were Volleyball, Softball, Lacrosse and Futsal. Our Sports co-ordinator sourced any possible opportunities to send interested students to events in order to increase what we might be able to offer going forward. These were taster sessions, student leadership in sport workshops, coaching and refereeing clinics.

With an increase in sports teams and sports codes, finding coaches and managers still remains our biggest challenge. Keeping costs to a minimum so that all students can make the most of sporting opportunities is a driving principle of ours, and therefore we rely heavily on volunteer coaches and managers. The kiwisport funding allowed us to support our volunteer coaches and managers by providing them with resources and upskilling them with coaching clinics and workshops. Funds have also supported student coach development and has led to a successful student coach / parent or staff coach mentoring system being established within our bigger codes.

Having the funds to support our student coach development has led to increased participation and opportunity for not just our students, but our feeder primary schools. Our Student coaches developed coaching programmes which they took into our primary schools and delivered very successfully. This has strengthened our relationship with our primary schools, but also seen our students' confidence in their abilities grow, along with the confidence of the younger students they are working with.

Hobsonville Point Primary utilised the kiwi sport funding through a range of initiatives. Kiwi tennis. Kiwi softball kiwi soccer as well as continuing to work with Hobsonville Point Secondary through their coaching programme as mentioned above.

Hobsonville Point Schools

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Address:

70 Hobsonville Point Road, Hobsonville Point

Postal Address:

PO Box 84211, Westgate, Auckland 0657

School Phone:

09 975 7400

School Email:

info@hobsonvillepoint.school.nz

Ministry Numbers:

6977 & 6788

HOBSONVILLE POINT SCHOOLS

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	6977 & 6788
Principal:	Maurie Abraham and Daniel Birch
School Address:	70 Hobsonville Point Road, Hobsonville Point
School Postal Address:	PO Box 84211, Westgate, Auckland 0657
School Phone:	09 975 7400
School Email:	info@hobsonvillepoint.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Meredith Kennett	Chair Person	Elected	Jun-22
Maurie Abraham	Principal	ex Officio	
Daniel Birch	Principal	ex Officio	
Sandra Atkins	Parent Rep	Elected	Jun-19
Sharyn Afu	Parent Rep	Elected	Jun-19
Graeme Aitken	Parent Rep	Elected	Jun-22
Marcus Hogan	Parent Rep	Elected	Jun-19
Philip Jellyman	Parent Rep	Elected	Jun-22
Ngahuia Lott	Teacher Rep	Elected	Jun-22
Ashley Pierce	Parent Rep	Elected	Jun-22
Nathan Rarere	Parent Rep	Elected	Jun-22
Lisa Squire	Staff Rep	Elected	Jun-19
Selena Wong	Student Rep	Elected	Sep-20
Kylan Waters	Student Rep	Elected	Sep-19
Jennifer Berry	Student Rep	Elected	Sep-19

Accountant / Service Provider: School Accounts Limited

HOBSONVILLE POINT SCHOOLS

Annual Report - For the year ended 31 December 2019

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Hobsonville Point Schools

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.

Meredith Kennett
Full Name of Board Chairperson



Signature of Board Chairperson

29/5/20

Date:

Maurie Abraham
Full Name of Principal



Signature of Principal

29/5/20

Date:

Hobsonville Point Schools

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	17,607,752	16,186,996	16,133,241
Locally Raised Funds	3	711,758	403,350	493,674
Interest income		131,998	74,083	138,667
International Students	4	673,427	769,098	656,052
		<u>19,124,936</u>	<u>17,433,527</u>	<u>17,421,635</u>
Expenses				
Locally Raised Funds	3	53,312	-	102,168
International Students	4	457,083	498,563	314,201
Learning Resources	5	8,532,007	7,705,798	7,366,847
Administration	6	650,842	574,637	507,293
Finance		5,252	14,290	5,707
Property	7	8,957,054	8,936,935	9,176,798
Depreciation	8	211,449	221,925	205,773
Loss on Disposal of Property, Plant and Equipment		15,157	10,000	5,095
Loss on Uncollectable Accounts Receivable		-	-	-
Amortisation of Intangible Assets	13	2,930	3,076	3,961
		<u>18,885,085</u>	<u>17,965,224</u>	<u>17,687,843</u>
Net Surplus / (Deficit) for the year		239,851	(531,697)	(266,209)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>239,851</u></u>	<u><u>(531,697)</u></u>	<u><u>(266,209)</u></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.

Hobsonville Point Schools

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>4,011,461</u>	<u>4,001,653</u>	<u>4,277,670</u>
Total comprehensive revenue and expense for the year		239,851	(531,697)	(266,209)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	23	<u>4,251,312</u>	<u>3,469,956</u>	<u>4,011,461</u>
Retained Earnings		4,251,312	3,469,956	4,011,461
Reserves		-	-	-
Equity at 31 December		<u>4,251,312</u>	<u>3,469,956</u>	<u>4,011,461</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.

Hobsonville Point Schools

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	297,578	108,055	257,168
Accounts Receivable	10	621,054	503,394	503,393
Prepayments		45,320	21,843	21,843
Investments	11	4,094,059	3,375,802	3,875,802
		<u>5,058,010</u>	<u>4,009,094</u>	<u>4,658,206</u>
Current Liabilities				
GST Payable		4,833	42,677	27,681
Accounts Payable	14	693,921	505,324	508,463
Revenue Received in Advance	16	887,281	764,552	763,448
Finance Lease Liability - Current Portion	17	27,053	34,843	34,488
		<u>1,613,087</u>	<u>1,347,396</u>	<u>1,334,080</u>
Working Capital Surplus/(Deficit)		3,444,923	2,661,698	3,324,126
Non-current Assets				
Investments	11	-	-	-
Property, Plant and Equipment	12	751,778	907,854	710,151
Intangible Assets	13	-	(22)	2,930
Capital Work in Progress		78,900	-	-
		<u>830,678</u>	<u>907,832</u>	<u>713,081</u>
Non-current Liabilities				
Finance Lease Liability	17	24,289	99,574	25,746
		<u>24,289</u>	<u>99,574</u>	<u>25,746</u>
Net Assets		<u><u>4,251,312</u></u>	<u><u>3,469,956</u></u>	<u><u>4,011,461</u></u>
Equity	23	<u><u>4,251,312</u></u>	<u><u>3,469,956</u></u>	<u><u>4,011,461</u></u>

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



Hobsonville Point Schools

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,144,915	1,808,651	1,810,463
Locally Raised Funds		704,489	336,210	552,693
Homestay		106,765	68,242	67,139
International Students		738,932	769,098	845,879
Goods and Services Tax (net)		(22,849)	14,996	5,576
Payments to Employees		(1,688,128)	(1,860,329)	(1,694,878)
Payments to Suppliers		(1,569,552)	(1,490,206)	(1,450,181)
Interest Paid		(5,252)	(14,290)	(5,707)
Interest Received		155,321	74,083	126,544
Net cash from Operating Activities		564,642	(293,545)	257,529
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(10,460)	(96)
Purchase of PPE (and Intangibles)		(291,830)	(260,238)	(116,493)
Purchase of Investments		(218,257)	0	(47,696)
Proceeds from Sale of Investments		-	500,000	-
Net cash from Investing Activities		(510,086)	229,302	(164,284)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(14,145)	(84,869)	(21,457)
Net cash from Financing Activities		(14,145)	(84,869)	(21,457)
Net increase/(decrease) in cash and cash equivalents		40,411	(149,113)	71,788
Cash and cash equivalents at the beginning of the year	9	257,168	257,168	185,379
Cash and cash equivalents at the end of the year	9	297,578	108,055	257,168

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 which form part of these financial statements..



Hobsonville Point Schools

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Hobsonville Point Schools (the Schools) are 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. The Crown has entered into a Public Private Partnership (PPP) with Learning Infrastructure Partners. As part of the PPP, the land from which the Schools provide education is owned by the Crown and the buildings from which the Schools provide education is owned by Learning Infrastructure Partners. The Crown has an obligation under the PPP to meet the cost of leasing the buildings from Learning Infrastructure Partners.

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.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

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

Prior Year Policy

Accounts Receivable represents items that the 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Prior Year Policy

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

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the 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.

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 fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value



l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international and homestay funds 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.

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) Borrowings

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

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

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

s) 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.

t) Budget Figures

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

u) Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,745,215	1,564,914	1,452,010
Teachers' Salaries Grants	6,705,481	5,611,180	5,294,631
Use of Land and Buildings Grants	8,757,356	8,757,356	9,015,566
Resource Teachers Learning and Behaviour Grants	137,700	115,000	99,750
Other MoE Grants	262,000	138,546	271,284
	<u>17,607,752</u>	<u>16,186,996</u>	<u>16,133,241</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	156,229	147,000	132,375
Overseas Travel Income	50,952	-	103,435
Activities	22,067	15,000	14,627
Trading	38,439	45,000	33,214
Fundraising	2,759	60,000	2,721
Other Revenue	441,312	136,350	207,302
	<u>711,758</u>	<u>403,350</u>	<u>493,674</u>
Expenses			
Activities	2,360	-	-
Overseas Travel Expenses	50,952	-	102,168
	<u>53,312</u>	<u>-</u>	<u>102,168</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>658,446</u>	<u>403,350</u>	<u>391,506</u>

The Board approves overseas trips for students and expects that the costs of these activities be covered by local fundraising activity unless a prior arrangement has been made. No pupils should be disadvantaged for this cultural learning opportunity due to their individual family circumstances. During 2019, A school trip to Rarotonga costing \$48,156 was arranged. This was fully funded by external fundraising and payments from student families and staff. A planned trip to Nepal during 2020 has accumulated funds to December 2019 of \$2,795 which is also fully funded through external fundraising. (2018 : Overseas trips to Fiji and Japan cost \$28,290 and \$73,878 respectively both of which were fully funded from external funding.)

4. International Student Revenue and Expenses

	2019	2019	2018
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	39	45	37
	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	673,427	769,098	656,052
Expenses			
Commissions	57,260	-	39,169
International Student Levy	13,073	-	5,065
Employee Benefit - Salaries	335,686	309,100	129,243
Other Expenses	44,481	189,463	140,725
Overseas Travel	6,583	-	-
	457,083	498,563	314,201
<i>Surplus/ (Deficit) for the year International Students'</i>	216,344	270,535	341,851

During 2019, the Secondary School Principal and a member of the teaching staff travelled to Vietnam costing \$6,583 for an International Student Marketing visit. (2018 : Nil)

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	530,345	459,388	469,400
Information and Communication Technology	199,086	214,170	178,782
Library Resources	118,294	118,708	120,708
Employee Benefits - Salaries	7,599,502	6,793,312	6,516,766
Overseas Travel	11,081	-	6,086
Staff Development	73,698	120,220	75,105
	8,532,007	7,705,798	7,366,847

During 2019, 7 teaching staff including the Principal, attended two conferences and one trip to visit Melbourne schools costing \$11,081 which was partly funded by the conference hosts. (2018 : \$4,369 was incurred for the Professional Development of the Primary School Principal and four teaching staff. Also \$1,717 was spent by the Secondary School Principal for a Korean Study tour.)

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	10,590	10,590	13,692
Board of Trustees Fees	15,770	19,740	18,285
Board of Trustees Expenses	14,033	12,000	6,462
Communication	18,810	19,250	17,631
Consumables	45,828	48,390	45,376
Legal Fees	-	1,000	-
Other	85,236	86,241	55,206
Employee Benefits - Salaries	445,622	363,376	339,401
Insurance	10,984	10,080	9,247
Service Providers, Contractors and Consultancy	3,970	3,970	1,993
	<u>650,842</u>	<u>574,637</u>	<u>507,293</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Consultancy and Contract Services	17,637	12,500	10,376
Use of Land and Buildings	8,757,356	8,757,356	9,015,566
Public Partnership Levy	182,061	167,079	150,856
	<u>8,957,054</u>	<u>8,936,935</u>	<u>9,176,798</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Furniture and Equipment	62,102	65,179	59,214
Information and Communication Technology	66,706	70,011	71,782
Motor Vehicles	11,045	11,592	11,045
Textbooks	7,385	7,751	8,667
Leased Assets	46,453	48,754	39,966
Library Resources	17,758	18,638	15,099
	<u>211,449</u>	<u>221,925</u>	<u>205,773</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	-	-	-
Cash on Hand	-	-	-
Bank Current Account	279,332	108,055	236,887
Bank Call Account	18,246	-	20,281
Cash and cash equivalents for Cash Flow Statement	<u>297,578</u>	<u>108,055</u>	<u>257,168</u>

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

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	43,405	87,934	87,933
Receivables from the Ministry of Education	2,727	2,727	2,727
Interest Receivable	14,334	37,656	37,656
Teacher Salaries Grant Receivable	560,589	375,077	375,078
	<u>621,054</u>	<u>503,394</u>	<u>503,393</u>
Receivables from Exchange Transactions	57,739	125,590	125,589
Receivables from Non-Exchange Transactions	563,315	377,804	377,804
	<u>621,054</u>	<u>503,394</u>	<u>503,393</u>

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	4,094,059	3,375,802	3,875,802
Total Investments	<u>4,094,059</u>	<u>3,375,802</u>	<u>3,875,802</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Furniture and Equipment	407,271	45,207	(4,021)		(62,102)	386,355
Information and Communication	90,682	139,834			(66,706)	163,810
Motor Vehicles	18,115	-			(11,045)	7,070
Textbooks	10,958	-			(7,385)	3,573
Leased Assets	48,174	55,301			(46,453)	57,022
Library Resources	134,952	27,889	(11,136)		(17,758)	133,947
Balance at 31 December 2019	710,154	268,231	(15,157)	-	(211,449)	751,778

The net carrying value of equipment held under a finance lease is **\$57,022 (2018: \$48,175)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Furniture and Equipment	645,101	(258,746)	386,355
Information and Communication	895,464	(731,654)	163,810
Motor Vehicles	55,223	(48,153)	7,070
Textbooks	28,010	(24,438)	3,573
Leased Assets	182,429	(125,405)	57,022
Library Resources	205,297	(71,351)	133,947
Balance at 31 December 2019	2,011,525	(1,259,747)	751,778

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Furniture and Equipment	440,596	27,150	(1,260)		(59,214)	407,272
Information and Communication					(71,782)	90,682
Technology	120,990	43,128	(1,654)			
Motor Vehicles	29,159	-	-		(11,045)	18,114
Textbooks	16,303	3,320	-		(8,667)	10,956
Leased Assets	54,042	35,219	(1,120)		(39,966)	48,175
Library Resources	118,520	32,592	(1,062)		(15,099)	134,951
Balance at 31 December 2018	779,609	141,409	(5,096)	-	(205,773)	710,151

The net carrying value of equipment held under a finance lease is **\$57,022 (2018: \$48,715)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Furniture and Equipment	607,558	(200,287)	407,269
Information and Communication Technology	781,534	(690,852)	90,682
Motor Vehicles	55,223	(37,108)	18,114
Textbooks	28,010	(17,052)	10,958
Leased Assets	127,128	(78,953)	48,175
Library Resources	193,364	(58,412)	134,952
Balance at 31 December 2018	1,792,817	(1,082,664)	710,151

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2018	12,003	-	12,003
Balance at 31 December 2018/1 January 2019	12,003	-	12,003
Balance at 31 December 2019	12,003	-	12,003
Accumulated Amortisation and impairment losses			
Balance at 1 January 2018	5,112	-	5,112
Amortisation expense	3,961	-	3,961
Balance at 31 December 2018/1 January 2019	9,073	-	9,073
Amortisation expense	2,930	-	2,930
Balance at 31 December 2019	12,003	-	12,003
Carrying amounts			
At 1 January 2018	6,891	-	6,891
At 31 December 2018/ 1 January 2019	2,930	-	2,930
At 31 December 2019	-	-	-

Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2018 \$nil)

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	122,368	113,073	109,818
Accruals	18,042	17,173	17,845
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	553,511	375,078	380,800
	<u>693,921</u>	<u>505,324</u>	<u>508,463</u>
Payables for Exchange Transactions	693,921	505,324	505,208
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			3,255
Payables for Non-exchange Transactions - Other			
	<u>693,921</u>	<u>505,324</u>	<u>508,463</u>

The carrying value of payables approximates their fair value.

15. Borrowings

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Due in One Year	-	-	-
Due Beyond One Year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

16. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	887	-	-
International Student Fees	571,988	506,483	506,483
Homestay Fees	296,591	258,069	189,827
Other	17,815	-	67,139
	<u>887,281</u>	<u>764,552</u>	<u>763,448</u>

17. Finance Lease Liability

The School has entered into a number of finance lease agreements for computer equipment. Minimum lease payments payable:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	27,053	34,483	34,488
Later than One Year and no Later than Five Years	24,299	99,574	25,746
Later than Five Years	-	-	-
	<u>51,352</u>	<u>134,057</u>	<u>60,234</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.

Leigh Abraham, wife of Maurie Abraham (Principal of the Secondary School), has been employed as a Library Leader at the Secondary School during 2019. (2018 : Nil)

Thomas Abraham, son of Maurie Abraham (Principal of the Secondary School) has been employed as a Teacher Aide at the Secondary School during 2019. (2018 : Nil)

Sarah Birch, wife of Daniel Birch (Principal of the Primary School) has been employed as a teacher at the Primary School during 2019. (2018 : Nil)

Jack Birch, son of Daniel Birch (Principal of the Primary School), was employed as a Teacher Aide at the Primary School during 2019. (2018 : Nil)

Note 19. Remuneration.

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	15,770	18,285
Full-time equivalent members	0.11	0.45
<i>Leadership Team</i>		
Remuneration	896,013	959,973
Full-time equivalent members	8	8
Total key management personnel remuneration	911,783	978,258
Total full-time equivalent personnel	8.11	8.45

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.

19. Remuneration (continued)

Principal

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

	2019	2018
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal 1	170-175	160-165
Salary and Other Payments - Principal 2	175-180	180-185
Benefits and Other Emoluments - Principal 1	3-4	-
Benefits and Other Emoluments - Principal 2	4-5	-
Termination Benefits	-	-

Other Employees

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

Remuneration	2019	2018
\$000	FTE Number	FTE Number
100 - 110	3.00	2.00
	<hr/>	<hr/>
	3.00	2.00
	<hr/>	<hr/>

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:

	2019	2018
	Actual	Actual
Total	\$0	-
Number of People	0	-

21. Contingencies

There is one open personal grievance claim against the Board. The value of the claim is indeterminate at the time of reporting, however the Board expects the value of any claim will be covered through insurance. (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has no capital commitments.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

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

(a) operating lease of a Photocopier;

	2019 Actual \$	2018 Actual \$
No later than One Year	30,294	30,294
Later than One Year and No Later than Five Years	60,587	90,881
Later than Five Years		-
	90,881	121,175

(b) operating lease of a Garage;

	2019 Actual \$	2018 Actual \$
No later than One Year	8,636	8,636
Later than One Year and No Later than Five Years	34,544	34,544
Later than Five Years	138,176	146,812
	181,356	189,992



23. Managing Capital

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

24. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	297,578	108,055	257,168
Receivables	621,054	503,394	503,393
Investments - Term Deposits	4,094,059	3,375,802	3,875,802
Total Financial assets measured at amortised cost	<u>5,012,691</u>	<u>3,987,251</u>	<u>4,636,363</u>

Financial liabilities measured at amortised cost

Payables	693,921	505,324	505,208
Borrowings - Loans	-	-	-
Finance Leases	51,342	134,417	60,234
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>745,262</u>	<u>639,741</u>	<u>565,442</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 the 18th May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum so students can learn remotely.

At this time, the full financial impact of the COVID-19 pandemic is not able to be determined but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed. (2018 : Nil)

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 opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments:

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

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF HOBSONVILLE POINT SCHOOLS'
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Hobsonville Point Schools (the School). The Auditor-General has appointed me, Paul Lawrence, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2019, 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 School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; 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 2020. 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.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 on page 22 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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 School 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 School for assessing the School'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 School, 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 School'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 School'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 School'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 School 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance and Kiwi Sport Note but 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 School 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 School.



Paul Lawrence
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand