



Cromwell College

CENTRAL OTAGO

GROUP ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	373
Principal:	Mason Stretch
School Address:	Barry Ave, Cromwell 9310
School Phone:	03 445 1121

CROMWELL COLLEGE

Group Annual Report - For the year ended 31 December 2021

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Cromwell College

Statement of Responsibility

For the year ended 31 December 2021


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

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

It is the opinion of the Board and management that the consolidated annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the group.

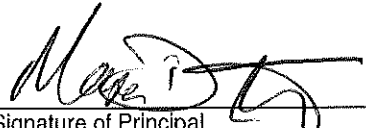
The Group's 2021 consolidated financial statements are authorised for issue by the Board.

Terry Davis
Full Name of Presiding Member


Signature of Presiding Member

14/7/22
Date:

Mason Daniel Stretch
Full Name of Principal


Signature of Principal

14/07/22
Date:

Cromwell College

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Matt Dicey	Presiding Member	Elected	Sep 2022
Mason Stretch	Principal ex Officio	ex Officio	
Terry Davis	Parent Representative	Elected	Sep 2022
Paul Bisset	Parent Representative	Elected	Sep 2022
Odette Hopgood-Bride	Parent Representative	Elected	Sep 2022
Beth Phelps	Parent Representative	Elected	Sep 2022
Kate Borrie	Staff Representative	Elected	Sep 2022
Molly Christensen	Student Representative	Elected	Sep 2021
Issy Miscisco	Student Representative	Elected	Sep 2022

Cromwell College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue							
Government Grants	2	6,782,248	7,446,470	6,676,288	6,782,248	7,446,470	6,676,288
Locally Raised Funds	3	367,551	120,397	419,562	465,129	198,197	539,230
Interest Earned		3,363	5,000	7,548	4,450	6,000	9,661
Hostel	4	571,290	503,360	432,527	645,290	568,360	370,860
International Students	5	44,241	40,435	110,030	44,241	40,435	110,030
Other Revenue		23,636	-	61,445	23,636	-	61,445
<i>Total revenue</i>		<u>7,792,329</u>	<u>8,115,662</u>	<u>7,707,400</u>	<u>7,964,994</u>	<u>8,259,462</u>	<u>7,767,514</u>
Expenses							
Locally Raised Funds	3	100,547	11,500	147,630	151,926	52,020	203,570
Hostel	4	536,039	455,523	464,845	576,415	520,523	403,178
International Students	5	33,099	36,078	63,644	33,099	36,078	63,644
Learning Resources	6	5,171,237	5,384,416	4,493,323	5,171,237	5,384,416	4,493,323
Administration	7	365,196	371,676	352,528	365,196	371,676	352,528
Finance		3,757	-	3,522	11,473	7,716	13,185
Property	8	1,588,786	1,954,673	1,936,380	1,588,786	1,954,673	1,936,380
Depreciation	12	144,104	100,000	158,030	191,305	140,000	203,144
Loss on Disposal of Property, Plant and Equipment		725	-	316	725	-	316
<i>Total expenses</i>		<u>7,943,490</u>	<u>8,313,866</u>	<u>7,620,218</u>	<u>8,090,162</u>	<u>8,467,102</u>	<u>7,669,268</u>
Net Surplus / (Deficit) for the year		(151,161)	(198,204)	87,182	(125,168)	(207,640)	98,246
Other Comprehensive Revenue and Expenses							
<i>Item that will not be reclassified to surplus(deficit)</i>							
Gain on equity investment revaluations		-	-	-	-	-	-
<i>Total other comprehensive revenue and expense</i>		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(151,161)</u>	<u>(198,204)</u>	<u>87,182</u>	<u>(125,168)</u>	<u>(207,640)</u>	<u>98,246</u>

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

Cromwell College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021	School	2020	2021	Group	2020
		Actual	2021 Budget (Unaudited)	Actual	Actual	2021 Budget (Unaudited)	Actual
		\$	\$	\$	\$	\$	\$
Equity at 1 January		1,229,098	1,229,098	1,141,916	2,335,865	2,335,863	2,237,619
Total comprehensive revenue and expense for the year		(151,161)	(198,204)	87,182	(125,168)	(207,640)	98,246
Capital Contributions from the Ministry of Education							
Contribution - Furniture and Equipment Grant		33,275	33,275	-	33,275	33,275	-
Equity at 31 December		<u>1,111,212</u>	<u>1,064,169</u>	<u>1,229,098</u>	<u>2,243,972</u>	<u>2,161,498</u>	<u>2,335,865</u>
Retained Earnings		1,111,212	1,064,169	1,229,098	2,243,972	2,161,498	2,335,865
Equity at 31 December		<u>1,111,212</u>	<u>1,064,169</u>	<u>1,229,098</u>	<u>2,243,972</u>	<u>2,161,498</u>	<u>2,335,865</u>
Reserve Movements Analysis							
Accumulated surplus/(deficit)							
Balance at 1 January		1,229,098	1,229,098	1,141,916	2,335,865	2,335,863	2,237,619
Furniture & Equipment grant		33,275	33,275	-	33,275	33,275	-
Surplus/(deficit) for the year		(151,161)	(198,204)	87,182	(125,168)	(207,640)	98,246
Balance 31 December		<u>1,111,212</u>	<u>1,064,169</u>	<u>1,229,098</u>	<u>2,243,972</u>	<u>2,161,498</u>	<u>2,335,865</u>
Total equity		<u>1,111,212</u>	<u>1,064,169</u>	<u>1,229,098</u>	<u>2,243,972</u>	<u>2,161,498</u>	<u>2,335,865</u>

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

Cromwell College
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets							
Cash and Cash Equivalents	9	522,333	486,469	593,928	619,735	560,105	676,401
Accounts Receivable	10	466,877	394,415	394,415	467,261	395,341	395,341
GST Receivable		14,927	54,216	54,216	14,927	54,216	54,216
Prepayments		42,149	35,695	35,695	64,057	52,962	52,962
Investments	11	202,991	199,299	199,299	286,442	281,122	281,122
		<u>1,249,277</u>	<u>1,170,094</u>	<u>1,277,553</u>	<u>1,452,422</u>	<u>1,343,746</u>	<u>1,460,042</u>
Current Liabilities							
GST Payable		-	-	-	5,501	2,069	2,069
Accounts Payable	13	555,599	480,580	480,580	556,819	491,701	491,701
Borrowings	14	-	-	-	36,465	27,162	27,162
Revenue Received in Advance	15	151,077	150,413	149,970	151,077	150,413	149,970
Provision for Cyclical Maintenance	16	-	22,500	22,500	-	22,500	22,500
Finance Lease Liability	17	47,206	59,657	60,732	47,206	59,657	60,732
Funds held in Trust	18	4,168	4,168	4,168	4,168	4,168	4,168
Funds held for Capital Works Projects	19	12,685	104,882	104,882	12,685	104,882	104,882
Funds for Resource Teachers of Learning & Behaviour Services	20	29,919	31,279	20,704	29,919	31,279	20,704
Funds Held on behalf of RTLit Cluster	21	31,238	22,563	22,563	31,238	22,563	22,563
Funds Held on behalf of Alt Ed Consort Cluster	22	55,757	45,732	45,732	55,757	45,732	45,732
Funds Hed on behalf of Central Otago Youth Employment Cluster	23	28,933	28,558	28,558	28,933	28,558	28,558
Funds Hed on behalf of Community of Learning Cluster	24	28,955	-	-	28,955	-	-
		<u>945,537</u>	<u>950,332</u>	<u>940,389</u>	<u>988,723</u>	<u>990,684</u>	<u>980,741</u>
Working Capital Surplus/(Deficit)		303,740	219,762	337,164	463,699	353,062	479,301
Non-current Assets							
Property, Plant and Equipment	12	1,001,294	1,004,775	1,055,302	2,050,948	2,054,985	2,140,514
		<u>1,001,294</u>	<u>1,004,775</u>	<u>1,055,302</u>	<u>2,050,948</u>	<u>2,054,985</u>	<u>2,140,514</u>
Non-current Liabilities							
Borrowings	14	-	-	-	76,853	86,181	120,582
Provision for Cyclical Maintenance	16	157,670	130,639	133,639	157,670	130,639	133,639
Finance Lease Liability	17	36,152	29,729	29,729	36,152	29,729	29,729
		<u>193,822</u>	<u>160,368</u>	<u>163,368</u>	<u>270,675</u>	<u>246,549</u>	<u>283,950</u>
Net Assets		1,111,212	1,064,169	1,229,098	2,243,972	2,161,498	2,335,865
Equity:							
Accumulated surplus/deficit		1,111,212	1,064,169	1,229,098	2,243,972	2,161,498	2,335,865
Total equity		1,111,212	1,064,169	1,229,098	2,243,972	2,161,498	2,335,865

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

Cromwell College
Statement of Cash Flows
For the year ended 31 December 2021

	Notes	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities							
Government Grants		1,610,590	1,552,048	1,538,063	1,610,590	1,552,046	1,538,063
Locally Raised Funds		429,854	120,840	646,475	527,432	198,640	806,118
Hostel		571,290	503,360	432,527	645,290	568,360	370,860
International Students		18,423	40,435	6,984	18,423	40,435	6,984
Goods and Services Tax (net)		39,289	-	12,227	42,721	-	10,286
Payments to Employees		(1,292,732)	(1,152,172)	(1,029,640)	(1,292,732)	(1,152,172)	(1,029,640)
Payments to Suppliers		(1,359,518)	(1,170,272)	(1,293,160)	(1,465,815)	(1,275,792)	(1,281,525)
Interest Paid		(3,757)	-	-	(11,473)	(7,716)	(9,663)
Interest Received		4,592	5,000	9,087	6,221	6,000	11,500
Net cash from / (to) the Operating Activities		18,031	(100,761)	322,563	80,657	(70,199)	422,983
Cash flows from Investing Activities							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(725)	(137,704)	(316)	(725)	(137,704)	(316)
Purchase of Property Plant & Equipment (and Intangibles)		(164,901)	(164,917)	(87,790)	(176,544)	(169,915)	(93,333)
Purchase of Investments		(3,692)	-	(6,765)	(5,320)	-	(9,178)
Net cash from / (to) the Investing Activities		(169,318)	(302,621)	(94,871)	(182,589)	(307,619)	(102,827)
Cash flows from Financing Activities							
Furniture and Equipment Grant		33,275	33,275	-	33,275	33,275	-
Finance Lease Payments		81,369	252,073	(71,994)	81,369	252,073	(71,994)
Loans Received/ Repayment of Loans		-	-	-	(34,426)	(34,401)	(32,454)
Funds Administered on Behalf of Third Parties		(34,952)	10,575	(361,594)	(34,952)	10,575	(401,569)
Net cash from / (to) Financing Activities		79,692	295,923	(433,588)	45,266	261,522	(506,017)
Net increase/(decrease) in cash and cash equivalents		(71,595)	(107,459)	(205,896)	(56,666)	(116,296)	(185,861)
Cash and cash equivalents at the beginning of the year	9	593,928	593,928	799,824	676,401	676,401	862,262
Cash and cash equivalents at the end of the year	9	522,333	486,469	593,928	619,735	560,105	676,401

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

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

Cromwell College

Notes to the Group Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Cromwell College is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Cromwell College (the 'Group') consists of Cromwell College and its subsidiary trust. The subsidiary is a School Trust ('Trust') which supports the school by raising funds and making donations for the school.

The School's subsidiary is incorporated and domiciled in New Zealand.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Basis of Consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

Useful lives of property, plant and equipment

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

Consolidation of entities

The Group consolidates entities based on whether the School has established control of the subsidiary. The subsidiaries which are controlled are disclosed at Note 33.

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) 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.

f) 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.

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

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

The Group has met the requirements of Section 154 (2)(b)(ii) of the Education and Training Act 2020 in relation to the acquisition of investment securities.

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

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

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

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 also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Consolidated Statement of Revenue and Expense.

The Group holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Shared Funds

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

r) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the Group, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

s) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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

t) 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.

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

u) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

v) Budget Figures

The budget figures are extracted from the Group budget that was approved by the Board.

w) Services received in-kind

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

2. Government Grants

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,395,652	1,391,494	1,229,914	1,395,652	1,391,494	1,229,914
Teachers' Salaries Grants	3,926,196	4,318,940	3,562,244	3,926,196	4,318,940	3,562,244
Use of Land and Buildings Grants	1,194,557	1,575,482	1,575,482	1,194,557	1,575,482	1,575,482
Other MoE Grants	136,023	80,000	229,310	136,023	80,000	229,310
Other Government Grants	129,820	80,554	79,338	129,820	80,554	79,338
	6,782,248	7,446,470	6,676,288	6,782,248	7,446,470	6,676,288

3. Locally Raised Funds

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue						
Donations and Bequests	174,884	39,100	157,406	174,884	39,100	157,906
Fundraising & Community Grants	30,184	30,915	40,707	30,184	30,915	40,707
Other Revenue	39,245	32,882	65,344	136,823	110,682	184,512
Trading	1,066	2,000	8,193	1,066	2,000	8,193
Fees for Extra Curricular Activities	122,172	15,500	147,912	122,172	15,500	147,912
	367,551	120,397	419,562	465,129	198,197	539,230
Expenses						
Extra Curricular Activities costs	100,238	10,500	146,955	100,238	10,500	146,955
Trading	309	1,000	675	309	1,000	675
Other Locally Raised Funds Expenditure	-	-	-	51,379	40,520	55,940
	100,547	11,500	147,630	151,926	52,020	203,570
<i>Surplus for the year Locally raised funds</i>	267,004	108,897	271,932	313,203	146,177	335,660

4. Hostel Revenue and Expenses

	2021 Actual Number	School 2021 Budget (Unaudited) Number	2020 Actual Number	2021 Actual Number	Group 2021 Budget (Unaudited) Number	2020 Actual Number
Hostel Financial Performance						
Hostel Full Boarders	18	13	13	18	13	13
	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue						
Hostel Fees	259,550	267,860	145,724	259,550	267,860	145,724
Other Revenue	311,740	235,500	286,803	385,740	300,500	225,136
	571,290	503,360	432,527	645,290	568,360	370,860
Expenses						
Other Hostel Expenses	44,647	43,200	24,847	44,647	43,200	24,847
Administration	28,101	17,000	17,817	28,101	17,000	17,817
Property	346,839	289,373	307,655	387,215	354,373	245,988
Employee Benefit - Salaries	116,452	105,950	114,526	116,452	105,950	114,526
	536,039	455,523	464,845	576,415	520,523	403,178
<i>Surplus/ (Deficit) for the year Hostel</i>	35,251	47,837	(32,318)	68,875	47,837	(32,318)

5. International Student Revenue and Expenses

	2021 Actual Number	School 2021 Budget (Unaudited) Number	2020 Actual Number	2021 Actual Number	Group 2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	3	3	7	3	7	7
	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Revenue						
International Student Fees	44,241	40,435	110,030	44,241	40,435	110,030
Expenses						
Student Recruitment	15,953	17,125	27,903	15,953	17,125	27,903
Employee Benefit - Salaries	15,711	18,953	32,709	15,711	18,953	32,709
Other Expenses	1,435	-	3,032	1,435	-	3,032
	33,099	36,078	63,644	33,099	36,078	63,644
<i>Surplus/ (Deficit) for the year International Students</i>	11,142	4,357	46,386	11,142	4,357	46,386

6. Learning Resources

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	284,712	207,976	226,879	284,712	207,976	226,879
Information and Communication Technology	33,229	44,992	18,672	33,229	44,992	18,672
Library Resources	3,025	7,187	3,234	3,025	7,187	3,234
Employee Benefits - Salaries	4,810,599	5,071,761	4,199,721	4,810,599	5,071,761	4,199,721
Staff Development	39,672	52,500	44,817	39,672	52,500	44,817
	5,171,237	5,384,416	4,493,323	5,171,237	5,384,416	4,493,323

7. Administration

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	8,211	6,569	6,569	8,211	6,569	6,569
Board Fees	3,955	3,700	3,572	3,955	3,700	3,572
Board Expenses	8,378	500	6,909	8,378	500	6,909
Communication	16,402	18,500	18,165	16,402	18,500	18,165
Consumables	39,476	41,850	37,034	39,476	41,850	37,034
Other	24,154	40,750	26,560	24,154	40,750	26,560
Employee Benefits - Salaries	221,224	216,807	212,041	221,224	216,807	212,041
Insurance	37,881	36,000	35,153	37,881	36,000	35,153
Service Providers, Contractors and Consultancy	5,515	7,000	6,525	5,515	7,000	6,525
	365,196	371,676	352,528	365,196	371,676	352,528

8. Property

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	12,052	11,000	13,015	12,052	11,000	13,015
Consultancy and Contract Services	91,253	100,500	96,742	91,253	100,500	96,742
Cyclical Maintenance Provision	26,428	27,000	11,965	26,428	27,000	11,965
Grounds	29,877	21,800	26,855	29,877	21,800	26,855
Heat, Light and Water	82,285	92,750	84,256	82,285	92,750	84,256
Rates	2,440	2,400	2,345	2,440	2,400	2,345
Repairs and Maintenance	84,450	64,000	74,955	84,450	64,000	74,955
Use of Land and Buildings	1,194,557	1,575,482	1,575,482	1,194,557	1,575,482	1,575,482
Security	2,510	2,100	1,931	2,510	2,100	1,931
Employee Benefits - Salaries	62,934	57,641	48,834	62,934	57,641	48,834
	1,588,786	1,954,673	1,936,380	1,588,786	1,954,673	1,936,380

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the Group'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.

9. Cash and Cash Equivalents

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	522,333	486,469	593,928	619,735	560,105	676,401
Cash equivalents and bank overdraft for Consolidated Cash Flow Statement	522,333	486,469	593,928	619,735	560,105	676,401

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

Of the \$619,735 Cash and Cash Equivalents, \$12,686 is held by the Group on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings." The funds are required to be spent in 2021 on Crown owned Group buildings.

Of the \$619,735 Cash and Cash Equivalents, \$5,000 of unspent grant funding is held by the Group. This funding is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

Of the \$619,735 Cash and Cash Equivalents, \$29,919 is held by the Group on behalf of the RTL B Service. See note 20 for details of how the funding received for the service has been spent in the year.

Of the \$619,735 Cash and Cash Equivalents, \$31,238 is held by the School on behalf of the RTLit cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

Of the \$619,735 Cash and Cash Equivalents, \$55,757 is held by the School on behalf of the Alt Ed Consort cluster. See note 22 for details of how the funding received for the cluster has been spent in the year.

Of the \$619,735 Cash and Cash Equivalents, \$28,933 is held by the School on behalf of the Central Otago Youth Employment cluster. See note 23 for details of how the funding received for the cluster has been spent in the year.

Of the \$619,735 Cash and Cash Equivalents, \$28,955 is held by the School on behalf of the COL cluster. See note 24 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	12,748	29,490	29,490	12,748	29,490	29,490
Receivables from the Ministry of Education	42,138	1,887	1,887	42,138	1,887	1,887
Interest Receivable	1,148	2,377	2,377	1,532	3,303	3,303
Teacher Salaries Grant Receivable	410,843	360,661	360,661	410,843	360,661	360,661
	<u>466,877</u>	<u>394,415</u>	<u>394,415</u>	<u>467,261</u>	<u>395,341</u>	<u>395,341</u>
Receivables from Exchange Transactions	13,896	31,867	31,867	14,280	32,793	32,793
Receivables from Non-Exchange Transactions	452,981	362,548	362,548	452,981	362,548	362,548
	<u>466,877</u>	<u>394,415</u>	<u>394,415</u>	<u>467,261</u>	<u>395,341</u>	<u>395,341</u>

11. Investments

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset						
Short-term Bank Deposits	202,991	199,299	199,299	286,442	281,122	281,122
	<u>202,991</u>	<u>199,299</u>	<u>199,299</u>	<u>286,442</u>	<u>281,122</u>	<u>281,122</u>
Total Investments	<u>202,991</u>	<u>199,299</u>	<u>199,299</u>	<u>286,442</u>	<u>281,122</u>	<u>281,122</u>

12. Property, Plant and Equipment

GROUP

	Opening Balance (Net Book Value) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Land and Buildings - Trust	950,947	-	-	-	(28,979)	921,968
Building Improvements	588,955	3,506	-	-	(19,744)	572,717
Furniture and Equipment	379,669	30,152	(355)	-	(48,274)	361,192
Information and Communication Technology	27,604	3,528	-	-	(10,050)	21,082
Motor Vehicles	92,170	-	-	-	(15,270)	76,900
Leased Assets	94,254	61,441	-	-	(67,690)	88,005
Library Resources	6,915	4,533	(1,066)	-	(1,298)	9,084
Balance at 31 December 2021	<u>2,140,514</u>	<u>103,160</u>	<u>(1,421)</u>	<u>-</u>	<u>(191,305)</u>	<u>2,050,948</u>

GROUP

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Land and Buildings - Trust	1,448,968	(527,000)	921,968	1,448,968	(498,021)	950,947
Building Improvements	911,747	(339,030)	572,717	908,241	(319,286)	588,955
Furniture and Equipment	908,907	(547,715)	361,192	880,630	(500,961)	379,669
Information and Communication Technology	335,643	(314,561)	21,082	332,115	(304,511)	27,604
Motor Vehicles	229,874	(152,974)	76,900	229,874	(137,704)	92,170
Leased Assets	178,343	(90,338)	88,005	253,148	(158,894)	94,254
Library Resources	47,543	(38,459)	9,084	50,848	(43,933)	6,915
Balance at 31 December	<u>4,061,025</u>	<u>(2,010,077)</u>	<u>2,050,948</u>	<u>4,103,824</u>	<u>(1,963,310)</u>	<u>2,140,514</u>

SCHOOL

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	588,955	3,506	-	-	(19,744)	572,717
Furniture and Equipment	245,404	18,509	(355)	-	(30,052)	233,506
Information and Communication Technology	27,604	3,528	-	-	(10,050)	21,082
Motor Vehicles	92,170	-	-	-	(15,270)	76,900
Leased Assets	94,254	61,441	-	-	(67,690)	88,005
Library Resources	6,915	4,533	(1,066)	-	(1,298)	9,084
Balance at 31 December 2021	<u>1,055,302</u>	<u>91,517</u>	<u>(1,421)</u>	<u>-</u>	<u>(144,104)</u>	<u>1,001,294</u>

SCHOOL	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	911,747	(339,030)	572,717	908,241	(319,286)	588,955
Furniture and Equipment	728,373	(494,867)	233,506	711,740	(466,336)	245,404
Information and Communication Technology	335,643	(314,561)	21,082	332,115	(304,511)	27,604
Motor Vehicles	229,874	(152,974)	76,900	229,874	(137,704)	92,170
Leased Assets	178,343	(90,338)	88,005	253,148	(158,894)	94,254
Library Resources	47,543	(38,459)	9,084	50,848	(43,933)	6,915
Balance at 31 December	2,431,523	(1,430,229)	1,001,294	2,485,966	(1,430,664)	1,055,302

The net carrying value of equipment held under a finance lease is \$88,005 (2020: \$67,880)

The net carrying value of motor vehicles held under a finance lease is \$nil (2020: \$26,374)

13. Accounts Payable

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	59,574	58,592	58,592	59,574	68,651	68,651
Accruals	23,357	6,569	6,569	24,577	7,631	7,631
Employee Entitlements - Salaries	438,802	374,974	374,974	438,802	374,974	374,974
Employee Entitlements - Leave Accrual	33,866	40,445	40,445	33,866	40,445	40,445
	555,599	480,580	480,580	556,819	491,701	491,701
Payables for Exchange Transactions	555,599	480,580	480,580	556,819	491,701	491,701
	555,599	480,580	480,580	556,819	491,701	491,701

The carrying value of payables approximates their fair value.

14. Borrowings

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	-	-	-	36,465	27,162	27,162
Loans due after one year	-	-	-	76,853	86,181	120,582
	-	-	-	113,318	113,343	147,744

The Group has borrowings at 31 December 2021 of \$113,318 (31 December 2020 \$147,744). This loan is from the Central Otago District Council and is secured by a mortgage over the Cromwell College Charitable Trust property. The loan had a term of 20 years from 1 February 2005 with interest currently at 5.84%. The property has a quotable value of \$3,120,000 (QV dated 1 Sep 2016).

15. Revenue Received in Advance

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Grants in Advance - Ministry of Education	5,000	-	-	5,000	-	-
International Student Fees in Advance	32,728	58,546	58,546	32,728	58,546	58,546
Other revenue in Advance	113,349	91,867	91,424	113,349	91,867	91,424
	151,077	150,413	149,970	151,077	150,413	149,970

16. Provision for Cyclical Maintenance

	2021 Actual \$	School and Group 2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	156,139	156,139	167,159
Increase/ (decrease) to the Provision During the Year	26,428	27,000	11,965
Use of the Provision During the Year	(24,897)	30,000	(22,985)
Provision at the End of the Year	157,670	213,139	156,139
Cyclical Maintenance - Current	-	22,500	22,500
Cyclical Maintenance - Term	157,670	130,639	133,639
	157,670	153,139	156,139

17. Finance Lease Liability

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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	51,531	61,368	62,443	51,531	61,368	62,443
Later than One Year and no Later than Five Years	38,844	30,371	30,371	38,844	30,371	30,371
Future Finance Charges	(7,017)	(2,353)	(2,353)	(7,017)	(2,353)	(2,353)
	<u>83,358</u>	<u>89,386</u>	<u>90,461</u>	<u>83,358</u>	<u>89,386</u>	<u>90,461</u>
Represented by						
Finance lease liability - Current	47,206	59,657	60,732	47,206	59,657	60,732
Finance lease liability - Term	36,152	29,729	29,729	36,152	29,729	29,729
	<u>83,358</u>	<u>89,386</u>	<u>90,461</u>	<u>83,358</u>	<u>89,386</u>	<u>90,461</u>

18. Funds Held in Trust

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	4,168	4,168	4,168	4,168	4,168	4,168
	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>	<u>4,168</u>

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

19. Funds Held for Capital Works Projects

During the year the School and Group received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under receivables from the Ministry in account receivable note 9:

School and GROUP

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Boiler replacement	(41,169)	72,607	(32,292)	854	-
Classroom Prototyping	7,491	-	-	-	7,491
SIP auditorium	(5,650)	80,237	(84,340)	-	(9,753)
Quentin Hayes project	13,252	6,656	(19,908)	-	-
SIP court resurface	63,379	5,301	(72,069)	3,389	-
CCTV Security Upgrade	(1,339)	1,339	-	-	-
Irrigation Upgrade	(1,337)	-	-	-	(1,337)
Lighting & Access	(3,482)	-	(11,604)	15,086	-
Gym/Aud Lighting & Ventilation	73,737	20,875	(79,526)	(15,086)	-
Admin upgrade incl hand dryers and heatpumps	-	29,713	(13,429)	-	16,284
Totals	<u>104,882</u>	<u>216,728</u>	<u>(313,168)</u>	<u>4,243</u>	<u>12,685</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	23,775
Funds Due from the Ministry of Education	(11,090)
	<u>12,685</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Boiler replacement	408,383	-	(449,552)	-	(41,169)
Classroom Prototyping	157,190	15,460	(165,159)	-	7,491
SIP auditorium	-	-	(5,650)	-	(5,650)
Quentin Hayes project	-	38,480	(25,228)	-	13,252
SIP court resurface	-	162,002	(98,684)	61	63,379
CCTV Security Upgrade	-	32,879	(34,218)	-	(1,339)
Irrigation Upgrade	-	14,454	(15,791)	-	(1,337)
Lighting & Access	-	-	(3,482)	-	(3,482)
Gym/Aud Lighting & Ventilation	-	198,551	(124,814)	-	73,737
Totals	<u>565,573</u>	<u>461,826</u>	<u>(922,578)</u>	<u>61</u>	<u>104,882</u>

20. Funds for Resource Teachers of Learning and Behaviour Services (RTL B)

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

School and GROUP	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds held at beginning of the year	20,704	20,704	2,937
<i>Revenue</i>			
Teachers' Salary Grant	1,167,920	1,073,961	1,095,271
Administration Grant	38,796	33,143	34,716
Learning Support Funding	70,797	67,397	66,729
Travel Grant	64,518	64,518	66,018
Other Revenue	5,347	50	-
	<u>1,347,378</u>	<u>1,239,069</u>	<u>1,262,734</u>
Total funds available	1,368,082	1,259,773	1,265,671
<i>Expenses</i>			
Employee Benefit - Salaries	1,219,570	1,123,154	1,129,637
Administration	39,730	38,653	38,782
Learning Support	32,776	21,545	15,805
Travel	42,151	41,285	54,332
Other Expenses	3,936	3,857	16,411
	<u>1,338,163</u>	<u>1,228,494</u>	<u>1,244,967</u>
Funds Held at Year End	<u>29,919</u>	<u>31,279</u>	<u>20,704</u>

21. Funds for RTLit Cluster

The School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Literacy to its cluster of schools.

School and GROUP	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	22,563	22,563	30,275
Funds Received from MoE	16,834	-	16,569
Total funds received	<u>39,397</u>	<u>22,563</u>	<u>46,844</u>
Funds Spent on Behalf of the Cluster	(8,159)	-	(24,281)
Funds remaining	<u>31,238</u>	<u>22,563</u>	<u>22,563</u>
Funds Held at Year End	<u>31,238</u>	<u>22,563</u>	<u>22,563</u>

22. Alt Ed Consort Cluster

The School is the lead school and holds funds on behalf of the Alt Ed Consort Cluster, a group of schools funded by the Ministry.

School and GROUP	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	45,732	45,732	13,795
Funds Received from MoE	148,240	-	126,393
Total funds received	<u>193,972</u>	<u>45,732</u>	<u>140,188</u>
Funds Spent on Behalf of the Cluster	(138,215)	-	(94,456)
Funds remaining	<u>55,757</u>	<u>45,732</u>	<u>45,732</u>
Funds Held at Year End	<u>55,757</u>	<u>45,732</u>	<u>45,732</u>

23. Central Otago Youth Employment Cluster

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

School and GROUP	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	28,558	28,558	11,428
Funds Received from Cluster Members	34,064	-	110,700
Funds Received from Other Sources	175,000	-	-
Total funds received	<u>237,622</u>	<u>28,558</u>	<u>122,128</u>
Funds Spent on Behalf of the Cluster	(208,689)	-	(93,570)
Funds remaining	<u>28,933</u>	<u>28,558</u>	<u>28,558</u>
Funds Held at Year End	<u>28,933</u>	<u>28,558</u>	<u>28,558</u>

24. Community of Learning Cluster

The School is the lead school and holds funds on behalf of the Community of Learning cluster, a group of schools funded by the Ministry of Education.

School and GROUP	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Received from Cluster Members	11,230	-	-
Funds Received from Other Sources	21,581	-	-
Funds Received from MoE	16,148	-	-
Total funds received	48,959	-	-
Funds Spent on Behalf of the Cluster	(20,004)	-	-
Funds remaining	28,955	-	-
Funds Held at Year End	28,955	-	-

25. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the Group. The Group enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the Group would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

26. Remuneration

Key management personnel compensation (School and Group)

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

	2021 Actual \$	2020 Actual \$
<i>Board Members - School</i>		
Remuneration	3,955	3,572
<i>Leadership Team</i>		
Remuneration	998,548	830,302
Full-time equivalent members	8.00	7.00
Total key management personnel remuneration	998,548	830,302

There are seven members of the Board excluding the Principal. The Board held nine full meetings of the Board in the year. The Board also has a Finance and Property Committee (three BOT members) that meets a week out before each BOT Meeting. There is also a Policy Committee (one BOT member) that meets monthly (These numbers both exclude the Principal). As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	190 - 200	160 - 170
Benefits and Other Emoluments	20 - 30	20 - 30
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	8.00	6.00
110 - 120	3.00	3.00
130 - 140	1.00	0.00
	12.00	9.00

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

27. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, 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:

School and GROUP	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

28. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

29. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) \$36,765 contract to upgrade the Admin area and install handdryers and heatpump cages in various areas of the college as agent for the Ministry of Education. This project is fully funded by the Ministry and \$29,713 has been received of which \$13,429 has been spent on the project to balance date.

(Capital commitments at 31 December 2020: \$104,882)

(b) Operating Commitments School and GROUP

As at 31 December 2021 the Board has entered into the following contracts:

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

	2021 Actual \$	2020 Actual \$
No later than One Year	-	7,993

30. 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

	2021 Actual \$	School 2021 Budget (Unaudited) \$	2020 Actual \$	2021 Actual \$	Group 2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	522,333	486,469	593,928	619,735	560,105	676,401
Receivables	466,877	394,415	394,415	467,261	395,341	395,341
Investments - Term Deposits	202,991	199,299	199,299	286,442	281,122	281,122
Total Financial Assets Measured at Amortised Cost	1,192,201	1,080,183	1,187,642	1,373,438	1,236,568	1,352,864

Financial liabilities measured at amortised cost

Payables	555,599	480,580	480,580	556,819	491,701	491,701
Borrowings - Loans	-	-	-	113,318	113,343	147,744
Finance Leases	83,358	89,386	90,461	83,358	89,386	90,461
Total Financial Liabilities Measured at Amortised Cost	638,957	569,966	571,041	753,495	694,430	729,906

31. Events After Balance Date

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

32. Investments in Subsidiaries

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

Name of Subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the		Value of investment \$000	
			2021	2020	2021	2020
Cromwell College Charitable Trust	Supporting education	Cromwell, New Zealand	100%	100%	-	1,096.00

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

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

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

Cromwell College Charitable Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Revenue			
Rent received from Cromwell College	74,000	65,000	61,667
Bunkroom receipts	97,578	77,800	97,502
Donations	-	-	500
Interest received	1,087	1,000	2,113
	172,665	143,800	161,782
Expenditure			
Loan interest	7,716	7,716	9,663
Administration	2,587	1,520	1,578
Insurance	28,505	26,000	25,387
Rates	11,871	11,000	10,463
Grants to Cromwell College	40,000	40,000	40,000
Repairs and maintenance	8,792	27,000	18,512
Depreciation	47,202	40,000	45,114
	146,673	153,236	150,717
Net Surplus	25,992	(9,436)	11,065



Current Assets			
Cash and equivalents	97,402	73,636	82,473
Investments (Short term bank deposits)	83,451	81,823	81,823
Income accrued	384	926	926
Prepayments	21,908	17,267	17,267
	<u>203,145</u>	<u>173,652</u>	<u>182,489</u>
Current Liabilities			
Accounts payable	-	10,058	10,058
Accrued expenses	1,220	1,061	1,061
Term loan - current portion	36,465	27,162	27,162
GST Payable	5,051	2,069	2,069
	<u>2,069</u>	<u>40,350</u>	<u>40,350</u>
Working Capital	201,076	133,302	142,139
Non Current Assets			
Fixed Assets - Land, Buildings and Work in Progress			
Opening balance	1,085,210	1,085,210	1,124,783
Add current year additions	11,645	5,000	5,542
Less depreciation	(47,202)	(40,000)	(45,115)
Closing balance	<u>1,049,653</u>	<u>1,050,210</u>	<u>1,085,210</u>
Non Current Liabilities			
Loans			
Opening balance	120,582	120,582	153,036
Less repayments	(42,117)	(7,239)	(5,292)
Less current portion	(27,162)	(27,162)	(27,162)
	<u>51,303</u>	<u>86,181</u>	<u>120,582</u>
Net Assets	<u>1,199,426</u>	<u>1,097,331</u>	<u>1,106,767</u>

33. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

34. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will 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 ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board operated boarding facilities.

Other Impacts to the school:

We have also had some losses in the Apartments during 2021 as students returned home after lockdown to be with family. We have also made the decision not to run the Apartments programme for 2022 due to Health and Safety and well being concerns for students and staff alike if / when we get a Covid case in the school or apartments. This is will have a financial impact on the 2022 budget.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CROMWELL COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Opinion

We have audited the financial statements of the School on pages 3 to 21, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 14 July 2022. 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages accompanying the financial statements 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 *International 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.



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