

Independent Auditor's Report

To the readers of Wesley College's Financial statements For the year ended 31 December 2018

The Auditor-General is the auditor of Wesley College (the School). The Auditor-General has appointed me, Jason Stinchcombe, using the staff and resources of RSM Hayes Audit, 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 18, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 28 May 2019. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the 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 includes the statement of responsibility, board member list, analysis of variance and kiwisport report, 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

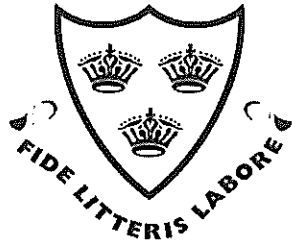
We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing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

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

A handwritten signature in blue ink that reads 'Jason Stinchcombe'.

Jason Stinchcombe
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

WESLEY COLLEGE



FOUNDED 1844

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number: 104
School Address: 801 Paerata Road, Paerata
School Postal Address: P O Box 58, Pukekohe
School Phone: 09-2370224
School Fax: 09-2383582

Members of the Board of Trustees

Name	Position	How position gained	Term expires
Norman Johnston	Chairperson Trust Board appointee	Appointed 1991	
David McGeorge	Deputy Chairperson Trust Board appointee	Appointed May 2013	
Brian Evans	Principal/ Secretary	Appointed January 2018	
Patisepa Tala'imanu	Trust Board appointee	Appointed May 2006	
Gillian Laird	Trust Board appointee	Appointed July 2015	
David Denny	Parent Rep	Elected May 2016	May 2019
Uinise Smythe	Parent Rep	Re-elected May 2016	May 2019
Jeff Johansson	Parent Rep	Re-elected May 2016	May 2019
Rose Papuni	Parent Rep	Elected May 2016	May 2019
Nasili Vaka'uta	Parent Rep	Elected May 2016	May 2019
Imraz Sahib	Staff Rep	Elected May 2016	May 2019
Ocean Tierney	Student Rep	Elected September 2017	October 2018
Rhys Gabriel	Student Rep	Elected September 2018	October 2019

Wesley College

Financial Statements - For the year ending 31 December 2018

Index

Page	Statement
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expenses
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Cashflow Statement
<u>6 - 10</u>	Statement of Accounting Policies
<u>11 - 18</u>	Notes and Disclosures
	Other Information
<u>19</u>	Kiwisport Statement
	Analysis of Variance

Wesley College

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees (the Board) has pleasure in presenting the annual report of Wesley College incorporating the financial statements and the auditor's report, for the year ended 31 December 2018.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the college.

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

NORMAN JOHNSTON
Full Name of Board Chairperson


Signature of Board Chairperson

24/5/2019
Date:

Brian Evans.
Full Name of Principal


Signature of Principal

24/5/2019.
Date:

Wesley College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (unaudited) \$	2017 Actual \$
Revenue				
Government grants	2	3,678,453	3,596,671	3,454,469
Locally raised funds	3	319,579	335,287	358,913
Use of land and buildings integrated		940,973	994,946	994,946
Interest earned		6,205	6,500	6,492
International students	4	87,044	73,478	83,216
		<u>5,032,255</u>	<u>5,006,882</u>	<u>4,898,035</u>
Expenses				
Locally raised funds	3	32,898	18,500	27,052
International students	4	11,914	12,731	12,915
Learning resources	5	3,261,808	3,249,913	3,068,771
Administration	6	387,689	359,226	388,584
Finance costs		1,871	1,200	1,286
Property	7	1,202,959	1,194,246	1,220,281
Depreciation	8	158,446	149,000	148,412
Loss on disposal of property, plant and equipment		2,054	-	1,597
Amortisation of equitable lease		21,015	21,015	21,015
Amortisation of intangible assets		1,778	1,899	276
		<u>5,082,433</u>	<u>5,007,730</u>	<u>4,890,187</u>
Net Surplus / (Deficit)		(50,177)	(848)	7,848
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		<u>(50,177)</u>	<u>(848)</u>	<u>7,848</u>

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

Wesley College
Statement of Changes in Net Assets/Equity
 For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (unaudited) \$	2017 Actual \$
Balance at 1 January	<u>943,908</u>	<u>951,088</u>	<u>936,060</u>
Total comprehensive revenue and expense for the year	(50,177)	(848)	7,848
Owner transactions			
Equity at 31 December	<u>893,731</u>	<u>950,240</u>	<u>943,908</u>
Retained earnings	893,731	950,240	943,908
Reserves	-	-	-
Equity at 31 December	<u>893,731</u>	<u>950,240</u>	<u>943,908</u>

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



Wesley College

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (unaudited) \$	2017 Actual \$
Current Assets				
Cash and cash equivalents	9	34,048	155,194	184,024
Accounts receivable	10	201,916	42,719	165,542
Investments	11	183,450	218,676	177,529
GST receivable		17,221	1,500	2,871
Prepayments		9,893	2,500	2,076
		<u>446,528</u>	<u>420,589</u>	<u>532,042</u>
Current Liabilities				
Accounts payable	15	253,651	83,430	233,719
Revenue received in advance	16	25,040	42,500	48,710
Provision for cyclical maintenance current portion	17	7,813	90,000	84,500
Finance lease liability	18	9,557	3,700	1,874
		<u>296,061</u>	<u>219,630</u>	<u>368,803</u>
Working Capital Surplus or (Deficit)		150,467	200,959	163,239
Non-current Assets				
Property, plant and equipment	12	511,787	492,887	523,102
Intangible assets	13	10,036		2,563
Equitable leasehold	14	235,379	256,394	256,394
		<u>757,203</u>	<u>749,281</u>	<u>782,058</u>
Non-current Liabilities				
Finance lease liability	18	13,939	-	1,389
		<u>13,939</u>	<u>-</u>	<u>1,389</u>
Net Assets		<u>893,731</u>	<u>950,240</u>	<u>943,908</u>
Equity		<u>893,731</u>	<u>950,240</u>	<u>943,908</u>

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

Wesley College

Cash Flow Statement

For the year ended 31 December 2018

	Note	2018 Actual \$	2018 Budget (unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		1,211,764	1,155,369	1,144,717
Locally Raised Funds		278,879	352,586	395,772
International Students		87,044	57,673	83,216
Goods and Services Tax (net)		(14,351)	(34,017)	(497)
Payments to Employees		(732,502)	(742,664)	(677,970)
Payments to Suppliers		(751,019)	(655,868)	(682,082)
Interest Received		6,206	6,500	6,804
Interest Paid		(1,871)	(1,500)	(1,286)
Net cash from / (to) the Operating Activities		84,150	138,079	268,673
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(121,713)	(156,338)	(223,047)
Purchase of investments		(5,921)	-	(6,225)
Net cash from / (to) the Investing Activities		(127,634)	(156,338)	(229,272)
Cash flows from Financing Activities				
Finance lease payments		(16,491)	(10,571)	(10,571)
Painting contract payments		(90,000)	-	-
Net cash from Financing Activities		(106,491)	(10,571)	(10,571)
Net increase/(decrease) in cash and cash equivalents		(149,975)	(28,830)	28,830
Cash and cash equivalents at the beginning of the year	9	184,024	184,024	155,194
Cash and cash equivalents at the end of the year	9	34,048	155,194	184,024

The statement of cash flows records only those cash flows directly within the control of the College. 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.

Wesley College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the College, 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 (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The college 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 College qualifies for Tier 2 as the College is not publically 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 College reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The College 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

The College reviews the details of lease agreements at the end of each reporting date. The College believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 18.

Recognition of grants

The College reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The College 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 Colleges

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

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

Other Grants

Other grants are recorded as revenue when the College 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.

Other Grants for the use of land and buildings are also not received in cash by the College as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the College uses the land and building.

Donations

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

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

e) Operating Lease Payments

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

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the College has issued invoices for, but has not received payment for at year end. They are initially recorded at fair value and subsequently recorded at the amount the College realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the College will not be able to collect all amounts due according to the original terms of the debt. This impairment loss is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected and has been included under Other Expenditure in the Statement of Comprehensive Revenue and Expense, if not otherwise shown separately.

i) Investments

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The College has met the requirements under schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of securities.

j) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Audio Visual	10 years
Plant and Machinery	10 years
Furniture and equipment	10 years
Information and communication technology	2-5 years
Leased assets	3 years
Motor vehicles	10 years
Textbooks	3 years
Library resources	12.5% Diminishing value

k) Intangible Assets

Software costs

Computer software acquired by the College is 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 college 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.

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

Wesley College 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 College prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee Entitlements*Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

o) Revenue Received in Advance

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

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

p) Provision for Cyclical Maintenance

The property from which the college operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the College site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the College, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

The College'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 College's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Operational grants	1,136,650	1,113,768	1,067,587
Teachers' salaries grants	2,466,688	2,441,423	2,301,689
Resource teachers learning and behaviour grants	3,687	-	21,380
Other MOE grants	8,591	5,000	10,844
Other government grants	62,837	36,480	52,970
	<u>3,678,453</u>	<u>3,596,671</u>	<u>3,454,469</u>

3. Locally Raised Funds

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
<i>Revenue</i>			
Donations	14,256	19,500	61,877
Other revenue	305,324	315,787	297,036
	<u>319,579</u>	<u>335,287</u>	<u>358,913</u>
<i>Expenses</i>			
Activities	32,898	18,500	27,052
	<u>32,898</u>	<u>18,500</u>	<u>27,052</u>
<i>Surplus for the year locally raised funds</i>	<u>286,682</u>	<u>316,787</u>	<u>331,860</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget Number	2017 Actual Number
International student roll	9	7	9
	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
<i>Revenue</i>			
International student fees	87,044	73,478	83,216
<i>Expenses</i>			
General expenses	9,697	9,131	9,204
International student levy	2,217	3,600	3,711
	<u>11,914</u>	<u>12,731</u>	<u>12,915</u>
<i>Surplus for the year International Student</i>	<u>75,129</u>	<u>60,747</u>	<u>70,301</u>

5. Learning Resources

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Curricular	164,138	172,137	157,022
Equipment repairs	615	5,150	3,189
Information and communication technology	33,288	33,902	31,397
Extra-curricular activities	147,174	115,316	171,495
Library resources	2,398	7,641	2,358
Employee benefits - salaries	2,897,365	2,898,767	2,689,629
Staff development	16,830	17,000	13,681
	<u>3,261,808</u>	<u>3,249,913</u>	<u>3,068,771</u>

6. Administration

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Audit fee	8,870	8,550	8,690
Board of Trustees fees	3,460	7,500	3,805
Board of Trustees expenses	1,612	1,250	2,961
Communication	7,795	4,200	6,192
Consumables	28,763	20,800	39,280
Postage	279	1,250	3,842
Other	26,938	15,950	21,408
Employee benefits - salaries	306,900	296,649	299,464
Insurance	3,072	3,077	2,943
	<u>387,689</u>	<u>359,226</u>	<u>388,584</u>

7. Property

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Caretaking and consumables	2,899	6,000	8,804
Cyclical maintenance provision	13,313	10,000	20,000
Grounds	56,331	50,000	45,976
Heat, light and water	74,023	54,000	53,844
Repairs and maintenance	71,504	47,300	44,173
Use of land and buildings integrated	940,973	994,946	994,946
Consultancy and contract services	43,916	32,000	52,537
	<u>1,202,959</u>	<u>1,194,246</u>	<u>1,220,281</u>

The use of land and buildings figure represents 8% of the college's total property value as used for rating purposes. This is used as a 'proxy' for the market rental of the property yield on the value of land and buildings.

8. Depreciation of Property, Plant and Equipment

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Audio visual	13,977	14,000	15,448
Furniture and equipment	19,976	19,000	19,556
Information and communication technology	73,469	71,500	66,686
Leased Assets	16,703	8,000	7,564
Library Resources	5,505	6,000	5,764
Motor vehicles	-	-	-
Plant and equipment	14,021	16,000	16,569
Textbooks	14,795	14,500	16,826
	<u>158,446</u>	<u>149,000</u>	<u>148,412</u>

9. Cash and Cash Equivalents

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Current bank account	34,030	155,194	183,990
Cash on hand	18	-	34
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>34,048</u>	<u>155,194</u>	<u>184,024</u>

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

10. Accounts Receivable

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Receivables	28,874	2,749	11,843
Interest receivable	2,186	-	2,186
Teacher salaries grant receivable	170,856	39,970	151,513
	<u>201,916</u>	<u>42,719</u>	<u>165,542</u>
Receivables from exchange transactions	31,060	2,749	14,029
Receivables from non-exchange transactions	170,857	39,970	151,512
	<u>201,916</u>	<u>42,719</u>	<u>165,542</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	\$	\$	\$
Current Asset	-	-	-
Short term investments	-	-	-
Short-term Bank Deposits	183,450	218,676	177,529

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Audio visual	52,964	17,968	-	-	(13,977)	56,955
Furniture and equipment	119,026	22,198	(6)	-	(19,976)	121,242
Information and communication technology	200,623	63,283	-	-	(73,469)	190,437
Leased assets	7,959	30,657	-	-	(16,703)	21,913
Library resources	43,746	5,188	(1,658)	-	(5,505)	41,771
Motor vehicles	-	-	-	-	-	-
Plant and machinery	70,758	3,645	(391)	-	(14,021)	59,991
Textbooks	28,024	6,250	-	-	(14,795)	19,479
Balance at 31 December 2018	<u>523,100</u>	<u>149,189</u>	<u>(2,055)</u>	<u>-</u>	<u>(158,446)</u>	<u>511,787</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Audio visual	257,267	(200,312)	56,955
Furniture and equipment	572,420	(451,178)	121,243
Information and communication technology	982,537	(792,102)	190,436
Leased assets	53,347	(31,434)	21,914
Library resources	213,304	(171,533)	41,771
Motor vehicles	59,933	(59,933)	-
Plant and machinery	696,472	(636,481)	59,991
Textbooks	459,171	(439,692)	19,479
Balance at 31 December 2018	<u>3,294,451</u>	<u>(2,782,663)</u>	<u>511,787</u>

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Audio visual	68,412	-	-	-	(15,448)	52,964
Furniture and equipment	107,823	30,759	-	-	(19,556)	119,027
Information and communication technology	118,591	148,718	-	-	(66,687)	200,622
Leased assets	15,523	-	-	-	(7,564)	7,959
Library resources	46,118	4,989	(1,597)	-	(5,764)	43,747
Motor vehicles	-	-	-	-	-	-
Plant and machinery	66,594	20,733	-	-	(16,569)	70,758
Textbooks	29,842	15,008	-	-	(16,826)	28,024
Balance at 31 December 2017	452,903	220,207	(1,597)	-	(148,413)	523,102

Accumulated Depreciation

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Audio visual	239,299	(186,335)	52,964
Furniture and equipment	550,606	(431,579)	119,027
Information and communication technology	922,951	(722,329)	200,622
Leased assets	22,691	(14,731)	7,959
Library resources	216,867	(173,120)	43,747
Motor vehicles	59,933	(59,933)	-
Plant and machinery	694,811	(624,054)	70,758
Textbooks	452,921	(424,897)	28,024
Balance at 31 December 2017	3,160,078	(2,636,977)	523,102

13. Intangible Assets

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

2018	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Intangible Assets (Cost)	2,840	9,250	-	-	12,090
Balance at 31 December 2018	-	-	-	-	-
Accumulated Amortisation	-	-	-	-	-
Intangible Assets (Amortisation for the year)	(276)	(1,778)	-	-	(2,054)
Balance at 31 December 2018	-	-	-	-	-
Net Book Value at 31 December 2018	<u>2,564</u>	<u>7,472</u>	<u>-</u>	<u>-</u>	<u>10,036</u>

2017	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Intangible Assets (Cost)	-	2,840	-	-	2,840
Balance at 31 December 2017	-	-	-	-	-
Accumulated Amortisation	-	(276)	-	-	(276)
Intangible Assets (Amortisation for the year)	-	-	-	-	-
Balance at 31 December 2017	-	-	-	-	-
Net Book Value at 31 December 2017	<u>-</u>	<u>2,564</u>	<u>-</u>	<u>-</u>	<u>2,564</u>

14. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the board's interest in capital works assets owned by the proprietor but paid for in whole or in part by the Board of Trustees, either from government funding or community raised funds.

A lease between the Board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interests are amortised over between 8 and 47 years, based on the economic life of the capital works asset(s) involved. The interest may be realised on the sale of the capital works by the proprietor or the closure of the college.

The major capital works assets included in the equitable leasehold interest are buildings, building improvements and land improvements:

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Cost	468,651	468,651	468,651
Accumulated amortisation	(233,272)	(212,257)	(212,257)
Net book value	<u>235,379</u>	<u>256,394</u>	<u>256,394</u>

On 7 November 2013 the Proprietor acquired the Board's share of equitable leasehold interest in improvements to the information and communication technology suite for a book value of \$201,412.

15. Accounts Payable

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Operating creditors	39,271	39,000	35,093
Accruals	7,913	-	16,577
Employee benefits payable - salaries	170,856	12,000	151,513
Employee benefits payable - leave accrual	35,611	32,430	30,535
	<u>253,651</u>	<u>83,430</u>	<u>233,719</u>
Payables for exchange transactions	253,651	83,430	233,719
Payables for non-exchange transactions - taxes payable (PAYE and Rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>253,651</u>	<u>83,430</u>	<u>233,719</u>

The carrying value of payables approximates their fair value.

16. Revenue Received in Advance

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Grants in advance - Ministry of Education	-	-	-
International student fees	24,574	1,500	40,956
Other	466	41,000	7,754
	<u>25,040</u>	<u>42,500</u>	<u>48,710</u>

17. Provision for Cyclical Maintenance

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Provision at the Start of the Year	84,500	84,500	64,500
Increase to the Provision During the Year	13,313	13,313	20,000
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(90,000)	(7,813)	-
Provision at the End of the Year	<u>7,813</u>	<u>90,000</u>	<u>84,500</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	7,813	90,000	84,500
	<u>7,813</u>	<u>90,000</u>	<u>84,500</u>

18. Finance Lease Liability

The College has entered into a number of finance lease agreements for computers. Minimum lease payments payable:

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
	\$	\$	\$
No Later than One Year	9,557	1,200	1,874
Later than One Year and no Later than Five Years	13,939	2,500	1,389
	<u>23,496</u>	<u>3,700</u>	<u>3,263</u>

19. Related Party Transactions

The College is a controlled entity of the Crown, and the Crown provides the major source of revenue to the college. The college 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 college would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Proprietor of the College, Wesley College Trust Board (WCTB) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately. If the proprietor collects funds on behalf of the college (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2018 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

The following transactions occurred between the board and the proprietor during 2018:

During the year the Board received grants and donations from the WCTB of \$78,000 (2017: \$195,865).
The balance receivable at year end is \$13,590 (2017 : Nil).

During the year the Board received income on behalf of the WCTB which was paid over to the WCTB and the WCTB paid expenses on behalf of the Board for which they were reimbursed by the Board.
The balance payable at year end is \$18,067 (2017: \$26,907).

20. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,460	3,805
Full-time equivalent members	0.12	0.11
<i>Leadership Team</i>		
Remuneration	549,219	554,813
Full-time equivalent members	4.75	5.00
Total key management personnel remuneration	552,679	558,618
Total full-time equivalent personnel	4.87	5.11

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

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and other short-term employee benefits:		
Salary and other payments	140 - 150	130 - 140
Benefits and other emoluments	1 - 5	1 - 5

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	2	2
120 - 130	1	1
	3	3

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

21. Contingencies

There are no contingent liabilities and no contingent assets as at **31 December 2018** (Contingent liabilities and assets at **31 December 2017**: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

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

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has no contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has Nil operating commitments:

23. Managing Capital

The College'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 College 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:

Cash and receivables

	2018 Actual	2018 Budget (unaudited)	2017 Actual
	\$	\$	\$
Cash and cash equivalents	34,048	155,194	184,024
Investments	183,450	218,676	177,529
Receivables	201,916	42,719	165,542
Total cash and receivables	<u>419,414</u>	<u>416,589</u>	<u>527,095</u>

Financial liabilities measured at amortised cost

Payables	253,651	83,430	233,724
Finance Leases	23,496	3,700	3,263
Total financial liabilities measured at amortised cost	<u>277,147</u>	<u>87,130</u>	<u>236,987</u>

25. Events After Balance Date

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

Wesley College

Kiwisport

For the year ended 31 December 2018

Kiwisport is a Government funding initiative to support student's participation in organised sport.

In 2018, the college received total Kiwisport funding of \$8,126 (excluding GST). The funding was spent on the sports coordinator's remuneration. The college had a level of 68% sports participation.



WESLEY COLLEGE

Annual Plan – Analysis of Variance 2018

EXCELLENCE

Strategic Goal: To sustain improvements made in systems and processes that lead to increased engagement, progress and achievement.

Annual Goals	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> Sustain increased achievement at NCEA levels 1, 2 and 3 (as per targets shown on following pages). Increased levels of achievement at years 9 and 10 in writing and numeracy (as per COL goals on following pages). 	<ul style="list-style-type: none"> Curriculum development, course and subject review. Student in appropriate course through subject counselling and use of data, prerequisites and course design. Implementation of Year 2 of Kairangi (PB4L). Matrix, rewards system, publicity, activities. Academic mentoring by form teacher and Year level Dean. Career planning, Year 13 students to each receive a careers interview, Careers unit in Year 10 Social Studies. Student leadership programmes – Peer Support, Prefect team, Camp 	<p>SLT Heads of Department Curriculum Group</p> <p>Kairangi leadership group All staff</p> <p>Form Teachers Dean Careers advisor HOD Social Studies</p> <p>Deans SMT</p>	<p>Improved results, project designed for HoDs in 2019 to continue (see attachment summary of results)</p> <p>Achievement coordinator position created to assist with subject selection</p> <p>Kairangi well embedded, e.g. daily presentations in Chapel</p> <p>Improved, UE results reflect this Work to continue in 2019</p> <p>Several programmes set up</p>

	<ul style="list-style-type: none"> • Use of data to identify target students through tracking and monitoring of assessment results. Credit tracking. • Publish student achievement data, with analysis, to whole staff. • Publish achievement data to students. 	Principal Form Teachers, Subject Teachers HODs	More accurate and specific tracking introduced Greater access to student data, e.g. picture board in staff room Creation of school wide PLD days have assisted getting people on the same page
	<ul style="list-style-type: none"> • Clear, consistent and regular promulgation of expectations at appropriate forums 	Principal Deans Form Teachers Subject Teachers Hostel Parents	Regular presentations at Chapel, achievement dinner By and large successful
	<ul style="list-style-type: none"> • Acknowledgement of success at appropriate forums • Courses assess at least one standard per term. Students experience success and allows identification of at risk students. 	Principal Dean HOD Subject Teachers	MIT/Wintec/Gateway all very successful Opportunities were identified and taken
	<ul style="list-style-type: none"> • Utilise external providers (PTE's) for block courses where Wesley cannot provide courses needed by students. • Assess credits where students demonstrate competency outside the classroom (e.g. Polyfest) • Leverage COL staff expertise to improve teacher practice – to improve engagement, progress and achievement. Particularly numeracy, literacy and digital fluency. 	DP Transition teacher Gateway and STAR coordinator Cultural coordinator Group instructors Pedagogical Leadership Group (Principal, DP, COL staff, SCT)	Ongoing work into 2019

	<ul style="list-style-type: none"> • Leverage links to boarding hostel and prep time. • Better quality supervision of prep. More assistance available, better access to technology. 	Principal and Director of Boarding Prep tutors	Quality of Prep time improved
	<ul style="list-style-type: none"> • Improve attendance. • Measure individual and year level attendance rates, inform staff, students and families of attendance rates. Work with families of students with low attendance. Reward high rates of attendance. Link attendance to privileges e.g. Sport. • Join MOE initiative 'Every Day Counts' 	Principal Deans Form Teachers Sports Co-coordinator	Great results by year end, parents/students had buy in to being at school

RESPECT

Strategic Goal: Continuous improvement in all aspects of school life

Annual Goal	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> Inquire into, review and improve teaching practice so that teachers become more effective. (All teachers review their personal practice through Teacher Inquiry). 	<ul style="list-style-type: none"> Professional learning journal completed (online), with inquiry template completed by all staff. Supported by PLG's. Professional learning groups, led by facilitators, support each other to complete Teacher Inquiry. Externally led Professional development sourced via MOE contract. To support middle leaders become 'coaches'. Pedagogical Leadership Group is established to lead, model and coach effective classroom practice. Consists of COL staff, DP, SCT, Principal. Conduct a review of what led to the gains in NCEA pass rates. Embed the changes and investigate new strategies. Conduct community consultation 	<p>DP responsible for curriculum Teaching staff</p> <p>DP responsible for curriculum PLG Facilitators Teaching staff</p> <p>Principal</p> <p>Principal, DP, COL staff, SCT</p> <p>Principal, SLT, HOD's</p> <p>BOT, Principal</p>	<p>All teachers completed an inquiry by year end</p> <p>PLG's refined and improved outcomes identified</p> <p>Initiated for 2019</p> <p>It was decided to develop the middle leadership team as a group in 2019</p> <p>Review completed, a plan for further development created for 2019</p> <p>2 community meetings held</p>
<ul style="list-style-type: none"> Community consultation completed to incorporate community viewpoint into school strategy 			

<ul style="list-style-type: none"> Improved format for reporting student progress to parents 	<ul style="list-style-type: none"> Conduct review of current reports and investigate alternatives 	SLT Curriculum group	Changes and improvements made for 2019
<ul style="list-style-type: none"> Complete successful MNA review with NZQA 	<ul style="list-style-type: none"> Modify and improve internal moderation processes for NCEA assessments. Rewrite staff and student process and procedure guidelines. Complete moderation PLD for staff. Seek advice from the NZQA Relationship Manager. PN and Assistant PN to conduct audits in to assessment and moderation process. 	Principal's Nominee Asst. Principal's Nominee HOD's, TIC's	Ongoing work and reports from NZQA have identified improvements in process

WHANAU

Strategic Goal: Accelerate student achievement through supporting teachers to improve their professional practice

Annual Goal	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> Student attainment targets (as per Nag 1) are met through improved teaching practice. 	<ul style="list-style-type: none"> Use of data to develop teacher inquiry Professional Learning Groups run to support teacher inquiry and professional discussions External school visits to examine other practitioners Membership of cluster groups Professional development opportunities taken, and resourced 	<p>Teaching staff</p> <p>PLG Facilitators Teaching staff DP Curriculum</p> <p>Teaching staff DP Curriculum</p> <p>Teaching staff HODs</p> <p>Teaching staff DP Curriculum Principal</p>	<p>Increased use of data saw attainment rise again (see attachment of results)</p> <p>Completed</p> <p>Moderate success, needs to be continued</p> <p>In some areas</p> <p>Good use of resources for PLD was made</p>
<ul style="list-style-type: none"> Succession and development planning for SLT 	<ul style="list-style-type: none"> Portfolio review Write new task and outcome oriented job descriptions for SMT Appoint new AP (develop team for succession planning and future growth). 	<p>BOT Principal</p>	<p>SLT roles and responsibilities were reviewed and changes made to align with personal strengths</p> <p>Completed</p>
<ul style="list-style-type: none"> BOT governance practice and competencies review 	<ul style="list-style-type: none"> NZSTA Internal Evaluation Tool to be used 	<p>BOT Chair Principal</p>	<p>Ongoing</p>

RESPONSIBILITY

Strategic Goal: Support student achievement through an effectively resourced and managed learning environment

Annual Goal	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> To effectively resource the learning programme to achieve targets (as per Nag 1), with a balanced budget 	<ul style="list-style-type: none"> Resourcing requests made through stringent budgeting and ordering process. Budgeting PLD for HOD's. Cost efficiencies made through annual budget review External fundraising opportunities sourced 	<p>Director Business Services, HOD's BOT</p> <p>Director Business Services</p> <p>Principal</p>	<p>Budgeting PLD was held, improvement in budgeting understanding and processes</p> <p>Budget was on target</p> <p>Very good use of external funding was made</p>
<ul style="list-style-type: none"> Classroom infrastructure developed to assist teaching and learning (to achieve targets as per Nag 1) 	<ul style="list-style-type: none"> ICT available in classes to be enhanced within budget constraints Refurbishment of Drama space Maintenance and refurbishment of existing classrooms Implementation of new contract services for ICT 	<p>Principal, Trust Board</p> <p>Director Business Services SLT, Principal</p>	<p>Much improved</p> <p>Completed</p> <p>A block of classrooms all updated</p> <p>Ongoing</p>

RESPONSIBILITY: Health and Safety
Strategic Goal: To provide a physically and emotionally safe environment that supports student achievement

Annual Goal	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> Continue to enhance the physical environment – for Health & Safety, aesthetics and learning. 	<ul style="list-style-type: none"> Introduce a routine maintenance schedule for the campus BOT property walks at scheduled meetings Health and Safety Committee review 	Director Business Services Maintenance Manager BOT Chair, Principal	Completed Completed Completed
<ul style="list-style-type: none"> Enhance physical and mental well-being of students 	<ul style="list-style-type: none"> Complete Yr. 9 health checks, 100% or Yr. 9 to be assessed Student health council formed Employ a full-time counsellor Appoint a member of SMT with oversight of girl's welfare Group girl's in core classes 	Director Business Services School Nurse Principal DP timetable	Completed Completed Completed Not considered in 2018
<ul style="list-style-type: none"> Improve the safety level of the emotional environment 	<ul style="list-style-type: none"> Increase range of co-curricular activities offered. PB4L (Kairangi) stage two rolled out Continue 'students ready to learn focus' Appointment of a Privacy, Sexual, Laboratory and Internet Safety Officers 	Sports and Activities Coordinator Principal, Kairangi team Principal All staff BOT, Principal	Varied degree of success, remains a work in progress Very successful Reviewed and will be revisited in 2019 All complete

RESPONSIBILITY:

Strategic Goal: Meet all external and internal requirements through efficient administration systems

Annual Goal	Key Actions	Responsibility and Review	Evidence and Action Taken
<ul style="list-style-type: none"> Meet NZQA moderation requirements 	<ul style="list-style-type: none"> Review moderation practices Rewrite procedural manuals for staff and students regarding NZQA guidelines 	Principal Principal's Nominee Assistant Principal's Nominee	Ongoing, considerable improvements identified by NZQA
<ul style="list-style-type: none"> Improve administration systems and data use by increasing utilization of KAMAR 	<ul style="list-style-type: none"> Further KAMAR training and introduction of additional modules e.g. KAMAR parent portal, KAMAR app for staff, billing via KAMAR 	SLT, Director Business Services	Continuing
<ul style="list-style-type: none"> Ensure BOT policies are up-to-date and fit for purpose 	<ul style="list-style-type: none"> BOT member to table policies due for review Policies reviewed or added in line with legislative changes 	BOT Chair, Principal Principal	Completed Completed
<ul style="list-style-type: none"> Conduct Principals appraisal in accordance with MOE guidelines 	<ul style="list-style-type: none"> Contract external appraiser to complete performance agreement and appraisal 	BOT Chair Principal	Completed, very successful model

Achievement in NCEA and UE: Wesley College

Generated 27-Feb-2019

PR2 - Enrollment Based Cumulative Overall Results

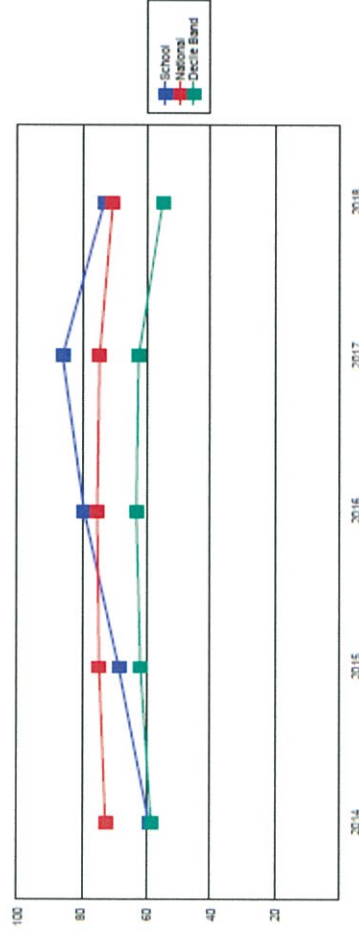
Wesley College

National

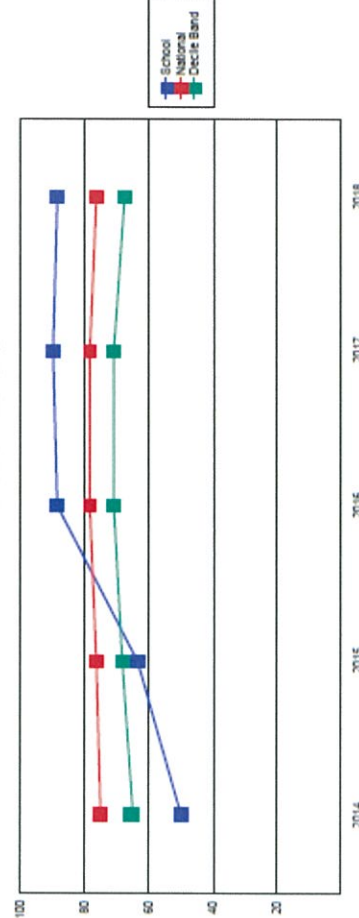
Decile 1-3

Academic Year	Year 11			Year 12			Year 13			
	NCEA L1	NCEA L2	NCEA L3	NCEA L1	NCEA L2	NCEA L3	NCEA L1	NCEA L2	NCEA L3	UE
2014	59.0	50.0	35.2	72.4	75.1	59.6	58.3	65.1	45.4	24.0
2015	68.9	63.4	30.9	74.5	76.3	62.5	61.7	67.9	49.9	26.3
2016	79.4	88.7	71.8	75.3	78.4	64.0	63.3	70.7	53.7	28.0
2017	86.2	89.8	83.3	74.5	78.0	65.2	62.9	70.7	55.3	27.2
2018	73.4	88.2	83.7	70.5	76.4	64.4	55.1	67.4	55.1	26.1

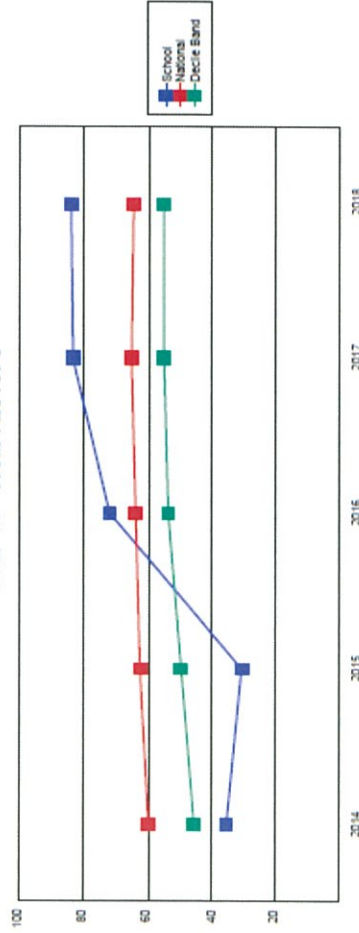
Year 11 - NCEA Level 1



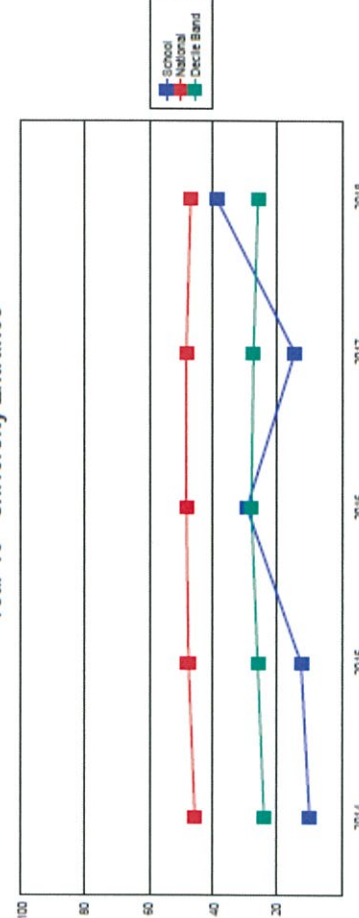
Year 12 - NCEA Level 2



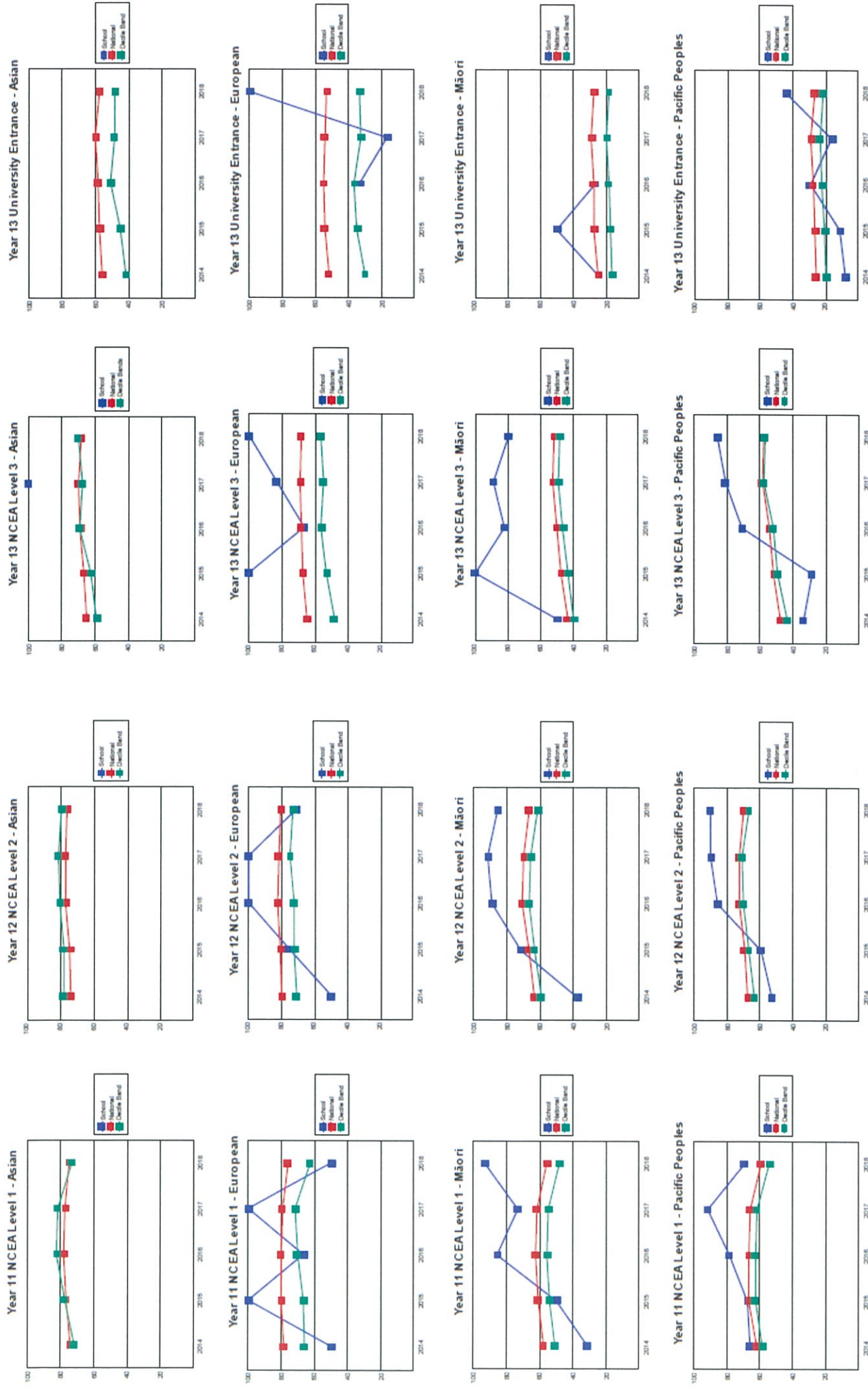
Year 13 - NCEA Level 3



Year 13 - University Entrance



PR2 CHARTS - Enrolment Based Cumulative Results by Ethnicity: Wesley College



Achievement in NCEA and UE: Wesley College

PR2 - Enrolment Based Cumulative Results by Ethnicity

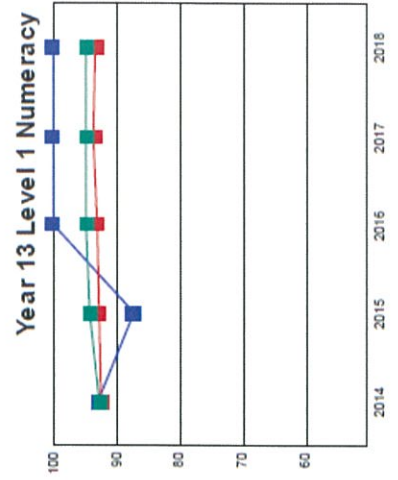
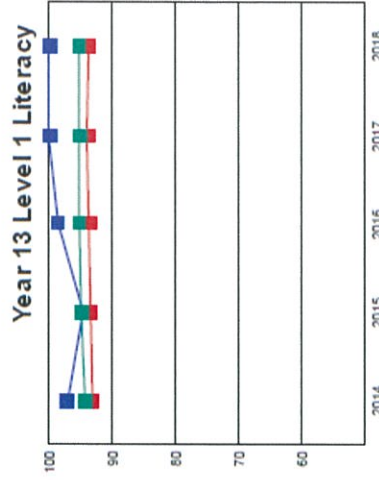
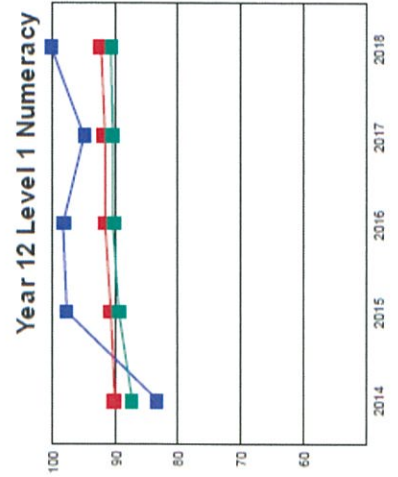
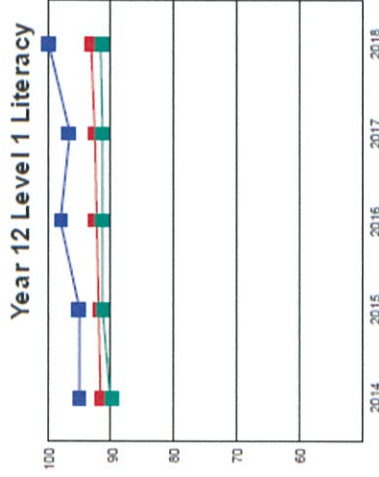
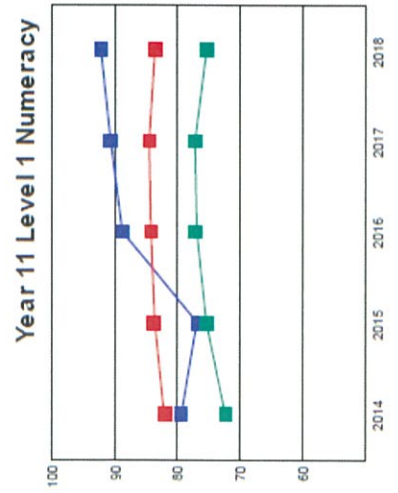
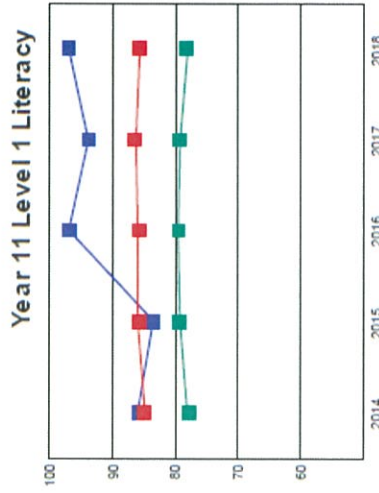
		Wesley College					National					Decile 1-3					
Academic Year	NCEA L1	Year 11 NCEA L2	Year 12 NCEA L2	Year 13 NCEA L3	Year 13 UE	Year 11 NCEA L1	Year 12 NCEA L2	Year 13 NCEA L3	Year 13 UE	Year 11 NCEA L1	Year 12 NCEA L2	Year 13 NCEA L3	Year 13 UE	Year 11 NCEA L1	Year 12 NCEA L2	Year 13 NCEA L3	Year 13 UE
Asian																	
2014						74.0	74.1	65.1	55.8	71.7	78.5	59.0	42.0				
2015						76.8	74.4	66.5	57.4	77.6	78.3	62.2	45.1				
2016						77.9	77.2	68.8	58.7	82.2	80.6	69.4	50.9				
2017		100.0				77.3	77.4	70.1	59.9	81.8	81.7	67.8	48.6				
2018						74.8	76.1	68.7	57.7	73.6	79.4	70.3	48.2				
European																	
2014	50.0	50.0				78.8	79.8	64.5	52.1	66.4	70.9	48.1	30.1				
2015	100.0	75.0		100.0		80.1	80.5	67.2	54.5	66.9	72.0	52.8	34.8				
2016	66.7	100.0		66.7	33.3	80.6	82.0	68.1	55.1	70.5	72.7	56.2	36.6				
2017	100.0	100.0		83.3	16.7	79.8	81.6	68.7	54.3	71.9	74.8	55.0	32.4				
2018	50.0	71.4		100.0	100.0	76.3	80.5	68.2	53.0	63.3	72.9	56.4	33.2				
Māori																	
2014	31.3	37.5		50.0	25.0	57.9	63.6	43.8	25.1	51.3	59.3	40.0	16.7				
2015	50.0	71.4		100.0	50.0	61.2	66.9	47.5	27.7	54.2	63.7	43.2	17.8				
2016	85.7	88.9		81.8	27.3	62.8	70.6	49.9	28.0	55.8	66.8	46.7	18.8				
2017	73.7	91.7		88.9		62.0	69.8	52.4	29.3	54.8	65.6	49.0	20.0				
2018	93.3	85.7		80.0		55.8	66.8	51.5	27.6	48.1	61.5	48.1	18.7				
Middle Eastern/Latin American/African																	
2014						71.8	73.9	60.1	45.4	58.7	67.0	49.6	31.6				
2015						76.4	73.1	64.0	51.9	70.4	74.8	52.0	31.5				
2016						75.3	76.0	62.2	50.7	74.2	70.1	59.4	45.9				
2017						76.5	75.7	64.3	50.9	75.5	73.0	57.9	42.9				
2018						74.4	76.0	64.5	47.2	64.9	70.3	56.9	33.9				
Other Ethnicity																	
2014						63.5	61.5	51.0	41.4	50.8	57.4	45.9	32.4				
2015						70.7	67.1	53.8	45.5	56.6	55.6	45.7	37.1				
2016						73.4	74.0	54.3	44.0	69.2	66.2	45.5	29.1				
2017						72.4	76.3	64.0	49.6	61.4	86.4	52.3	34.1				
2018						71.7	68.6	56.8	43.2	51.4	56.0	44.9	22.4				
Pacific Peoples																	
2014	66.1	52.7		33.3	7.9	61.9	67.3	47.0	26.0	58.0	63.6	43.6	19.7				
2015	67.3	59.7		28.3	11.3	66.4	69.6	51.5	26.4	62.8	66.8	49.1	20.6				
2016	78.4	85.7		70.7	29.3	66.5	72.8	53.9	27.7	62.7	70.3	51.7	22.0				
2017	91.7	89.8		81.1	16.2	66.2	72.9	58.4	29.0	62.0	71.3	57.7	23.6				
2018	69.2	90.2		85.4	43.9	59.4	69.9	57.1	27.0	53.8	66.9	56.8	21.7				

Level 1 Literacy and Numeracy: Wesley College

PR 3 - Cumulative Results by Percentage

Wesley College

Academic Year	Achievement	National				Decile 1-3				
		Year 11	Year 12	Year 13	Year 11	Year 12	Year 13			
2014	Literacy	85.9	95.0	97.2	84.8	91.5	93.1	77.9	90.0	94.2
2015	Literacy	83.6	95.1	94.5	85.9	92.0	93.5	79.3	91.3	94.8
2016	Literacy	96.8	98.1	98.6	85.8	92.4	93.6	79.6	91.4	95.2
2017	Literacy	93.8	96.6	100.0	86.4	92.5	94.0	79.3	91.5	95.1
2018	Literacy	96.9	100.0	100.0	85.7	93.1	93.7	78.1	91.6	95.2
2014	Numeracy	79.5	83.3	93.0	82.1	90.1	92.3	72.5	87.2	92.6
2015	Numeracy	77.0	97.6	87.3	83.8	90.8	92.7	75.4	89.3	94.1
2016	Numeracy	88.9	98.1	100.0	84.3	91.5	92.9	77.1	90.2	94.7
2017	Numeracy	90.8	94.9	100.0	84.6	91.6	93.4	77.3	90.5	94.7
2018	Numeracy	92.2	100.0	100.0	83.6	92.2	93.1	75.4	90.6	94.7

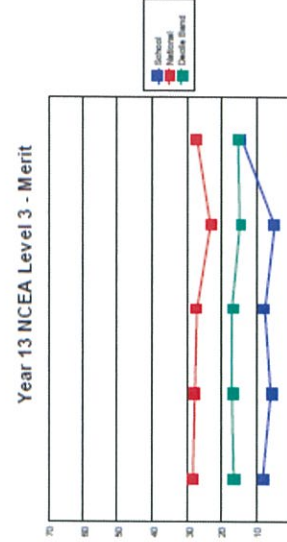
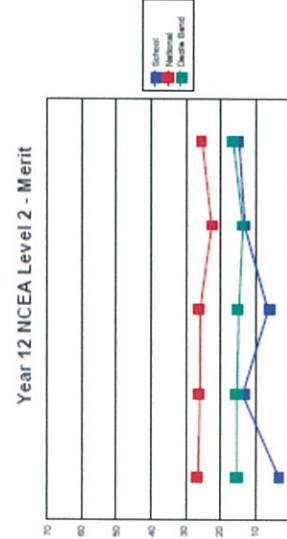
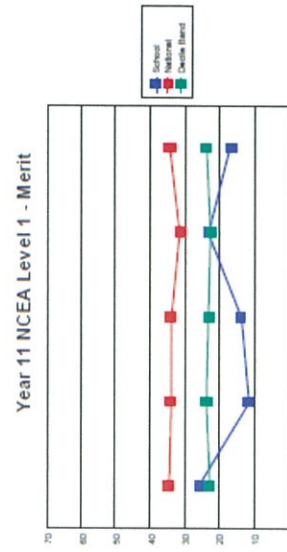
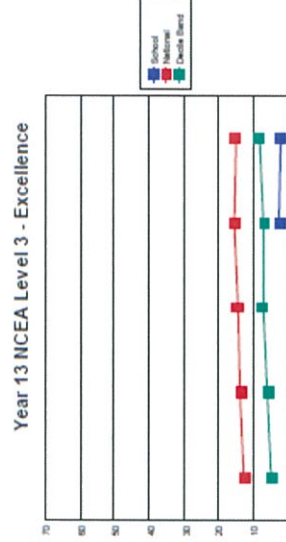
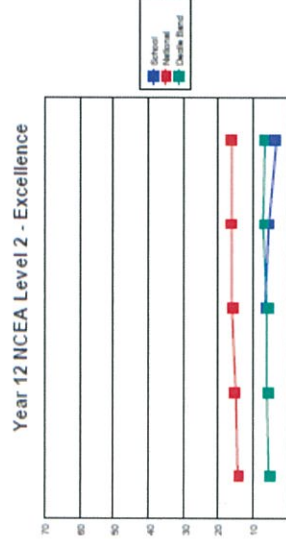
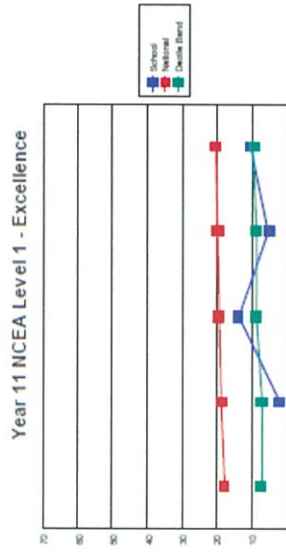


NCEA Certificate Endorsement: Wesley College

Generated 27-Feb-2019

PR4 - Cumulative Results by Percentage

		Wesley College			National			Decile 1-3				
Academic Year	NCEA Level 1	NCEA Level 2	NCEA Level 3	Year 11	Year 12	Year 13	NCEA Level 1	NCEA Level 2	NCEA Level 3	Year 11	Year 12	Year 13
Achieved with Excellence												
2014							17.9	14.4	12.7	7.3	5.3	4.8
2015	2.4			18.8	15.0	13.8	18.8	15.0	13.8	7.2	5.9	5.9
2016	14.0	6.4		19.7	16.0	14.5	19.7	16.0	14.5	8.9	5.8	7.3
2017	5.4	5.7	2.5	20.1	16.3	15.5	20.1	16.3	15.5	8.9	7.0	7.0
2018	10.6	3.3	2.4	20.9	16.4	15.1	20.9	16.4	15.1	9.9	6.8	8.4
Achieved with Merit												
2014	26.1	3.3	8.0	34.7	26.7	28.5	34.7	26.7	28.5	22.9	15.4	16.6
2015	11.9	13.5	5.9	34.1	26.2	28.0	34.1	26.2	28.0	24.0	15.4	17.1
2016	14.0	6.4	7.8	34.1	26.1	27.4	34.1	26.1	27.4	23.3	14.9	17.1
2017	23.2	13.2	5.0	31.7	22.4	23.3	31.7	22.4	23.3	22.8	13.8	14.7
2018	17.0	15.0	14.6	34.6	25.6	27.4	34.6	25.6	27.4	24.2	16.6	15.3



RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023
T +64 (9) 367 1656
www.rsmnz.co.nz

24 May 2019

The Chairperson
Board of Trustees
Wesley College
PO Box 58
Auckland 2340

Dear Mr Johnston

Audit of your Financial Statements For the year ended 31 December 2018

We have substantially completed the audit of your financial statements for the year ended 31 December 2018.

Upon completion of your audit we will enclose a complete set of your school's financial statements together with our formal audit report issued on behalf of the Controller and Auditor-General, as required by legislation.

Please note that a PDF copy of the audit report and signed financial statements is required to be uploaded to the MOE's school's data portal by 31 May 2019. We also remind you that you are now also required to publish the final audited version of your annual report on your website.

This letter and accompanying report of Audit Findings includes observations on the school's accounting procedures. As the trustees are responsible for the financial operations of the school we suggest this letter be considered at the next finance committee meeting and tabled at the next full board meeting.

Scope of the Audit

Our audit is designed to provide an independent opinion on the board's financial statements which are a public document. As a secondary output of this work we also report on matters relevant to your financial and management systems that have come to our attention and are significant.

We have performed procedures to audit the information presented in your annual financial statements. We have also relied on representations made by your school's management team. We assess the results of procedures and representations made when forming our audit opinion.

To ensure your school receives the maximum benefit from our audit we have turned our focus to the future and set out in the attached report some matters for the attention of your board. Our motive is to offer objective and constructive advice so that the accounting function and related issues can be improved in the future. Please note that this letter is sent only to you, with a copy to the Office of the Controller and Auditor-General. We do not send a copy of this letter to the Ministry of Education or any other party.

The Audit Doesn't End with Our Audit Report

If you wish, we would be pleased to discuss with you our recommendations in this letter or any other aspect of the school's audit. If it is of value to your board, one of our audit directors or managers would be happy to attend a board meeting to discuss any finance related issues you have.

In recognition of the value we place on our association with your school, we think it is appropriate to waive our normal fee for attending a meeting. Please contact our office if you wish to take up this offer.

Our Sincere Thanks

We would like to take this opportunity to thank your principal, Brian Evans and Director of Finance, Denise Bellette for their assistance and co-operation during our audit. The assistance from the school team greatly influences the efficiency of the whole audit process.

We would also like to thank the trustees for selecting RSM Hayes Audit as your auditors. We appreciate our relationship with your school and look forward to continuing to provide a valuable service to you.

Yours sincerely



Jason Stinchcombe
Audit & Technical Partner





Wesley College

Audit Findings

For the year ended 31 December 2018

1. Introduction
2. Expected Content of Our Formal Audit Report
3. Governance
4. The Financial Statements
5. The Day to Day Accounting System

1. Introduction

We set out below our findings from the audit work we have performed during the audit of your financial statements for the 2018 financial year. Matters raised in this report have been discussed with your management team during the audit fieldwork.

Our work focussed on the systems and controls set by your board and implemented by your management team, to the extent necessary in forming an audit opinion. Any matters arising from the audit are detailed in this letter.

2. Expected content of our formal audit report

Subject to receipt of signed financial statements, letter of representation and final update of events subsequent to balance date, we expect to issue an unmodified audit report in our standard wording.

3. Governance

Areas of Significant Audit Focus

We believe it is best practice to communicate with you as the governing body regarding matters which form an important part of our audit process.

An independent audit of your financial statements is a key part of ensuring that your organisation has appropriate controls in place regarding financial management and financial reporting. However, ultimately it is you, the governing body that remains responsible for your financial systems, internal controls including the detection and prevention of fraud, and financial statements.

While our audit necessarily involves evaluating your overall system of financial controls and reporting, the following are areas and issues we assessed as potentially significant risk areas in relation to your school during our audit. Accordingly, we believe that they are important issues that should be of interest to you in your governance capacity. In the case of your organisation in the current year these assessed areas of significant focus were as follows:

- Payroll controls in place at your school and accurate recording of payroll accruals;
- Recognition and recording of locally raised funds income and expenditure;
- Risk from limited segregation of duties;
- Revenue recognition and treatment of income in advance;
- Expenditure being valid and appropriate for your school's purposes (probity of expenditure);
- Cyclical maintenance expense and provisioning being appropriate;
- Recognition and disclosure of related party transactions; and
- Appropriate treatment of proprietor monies received by the school.

In addition, we sought to ensure that your financial statements were in compliance with generally accepted accounting practice in New Zealand as appropriate to public benefit entities that qualify for Tier 2 reporting. That is that Public Benefit Entity Standards - Reduced Disclosure Regime (PBE Standards RDR) have been appropriately adopted and that the mandatory Kiwi Park model has been followed.

We are pleased to advise that our testing of these assessed risks did not identify any significant issues or concerns. Any observations and recommendations related to these topics are detailed below.

Required Communications

We are required by auditing standards to report specific matters to you as follows:

- We have had no disagreements with management during our audit nor any serious difficulties in dealing with management;
- We have not identified any breaches of legislation during our audit;
- We have not identified any instances of fraud involving management, or any other frauds that caused a material misstatement of the financial statements; and
- We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.

Audit Independence

We reaffirm we are independent of your school, and that we have no relationship with your school that could impair our independence.

4. The Financial Statements

Unadjusted differences

Appendix A details unadjusted journal differences that we identified during the audit.

Adjustments made

Appendix B identifies all journal adjustments posted at our request in the final financial statements.

Cyclical Maintenance Provision

The Ministry's Financial Circular 2007/2, the Financial Information for Schools Handbook (FISH) and the school model financial statements explain the requirement for schools to account for property maintenance obligations.

A cyclical maintenance provision should be recorded by the school as the school is responsible for the maintenance of the buildings and grounds. Additionally, we understand the school has entered a new painting contract in the 2018 year, with a separate liability recognised in relation to the contractual commitment to the painting service provider.

We assessed the level of provision required relative to:

- your exterior painting contract, in order to estimate the future exterior painting cycles expected (i.e. assuming the same cycle of painting would re-occur). However, given a substantial portion of exterior painting works under your contract has been performed in 2018, this suggests negligible provision of exterior painting is required at the end of 2018; and
- interior painting works - which whilst they had commenced prior to year end, an amount was paid subsequent to year end for interior painting works undertaken in 2019, which we believe should have been allowed for within the cyclical maintenance provision at year end.

From this we computed that there was a net difference of approximately \$16,000 in the amount disclosed in the financial statements; as this amount was not considered material, we understand that you preferred not to adjust the financial statements this year. Accordingly, this amount remains as an unadjusted difference, noted in Appendix A.

Potential impact on the relocation of your school in relation to fixed assets

We understand that the dates and plans for the demolition and relocation of the school have been pushed further out.

Based on your current fixed asset useful lives and depreciation rates, it is likely that items such as the equitable leasehold interest and furniture and fittings will still have a carrying value at the date of relocation.

Once the relocation date is confirmed, you will need to accelerate the depreciation of the assets for the period up to relocation.

Publishing your annual report online

As a result of changes to the Education Act 1989, you are now required to publish your annual report on your school website. During our audit process we checked this had been performed for the 2017 annual report. Initially this had not been filed, and instead an unsigned version of the 2016 annual report had been made available. After making your management team aware of this, they have rectified this situation and made the original document with the full copy of the 2017 annual report available online.

We remind you of your ongoing requirements to ensure 2018 and future annual reports are also filed on your website, along with being submitted electronically to the MOE through the school's data portal. You should ensure the published documents are all those that are required to be part of the annual report under section 87 of the Education Act.

5. The Day to Day Accounting System

It is important that we report any observations and areas for improvement in respect of the financial control environment at your school. As part of the RSM audit approach we review the accounting systems established by the board to the extent that they could have a significant impact on the annual financial statements. The following observations are brought to your attention.

Fixed Asset Register

The cost and accumulated depreciation of assets in the school's Fixed Asset Register do not agree to the general ledger. We understand that when the school transferred its Fixed Asset Register data to the Xero system, assets that have been fully depreciated were not transferred.

The Fixed Asset Register should contain all the school's assets that are in use, even if they have been fully depreciated – so that it provides a complete record of assets held. Should you ever suffer loss from a burglary or disaster, you may also be requested by your insurance company to provide details of any assets lost which may prove difficult at present.

We suggest that a full stock take of your fixed assets on the register be performed and only nil value items that are not in use be excluded from the register.

Appendix A

Unadjusted differences arising from our audit

Date	Account Name	Account No	Debit	Credit
31/12/2018	Banking Staffing Underuse	RSM3	8,990	
31/12/2018	Ministry Sal Grant & Acc	550.120		(8,990)
To recognised under use of bank staffing.				
<hr/>				
31/12/2018	Cyclical Maintenance Current	200.145		(16,294)
31/12/2018	BLD Cyclical Maintenance Expense	700.500	16,294	
To record the interior painting portion carried out in 2019 as Cyclical maintenance.				
<hr/>				

Appendix B

Journal adjustments made in the final financial statements at our request

Date	Account Name	Account No	Debit	Credit
31/12/2018	Retained Earnings	300.001	787	
31/12/2018	Other - School	500.040		(787)
To correct opening equity balance to equate to closing equity from prior year.				
31/12/2018	Use of Land & Buildings Grant	400.200	53,971	
31/12/2018	Use of Land & Buildings	700.420		(53,971)
Adjustment to correct the Use of Land & Building grant and expense for the year				