



Epsom Girls Grammar School



**Annual Report
2018**

Epsom Girls Grammar School Board of Trustees Report 2018

On behalf of the Board of Trustees I am pleased to report that Epsom Girls Grammar School had a very successful 2018.

Epsom Girls continues to deliver very high levels of achievement and the Board remains committed to support strategies that strive to continually improve the teaching, wellbeing and learning outcomes. The board is very grateful for the on-going support that we have from the school community and the donations received in 2018 were directly allocated towards teaching resources to allow the school to continue to offer the broad curriculum opportunities.

If 2017 was a year of celebration of our first 100 years, 2018 was an opportunity to begin planning for the school's future. A review of the uniform was undertaken and the new design will be rolled out from 2020, the masterplan was refreshed and a new three-year strategic plan was developed.

The masterplan addresses the complex facility requirements of a growing school with limited space and funding. A community consultation process provided useful insight and allowed the board to develop a model that maintains tradition but also attempts to address the future learning requirements. Priority work streams have been identified and a funding program initiated to begin the task of raising the required capital.

Late in the year the board finalised the new strategic plan and worked closely with the senior leadership team to ensure they have clear management pathways to support the overall strategic goals. Learning will always be at the heart of the school's strategic plan. However, the world we live in is changing and we need to ensure we remain leading edge. Key aspects in support of our strategy include, engagement, partnerships, professional development, wellbeing, together with authentic and agile resourcing. We strongly believe that high calibre teaching resources produce excellence in learning outcomes and we remain focused on ensuring we invest appropriately in this area.

ERO (Education Review Office) visited in 2018 and the ensuing report was extremely positive and reflective of a high performing educational organisation. It highlighted the on-going commitment to continually improve and a special thanks to all involved in this process and the outcome.

In November 2018 the long awaited report from the independent task force assessing Tomorrow's Schools was released. A large number of submissions were received by the task force during the consultation phase. The report and its recommendations generated significant debate and while the growing inequality across NZ schools cannot be argued the taskforce's recommended solutions certainly have been. The role of the board of trustees is one such change that will significantly alter the community involvement and engagement in future governance of schools.

The 2018 NCEA and scholarship results demonstrate that EGGS continues to be a very high achieving school with high overall pass rates at all NCEA levels. University Entrance acceptance levels are well above levels of similar schools and the number of Scholarships attained was very pleasing. The high performance culture is a credit to the school leaders, staff and students.

The board of trustees would like to thank the Principal, Mrs Lorraine Pound for another hugely successful school year. This success, across all facets of school life is not possible without the support, the passion and the on-going commitment from all the team at EGGS.

I would personally like to thank all the trustees for your support throughout 2018 and ensuring that our commitment to learning outcomes remains unwavering.

The annual report shows that the school is financially sound, continues to be well managed and has strong governance practices. The Government funding is not, on its own, sufficient to sustain a high performing school such as EGGS and we remain indebted to our community for their on-going support.

Epsom Girls Grammar School is in a very strong position to deliver on our strategic plan and meet the challenges on the horizon. Our focus remains dedicated to continually enhance learning, teaching and community expectations.

Chris Iles
Board Chairperson

KIWISPORT

Kiwisport is a government funded initiative to support students' participation in organised sport. In 2018 the school received \$51,293.16 (excluding GST) in Kiwisport funding. The funding was spent on supporting the participation in sport outlined in detail, below. We offered students opportunities in 43 different sports with 881 students participating in school sport, making our overall participation percentage 47%.



EPSOM GIRLS GRAMMAR SCHOOL

STUDENT ACHIEVEMENT REPORT 2018



Presented in May 2019

Charter Targets 2018

Students should achieve to the best of their ability and achieve results in National Qualifications that match or exceed results from Decile 9 Girls' schools.

TARGETS:

Support and promote high levels of academic achievement at all levels:

Pass rate targets set at	Level 1	90%
	Level 2	90%
	Level 3	85%

Endorsement rates set at	Level 1	80%
	Level 2	65%
	Level 3	55%

Leavers' target set at 90% of leavers to have NCEA Level 2.

Support and promote high levels of academic achievement for Māori and Pasifika students:

Māori student pass rate targets set at	Level 1	90%
	Level 2	90%
	Level 3	85%

Pasifika student pass rate targets set at	Level 1	90%
	Level 2	90%
	Level 3	85%

Overall Achievement

Overall Achievement in relation to Achievement targets:

In 2018 the first target of high academic achievement at all levels was met at Level 2 and Level 3. The endorsement rate targets were also met at all levels and the Level 2 leaver's target was met.

Year Level	Pass rate target %	May pass rate %
Level 1	90	88.2
Level 2	90	93.9
Level 3	85	87.1
UE	-	80.9

STRATEGIES IMPLEMENTED INCLUDE:

- Continuation of academic goal setting during tutor time and Term 1 Student/Tutor/Parent Conferences based around learning engagement.
- Student/Tutor academic tracking Years 11-13 (KAMAR data and web portal data)
- Subject teacher using 'Knowing the Learner' strategies
- Departmental, The Learning Centre, and Dean identification of senior students at risk of not achieving their level certificate.
- Mentoring of identified students at risk of not achieving – Dean, SLT, tutors, classroom teachers.
- In 2018 five Year 11 students participated in the Enrichment Programme through the Learning Centre and three students continued on from Year 11 to participated in the programme at Year 12. The Enrichment Programme is to support students who are at risk of not achieving.
- Continued implementation of blended learning.
- Focus on learning conversations with a restorative focus in the classroom.
- Supporting students through The Learning Centre and the Learning Skills programme now also at years 9 and 10.
- Identified learners staff professional development programme and targeted classroom support for individual students including:
 - Māori students
 - Pasifika students

- Special needs students
- Gifted and talented students
- Students at risk of not succeeding
- Students with ability to excel
- Epsom House students
- International students

NCEA RESULTS 2014-2018

Year Level	Year	% Pass	L1 Literacy	Numeracy	University Entrance
Level 1	2018	88.2	97.4	94.1	
	2017	91.2	98.3	96.7	
	2016	91.2	99.5	97.4	
	2015	92.5	98.1	98.1	
	2014	91.4	98.4	97.9	
Level 2	2018	93.9	99.1	99.1	
	2017	95.3	100	99.0	
	2016	95.1	99.3	99.1	
	2015	95.1	99.8	99.3	
	2014	95.3	99.3	99.8	
Level 3	2018	87.1	100	99.8	80.9
	2017	89.1	99.8	100.00	82.9
	2016	87.8	100.0	100.0	80.8
	2015	89.5	100.0	100.0	84.6
	2014	88.0	99.7	99.7	80.9

Qualifications Endorsements

EGGS students continue to achieve well in Certificate Level Endorsements. (Excellence – gaining 50 credits at Excellence at the level of the certificate or above. Likewise, for Merit – 50 credits at Merit endorsed with Merit)

Endorsement targets

Level 1 80%

Level 2 65%

Level 3 55%

These targets were exceeded at all three levels.

Level	Year	Excellence Endorsement %	Merit Endorsement %	M+E Endorsement %
Level 1	2018	38.4	44.5	82.9
	2017	36.3	42.6	78.9
	2016	42.3	41.0	83.3
	2015	41.8	44.8	86.6
	2014	38.1	42.9	81.0
Level 2	2018	33.2	39.3	72.5
	2017	31.7	35.1	66.8
	2016	34.6	41.0	75.6
	2015	28.0	40.0	68.0
	2014	29.9	43.5	73.4
Level 3	2018	21.6	44.3	65.9
	2017	23.6	31.9	55.5
	2016	22.7	42.6	65.3
	2015	20.3	42.2	62.5
	2014	13.6	39.6	53.2

Certificate Endorsement Comparative Figures 2016, 2017 and 2018

2018 Endorsements	EGGS %	NZ Decile 9 Girls %	All NZ %
Level 1 Excellence	38.4	40.3	20.5
Level 1 Merit	44.5	42.4	33.1
L1 E+ M Endorsement	82.9	82.7	53.6
Level 1 No Endorsement	17.1	17.3	46.4
Level 2 Excellence	33.2	32.8	16.5
Level 2 Merit	39.3	38.1	24.7
L2 E+ M Endorsement	72.5	70.9	41.2
Level 2 No Endorsement	27.5	28.6	58.8
Level 3 Excellence	21.6	24.2	15.1
Level 3 Merit	44.3	37.0	27.1
L3 E+ M Endorsement	65.9	61.2	42.2
Level 3 No Endorsement	34.1	38.8	57.8

NZ Scholarship Examination

- 2018 saw students achieve 72 scholarships, with 4 of those at Outstanding level.
- Scholarships were spread across 21 different subjects reflecting that students are supported to achieve at the highest level across a broad range of subjects.
- 9 Scholarships in Biology
- 10 in Design and Visual Communication
- 15 in Photography
- 4 students in year 12 achieved scholarships. These were in Calculus and Design and Visual Communication.
- In 2018 there were 298 entries for Scholarship (down by 18 from 2017)
- 216 students from the 298 who entered Scholarship attempted the Scholarship exam (73%)
- 72 were awarded Scholarship (34% of students that entered and attempted were

Year	Outstanding	Scholarship	Total
2018	4	68	72
2017	7	81	88
2016	2	70	72
2015	4	80	84
2014	6	63	69
2013	6	45	51
2012	14	62	76
2011	9	57	66
2010	9	69	78

awarded Scholarship)

- Many students enter for more than one Scholarship standard
- Outstanding Scholarships were gained in Design and Visual Communication, Biology, Geography and Music.

Māori Student Achievement Target			Pasifika Student Achievement Target		
Level	Pass Rate Target %	Actual Pass Rate %	Level	Pass Rate Target %	Actual Pass Rate %
1	90	93.1	1	90	83.3
2	90	90.6	2	90	92.5
3	85	75.7	3	85	68.8
UE		59.5	UE		54.2

Māori and Pasifika Student Achievement

EGGS % NCEA Pass Rates by Ethnicity with Decile 9 Girls Schools

2018 Epsom Girls Grammar School Achievement results by ethnicity:

	Level 1	Level 2	Level 3	University Entrance
All EGGS	88	93.9	87.1	80.9
Māori	93.1	90.6	75.7	59.5
NZ/European	87.7	94.5	85.7	78.1
Pasifika	83.3	92.5	68.8	54.2
Asian	89.3	94.4	92.5	88.8

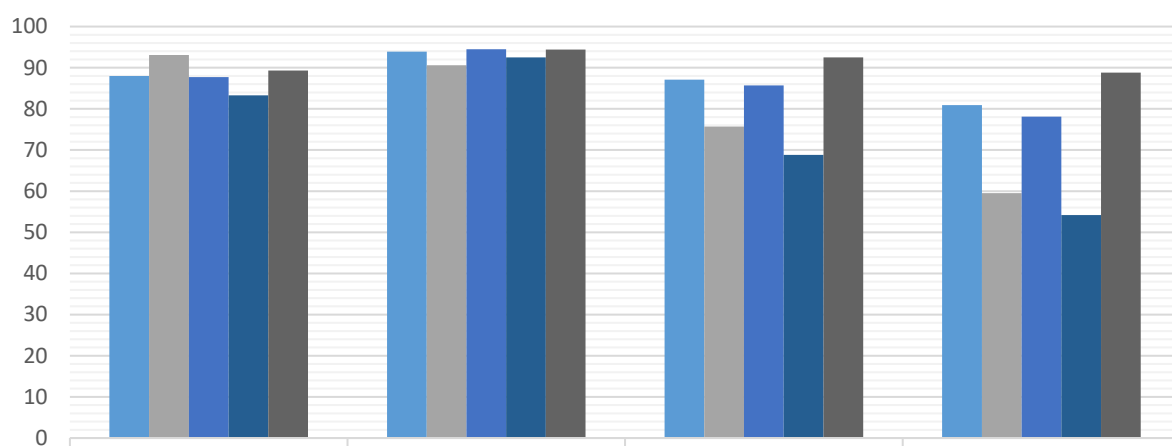
2018 Māori achievement compared with Decile 9 Girls and all NZ Schools

	Level 1	Level 2	Level 3	University Entrance
EGGS Māori	93.1 (27 students)	90.6 (29 students)	75.7 (28 students)	59.5 (22 students)
All EGGS	88	93.9	87.1	80.9
Decile 9 Girls Māori	94.1	92.6	88.3	75.2
All NZ Māori	57.9	68.1	52.8	29.4

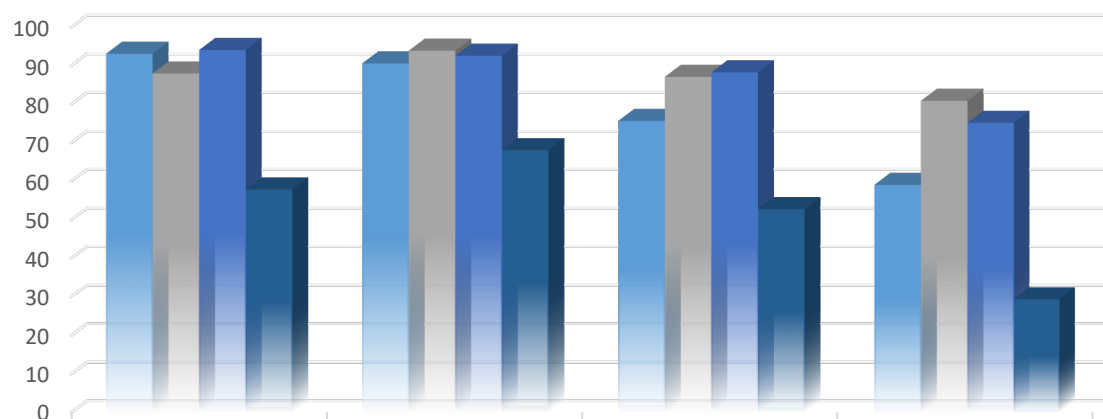
2018 Pasifika achievement compared with Decile 9 Girls and all NZ Schools

	Level 1	Level 2	Level 3	University Entrance
EGGS Pasifika	83.3 (26 students)	92.5 (37 students)	68.8 (31 students)	54.2 (24 students)
All EGGS	88	93.9	87.1	80.9
Decile 9 Girls Pasifika	90.6	92.6	74.5	58.2
All NZ Pasifika	62.1	71.8	58.9	28.8

2018 NCEA Achievement by Ethnicity

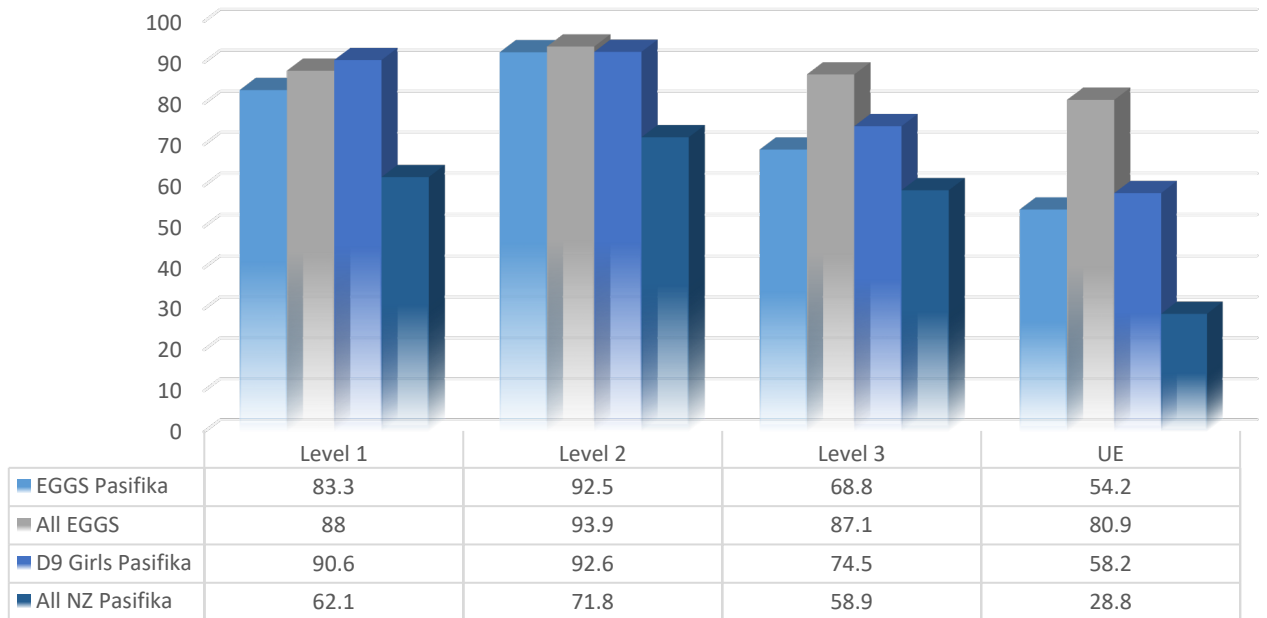


2018 NCEA ACHIEVEMENT EGGS MAORI WITH ALL EGGS, D9 MAORI GIRLS AND ALL NZ MAORI



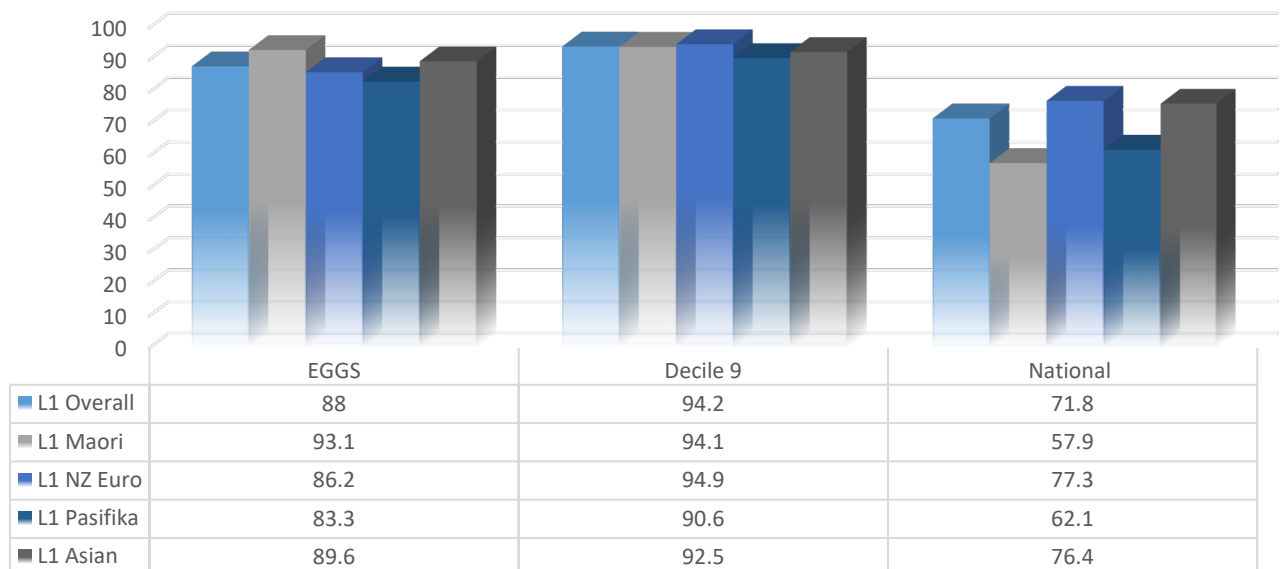
	Level 1	Level 2	Level 3	UE
EGGS Maori	93.1	90.6	75.7	59.1
All EGGS	88	93.9	87.1	80.9
D9 Girls Maori	94.1	92.6	88.3	75.2
All NZ Maori	57.9	68.1	52.8	29.4

2018 NCEA ACHIEVEMENT EGGS PASIFIKA WITH ALL EGGS, D9 PASIFIKA AND ALL NZ PASIFIKA

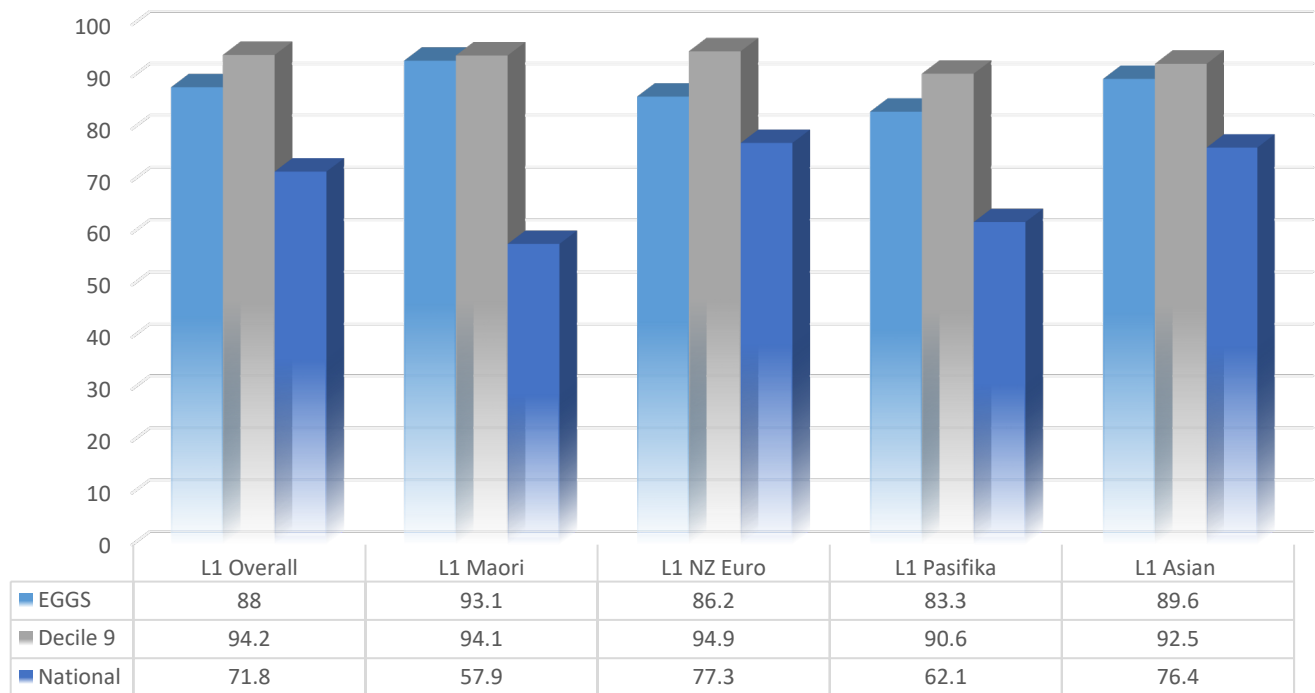


LEVEL ONE 2018 Achievement Rates by Ethnicity EGGS, Decile 9 Girls and all of NZ

2018 NCEA LEVEL 1 PASS RATES BY ETHNICITY

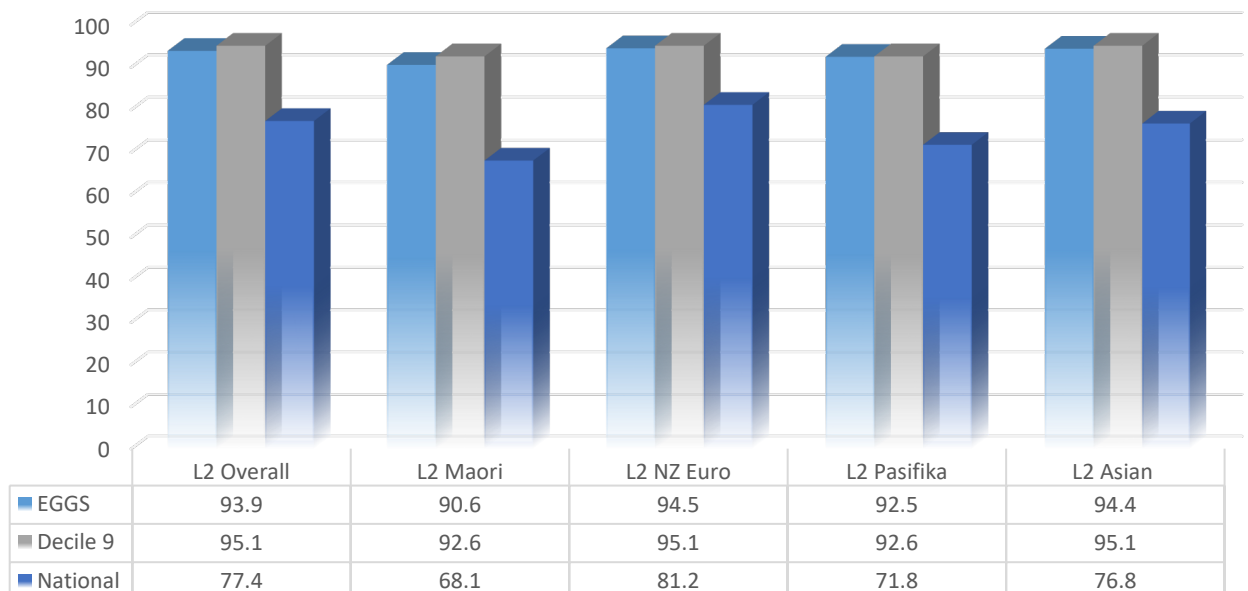


2018 NCEA LEVEL 1 PASS RATES BY ETHNICITY

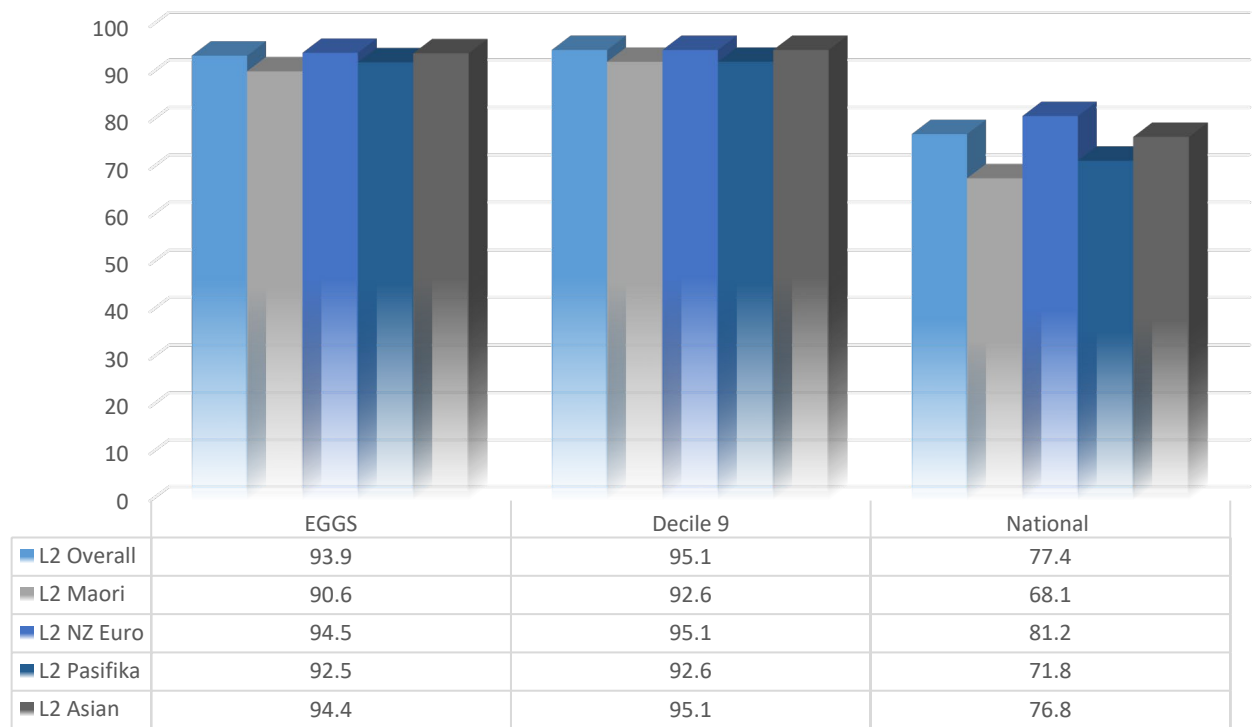


LEVEL TWO 2018 Achievement Rates by Ethnicity: EGGS, Decile 9 Girls and all of NZ

2018 NCEA LEVEL 2 PASS RATES BY ETHNICITY

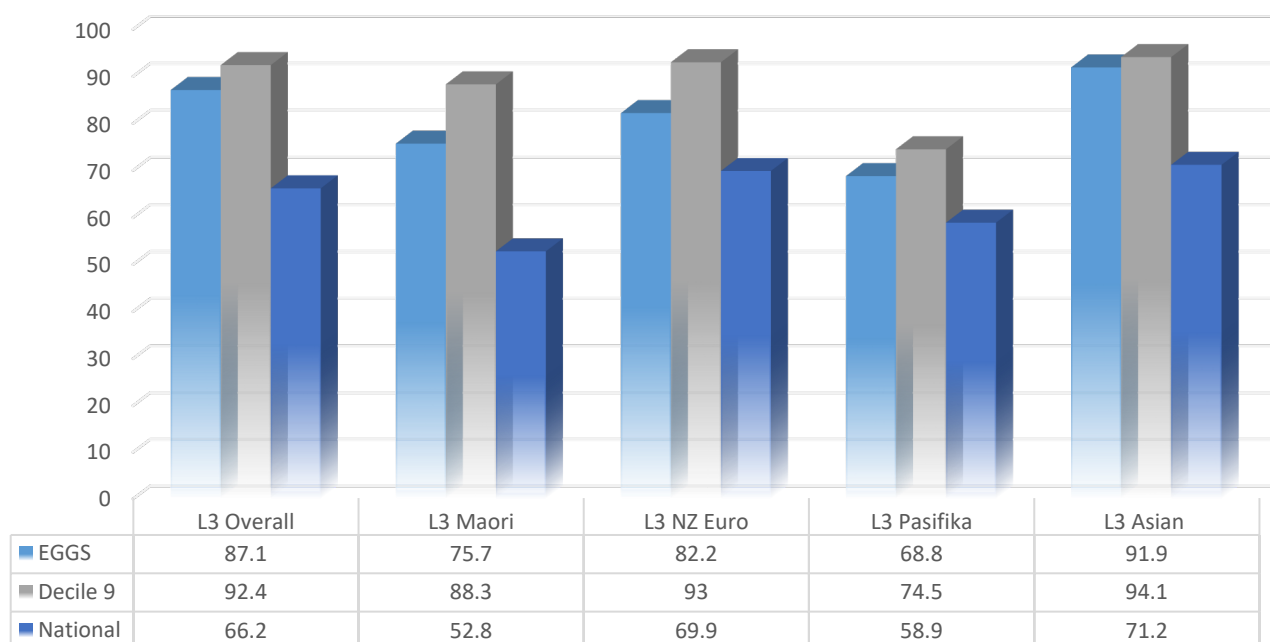


2018 NCEA LEVEL 2 PASS RATES BY ETHNICITY

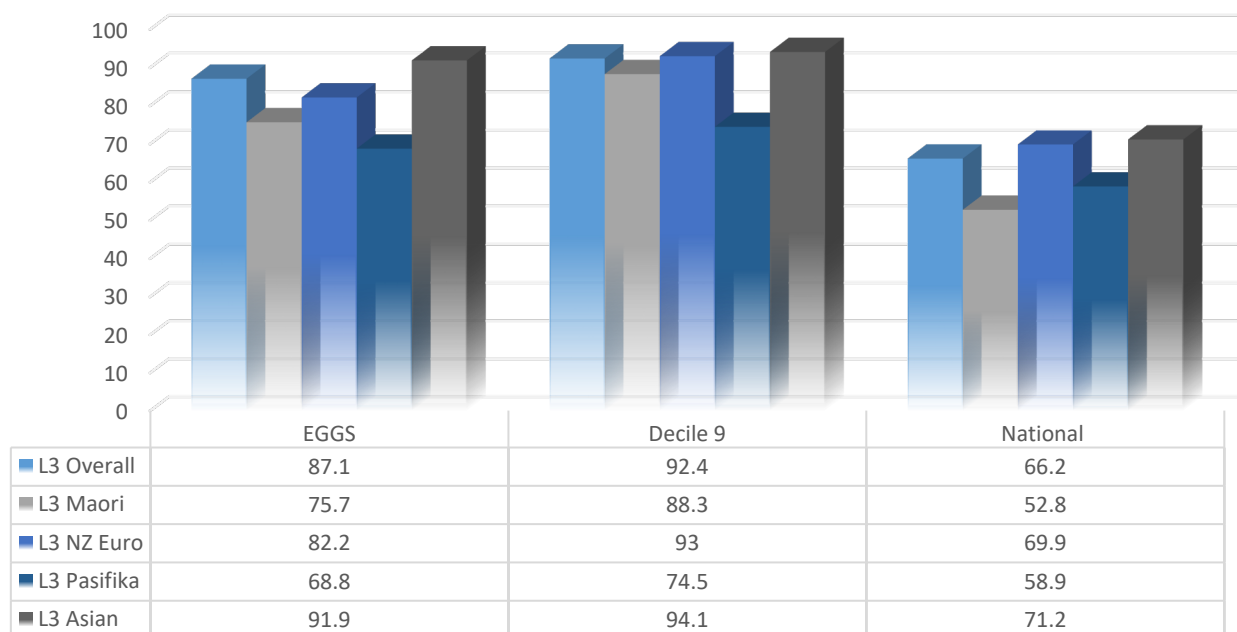


LEVEL THREE 2018 Achievement Rates by Ethnicity: EGGS, Decile 9 Girls and all of NZ

2018 NCEA LEVEL 3 PASS RATES BY ETHNICITY

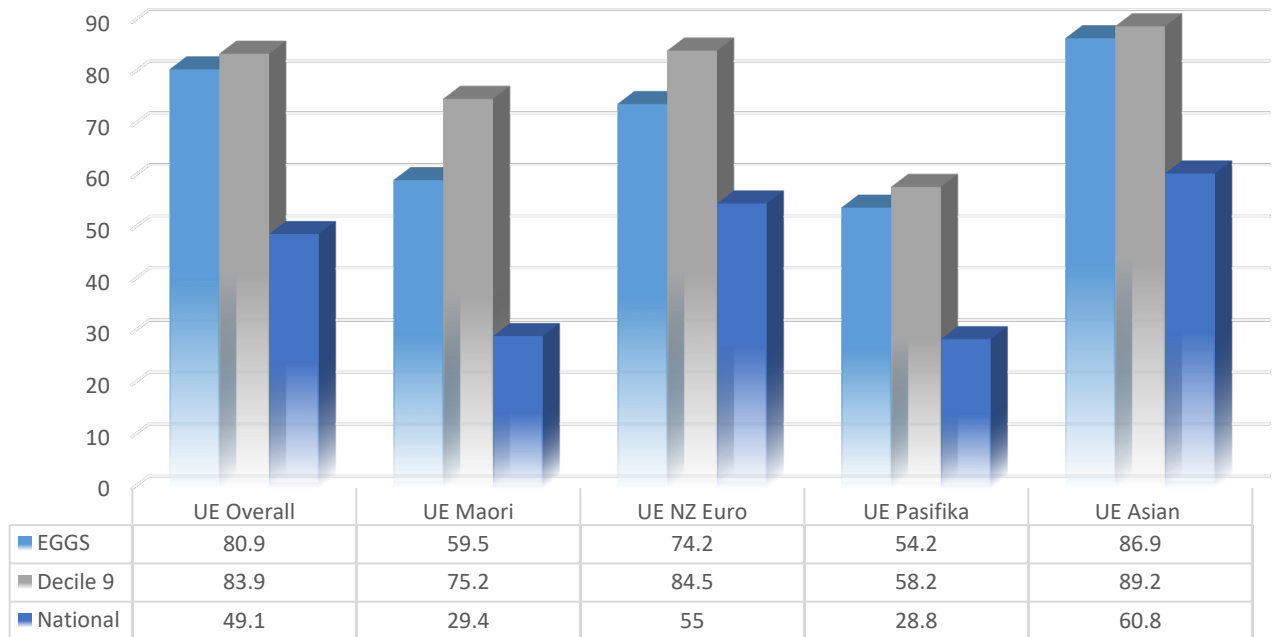


2018 NCEA LEVEL 3 PASS RATES BY ETHNICITY

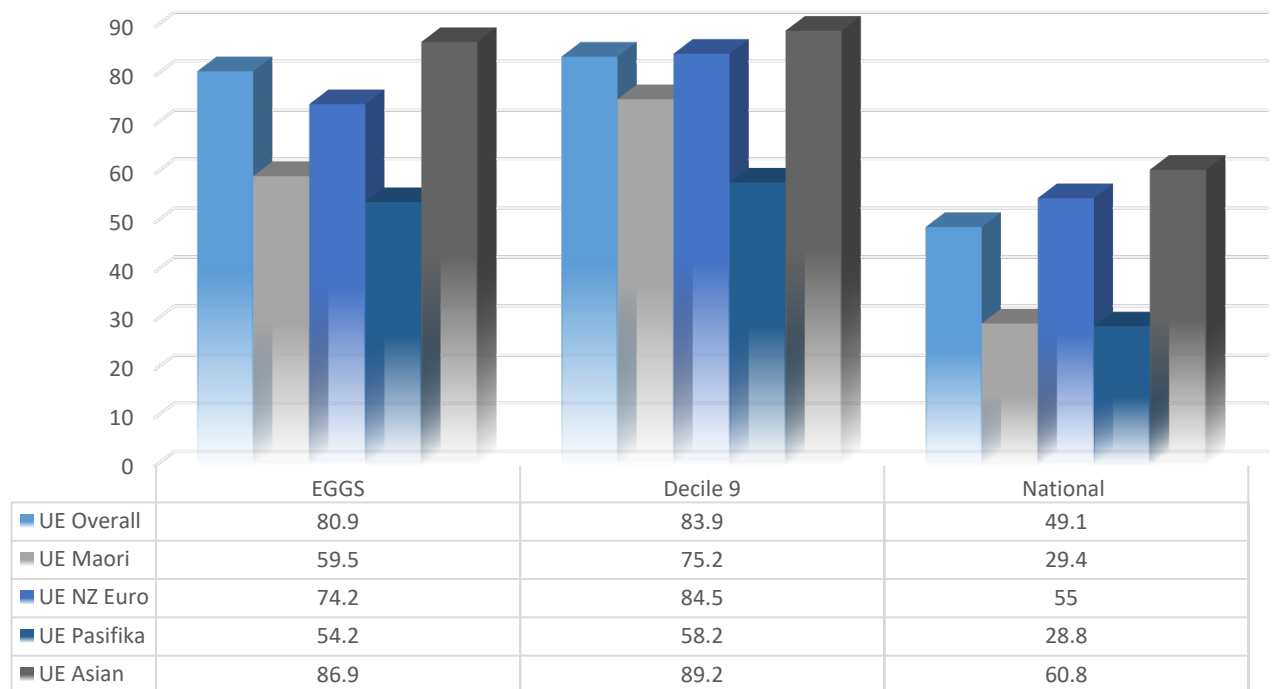


University Entrance 2018 by Ethnicity:
EGGS, Decile 9 Girls and all of NZ

2018 UE BY ETHNICITY



2018 UE BY ETHNICITY





Please refer to the below link.

https://www.youtube.com/watch?v=1H5whjL_ao4&feature=youtu.be&list=PL-I9Vf42Kw7dTPyFv8qwSs5NuU-RUIiEV

Epsom Girls Grammar School

Group Annual Report for the year ended 31 December 2018

Ministry Number:	64
Principal:	Lorraine Pound
School Address:	14 Silver Road, Epsom, Auckland 1023
School Postal Address:	14 Silver Road, Epsom, Auckland 1023
School Phone:	09 630 5963
School Email:	office@eggs.school.nz
Service Provider:	Edtech Financial Services Ltd

Epsom Girls Grammar School

Group Annual Report

For the year ended 31 December 2018

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Other Information

Analysis of Variance

Kiwisport

Members of the Board of Trustees

Epsom Girls Grammar School
Statement of Responsibility
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 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 school'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 2018 fairly reflects the financial position and operations of the school.

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

CHRIS ILES

Full Name of Board Chairperson



Signature of Board Chairperson

30/05/2019

Date:

Lorraine Ann Pound

Full Name of Principal



Signature of Principal

30/05/2019

Date:

Epsom Girls Grammar School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	SCHOOL 2018 Budget (Unaudited)	2017	2018	GROUP 2018 Budget (Unaudited)	2017
	Notes	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
Revenue							
Government Grants	2	25,386,628	25,185,622	25,215,504	25,314,774	25,185,622	25,266,859
Locally Raised Funds	3	3,526,147	3,581,292	4,057,167	3,596,100	3,581,292	4,183,184
Interest Earned		154,875	165,000	187,356	157,946	165,000	218,238
Gain on Sale of Property, Plant and Equipment		783	-	-	783	-	-
Hostel	4	1,890,178	1,844,768	1,934,977	1,890,178	1,844,768	1,934,977
International Students	5	2,307,880	2,222,437	2,352,392	2,307,880	2,222,437	2,352,392
		33,266,491	32,999,119	33,747,396	33,267,661	32,999,119	33,955,650
Expenses							
Locally Raised Funds	3	1,327,302	732,747	1,203,902	1,414,816	732,747	1,204,968
Hostel	4	1,360,453	1,377,706	1,416,556	1,360,453	1,377,706	1,416,556
International Students	5	1,130,367	1,132,721	1,159,240	1,130,367	1,132,721	1,159,240
Learning Resources	6	14,871,635	14,984,209	14,932,868	14,871,635	14,984,209	14,932,868
Administration	7	1,090,778	1,091,555	1,375,301	1,122,072	1,091,555	1,417,525
Finance Costs		48,024	44,527	46,334	48,024	44,527	46,334
Property	8	11,936,390	11,906,189	11,805,751	11,936,390	11,906,189	11,805,751
Depreciation	9	1,221,935	1,138,997	1,099,187	1,221,935	1,138,997	1,099,187
Loss on Disposal of Property, Plant and Equipment		6,867	-	7,705	6,867	-	7,705
		32,993,751	32,408,651	33,046,844	33,112,559	32,408,651	33,090,134
Net Surplus / (Deficit) for the year		272,740	590,468	700,552	155,102	590,468	865,516
Other Comprehensive Revenue and Expenses		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		272,740	590,468	700,552	155,102	590,468	865,516
Attributable to:							
Board of the School		272,740	590,468	700,552	155,102	590,468	865,516
		272,740	590,468	700,552	155,102	590,468	865,516

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

Epsom Girls Grammar School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018	SCHOOL 2018 Budget (Unaudited)	2017	2018	GROUP 2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
Balance at 1 January	17,165,646	17,165,646	16,465,094	18,144,673	17,165,646	17,279,157
Total comprehensive revenue and expense for the year	272,740	590,468	700,552	155,102	590,468	865,516
Capital Contributions from the Ministry of Education	40,582	-	-	40,582	-	-
Equity at 31 December	17,478,968	17,756,114	17,165,646	18,340,357	17,756,114	18,144,673
Retained Earnings	17,478,968	17,756,114	17,165,646	18,340,357	17,756,114	17,623,250
Reserves	-	-	-	-	-	521,423
Equity at 31 December	17,478,968	17,756,114	17,165,646	18,340,357	17,756,114	18,144,673

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

Epsom Girls Grammar School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	SCHOOL 2018 Budget (Unaudited) \$	2017 Actual \$	2018 Actual \$	GROUP 2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets							
Cash and Cash Equivalents	10	2,189,283	1,280,264	1,353,021	2,320,292	1,280,264	1,521,167
Accounts Receivable	11	1,213,789	1,340,000	1,333,272	1,214,069	1,340,000	1,284,497
GST Receivable		-	40,000	29,095	26,250	40,000	62,241
Prepayments		59,470	120,000	99,718	59,470	120,000	99,718
Inventories	12	110,373	130,000	144,955	110,373	130,000	144,955
Investments	13	1,900,000	4,500,000	5,500,000	1,900,000	4,500,000	5,500,000
Funds Held for Capital Works Projects	20	95,594	-	-	95,594	-	-
		5,568,509	7,410,264	8,460,061	5,726,048	7,410,264	8,612,578
Current Liabilities							
GST Payable		26,919	-	-	26,919	-	-
Accounts Payable	15	1,341,886	1,545,000	1,541,864	1,416,215	1,545,000	1,544,339
Revenue Received in Advance	16	2,869,578	3,195,000	3,183,434	2,964,923	3,195,000	3,239,129
Provision for Cyclical Maintenance	17	217,746	375,546	134,778	217,746	375,546	134,778
Finance Lease Liability - Current Portion	18	200,940	186,073	164,454	200,940	186,073	164,454
Funds held in Trust	19	1,094,668	1,135,000	1,120,192	1,094,668	1,135,000	1,120,192
Funds held for Capital Works Projects	20	-	118,000	225,299	-	118,000	225,299
		5,751,737	6,554,619	6,370,021	5,921,411	6,554,619	6,428,191
Working Capital Surplus/(Deficit)		(183,228)	855,645	2,090,040	(195,363)	855,645	2,184,387
Non-current Assets							
Investments (more than 12 months)	13	-	-	-	873,524	-	884,680
Property, Plant and Equipment	14	18,037,667	14,756,473	14,865,505	18,037,667	14,756,473	14,865,505
Capital Works In Progress	14 (a)	78,628	2,550,000	855,441	78,628	2,550,000	855,441
		18,116,295	17,306,473	15,720,946	18,989,819	17,306,473	16,605,626
Non-current Liabilities							
Provision for Cyclical Maintenance	17	221,765	221,765	353,438	221,765	221,765	353,438
Finance Lease Liability	18	232,334	184,239	291,902	232,334	184,239	291,902
		454,099	406,004	645,340	454,099	406,004	645,340
Net Assets		<u>17,478,968</u>	<u>17,756,114</u>	<u>17,165,646</u>	<u>18,340,357</u>	<u>17,756,114</u>	<u>18,144,673</u>
Attributable to:							
Board of the School		17,478,968	17,756,114	17,165,646	18,340,357	17,756,114	18,144,673
Total Equity		<u>17,478,968</u>	<u>17,756,114</u>	<u>17,165,646</u>	<u>18,340,357</u>	<u>17,756,114</u>	<u>18,144,673</u>

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

Epsom Girls Grammar School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	SCHOOL 2018 Budget (Unaudited)	2017	2018	GROUP 2018 Budget (Unaudited)	2017
Note		Actual \$	\$	Actual \$	Actual \$	\$	Actual \$
Cash flows from Operating Activities							
Government Grants		3,812,466	3,937,285	4,021,950	3,740,612	3,937,285	4,073,305
Locally Raised Funds		3,652,160	3,406,292	3,881,661	3,712,708	3,406,292	3,807,202
Hostel		1,796,016	2,004,768	2,115,588	1,796,016	2,004,768	2,115,588
International Students		2,069,982	2,192,437	2,379,136	2,069,982	2,192,437	2,379,136
Goods and Services Tax (net)		56,014	(15,000)	(34,048)	62,910	(15,000)	(64,649)
Payments to Employees		(4,307,035)	(4,060,079)	(4,346,880)	(4,307,035)	(4,060,079)	(4,351,528)
Payments to Suppliers		(6,044,071)	(5,314,579)	(6,025,727)	(6,091,025)	(5,314,579)	(6,063,746)
Interest Paid		(48,024)	(44,527)	(46,334)	(48,024)	(44,527)	(46,334)
Interest Received		201,039	235,000	219,660	204,110	235,000	250,542
Net cash from / (to) the Operating Activities		1,188,547	2,341,597	2,165,006	1,140,254	2,341,597	2,099,516
Cash flows from Investing Activities							
Proceeds from Sale of PPE (and Intangibles)		783	-	(7,705)	783	-	(7,705)
Purchase of PPE (and Intangibles)		(3,448,468)	(4,047,683)	(1,966,642)	(3,448,468)	(4,047,683)	(1,966,642)
Purchase of Investments		-	(1,150,000)	(1,400,000)	-	(1,150,000)	(1,525,340)
Proceeds from Sale of Investments		3,600,000	-	-	3,611,156	-	-
Net cash from / (to) the Investing Activities		152,315	(5,197,683)	(3,374,347)	163,471	(5,197,683)	(3,499,687)
Cash flows from Financing Activities							
Furniture and Equipment Grant		40,582	-	-	40,582	-	-
Finance Lease Payments		(198,765)	438,452	(154,419)	(198,765)	438,452	(154,419)
Funds Administered on Behalf of Third Parties		(346,417)	(47,000)	164,218	(346,417)	(47,000)	164,218
Net cash from Financing Activities		(504,600)	391,452	9,799	(504,600)	391,452	9,799
Net increase/(decrease) in cash and cash equivalents		836,262	(2,464,634)	(1,199,542)	799,125	(2,464,634)	(1,390,372)
Cash and cash equivalents at the beginning of the year	10	1,353,021	3,744,898	2,552,563	1,521,167	3,744,898	2,911,539
Cash and cash equivalents at the end of the year	10	2,189,283	1,280,264	1,353,021	2,320,292	1,280,264	1,521,167

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.

Epsom Girls Grammar School

Reconciliation of Net Cashflows

From Operating Activities to Net Surplus

For the year ended 31 December 2018

Note	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Net Surplus for the Year	272,740	590,468	700,552	155,102	590,468	865,516
	272,740	590,468	700,552	155,102	590,468	865,516
Add Non-Cash Items:						
Depreciation	1,221,935	1,138,997	1,099,187	1,221,935	1,138,997	1,099,187
Non-Cash Movement in Cyclical Maintenance Provision	(131,673)	109,095	117,780	(131,673)	109,095	117,780
	1,090,262	1,248,092	1,216,967	1,090,262	1,248,092	1,216,967
Add/(Less) Movements in other working capital items:						
(Increase)/Decrease in Accounts Receivable including Teachers Salaries	119,483	450,000	(171,888)	70,428	450,000	(139,725)
(Increase)/Decrease in Prepayments	40,248	80,000	152,199	40,248	80,000	152,199
(Increase)/Decrease in Stock	34,582	-	(36,097)	34,582	-	(36,097)
Increase/(Decrease) in Accounts Payable	(199,978)	(305,000)	298,413	(128,124)	(305,000)	299,036
Increase/(Decrease) in Net GST	56,014	(15,000)	(34,048)	62,910	(15,000)	(64,649)
Increase/(Decrease) in Revenue in Advance	(313,856)	105,000	198,337	(274,206)	105,000	(34,302)
Increase/(Decrease) in Cyclical Maintenance Provision	82,968	188,037	(167,134)	82,968	188,037	(167,134)
	(180,539)	503,037	239,782	(111,194)	503,037	9,328
Add/(Less) Items classified as investing activities						
Fundraising relating to investing						
Increase/(Decrease) in Purchase of Investments						
Net Gain on sale of Fixed Assets						
Net Loss on disposal of fixed Assets	6,084	-	7,705	6,084	-	7,705
	6,084	-	7,705	6,084	-	7,705
	1,188,547	2,341,597	2,165,006	1,140,254	2,341,597	2,099,516

Epsom Girls Grammar School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

Epsom Girls Grammar School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989, domiciled in NZ. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

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.

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.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The 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 1 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".

Standards issued and not yet effective and not early adopted

In December 2016, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 January 2021. The School will apply these updated standards in preparing its 31 December 2021 financial statements. The School expects there will be minimal or no change in applying these updated accounting standards.

The updated standards applicable to the School are:

PBE IFRS 9 - Financial Instruments

PBE IFRS 9 introduces into PBE Standards the reforms introduced by NZ IFRS9 in the not-for-profit sector. The standard replaces most of the requirements of PBE IPSAS 29.

This new standard:

- Introduces a new classification model for financial assets, which may cause certain financial assets to be classified and measured differently as compared to PBE IPSAS 29.
- Introduces a more flexible and less rules-based hedge accounting model, which allows hedge accounting to be applied to a wider range of risk management strategies.
- Introduces a more forward-looking impairment model for financial assets, based on expected credit loss, which may cause certain assets to be impaired earlier than they would be under the current "incurred loss" model.
- Requires PBEs to provide additional disclosures about hedge accounting and impairment.

PBE Accounting Standards Disclosure Regime

The School qualifies for Tier 1 as the school is not publicly accountable and is considered large as it falls within the expenditure threshold of exceeding \$30 million per year.

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.

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Specific Accounting Policies

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

Consolidation

The group financial statements comprise the financial statements of Epsom Girls Grammar School together with its 100% controlled entity Epsom Girls Grammar School Foundation (from its deemed date of acquisition of control, 1 April 2008). Both entities have a 31 December year end and all inter entity transactions have been eliminated on consolidation.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Interest Revenue

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

Use of Land and Buildings Expense

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

Operating Lease Payments

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

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.

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.

Accounts Receivable

Accounts Receivable represents items that the School 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 School realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the School 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 Consolidated Statement of Comprehensive Revenue and Expense, if not otherwise shown separately.

Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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.

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.

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 School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

Property, Plant and Equipment

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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

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

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

The estimated useful lives of the assets are:

Building improvements to Crown owned assets	40 years
Furniture and equipment	5-40 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

Accounts Payable

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

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to the above revenue received in advance, should the School be unable to provide the services to which they relate.

Funds Held in Trust

Funds are held in trust where they have been received by the School 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 School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Provision for Cyclical Maintenance

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

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

Financial Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The Group's financial liabilities comprise accounts payable, 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.

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Services received in-kind

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Operational grants	3,509,344	3,435,386	3,439,712	3,509,344	3,435,386	3,439,712
Teachers' salaries grants	10,859,841	10,703,143	10,623,215	10,859,841	10,703,143	10,623,215
Use of Land and Buildings grants	10,714,321	10,665,194	10,665,194	10,714,321	10,665,194	10,665,194
Resource teachers learning and behaviour grants	2,458	66,800	15,523	2,458	66,800	15,523
Other MoE Grants	249,378	261,490	410,456	249,378	261,490	410,456
Other government grants	51,286	53,609	61,404	(20,568)	53,609	112,759
	25,386,628	25,185,622	25,215,504	25,314,774	25,185,622	25,266,859

3 Locally Raised Funds

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

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Revenue						
Donations	1,072,530	1,367,621	1,637,687	1,140,949	1,367,621	1,760,922
Fundraising	103,897	77,300	73,365	105,431	77,300	76,147
Aquatic Centre	280,017	302,000	288,999	280,017	302,000	288,999
Raye Freedman Centre	292,219	307,160	273,948	292,219	307,160	273,948
Trading	826,255	822,903	824,766	826,255	822,903	824,766
Activities	405	-	196,623	405	-	196,623
Other Income	720,226	704,308	761,779	720,226	704,308	761,779
Overseas Travel Revenue	230,598	-	-	230,598	-	-
	3,526,147	3,581,292	4,057,167	3,596,100	3,581,292	4,183,184
Expenses						
Activities	-	-	162,811	-	-	162,811
Trading	480,436	79,947	497,142	480,436	79,947	497,142
Aquatic Centre	291,376	326,401	285,347	291,376	326,401	285,347
Raye Freedman Centre	239,756	326,399	258,602	239,756	326,399	258,602
Other Locally Raised Funds Expenses	-	-	-	87,514	-	1,066
Overseas Travel Expense	315,734	-	-	315,734	-	-
	1,327,302	732,747	1,203,902	1,414,816	732,747	1,204,968
Surplus for the year Locally Raised Funds	2,198,845	2,848,545	2,853,265	2,181,284	2,848,545	2,978,216

During the year ended 31 December 2018 students travelled to the following countries. The travel was funded by the participants themselves (2017: Nil).

- 24 students and 3 staff travelled to China for the purpose of Business Studies.
- 26 students and 4 staff travelled to Italy, Greece, and France for the purpose of Art History/Classical Studies.
- 25 students and 4 staff travelled to United Kingdom, Belgium, France, Germany, and Russia for the purpose of History Studies.

4 Hostel Revenue and Expenses

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	Number	(Unaudited)	Number	Number	(Unaudited)	Number
Hostel Financial Performance						
Hostel Full Boarders	125	125	135	125	125	135
Hostel Weekly Boarders	0	0	0	0	0	0
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Revenue						
Hostel Fees	1,412,406	1,401,117	1,531,701	1,412,406	1,401,117	1,531,701
Other Revenue	477,772	443,651	403,276	477,772	443,651	403,276
	1,890,178	1,844,768	1,934,977	1,890,178	1,844,768	1,934,977
Expenses						
Kitchen	222,160	270,800	291,736	222,160	270,800	291,736
Administration	176,696	116,550	131,637	176,696	116,550	131,637
Property	139,598	161,480	218,089	139,598	161,480	218,089
Employee Benefit - Salaries	821,999	828,876	775,094	821,999	828,876	775,094
	1,360,453	1,377,706	1,416,556	1,360,453	1,377,706	1,416,556
Surplus for the year Hostel	529,725	467,062	518,421	529,725	467,062	518,421

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

SCHOOL

GROUP

5 International Student Revenue and Expenses

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	Number	(Unaudited)	Number	Number	(Unaudited)	Number
International Student Roll	137	137	134	137	137	134
Revenue						
International student fees	2,307,880	2,222,437	2,352,392	2,307,880	2,222,437	2,352,392
Expenses						
Advertising	7,683	103,000	-	7,683	103,000	-
Commissions	196,350	226,213	222,213	196,350	226,213	222,213
Overseas Travel	104,166	-	119,261	104,166	-	119,261
International student levy	26,677	9,187	49,509	26,677	9,187	49,509
Employee Benefit - Salaries	754,132	743,884	722,730	754,132	743,884	722,730
Other Expenses	41,359	50,437	45,527	41,359	50,437	45,527
	1,130,367	1,132,721	1,159,240	1,130,367	1,132,721	1,159,240
Surplus for the year International Students	1,177,513	1,089,716	1,193,152	1,177,513	1,089,716	1,193,152

During the year ended 31 December 2018 the Director of International Students travelled to Brazil, Hong Kong, Spain x2, Italy x2, Switzerland x2, Germany x2, Czech Republic, China, Thailand, Vietnam, South Korea x2, Austria, Mexico and Chile at a cost of \$104,166 for the purpose of recruiting new students for the school. The travel was funded from the net surplus from International student fees revenue.

(2017: the Director of International Students travelled to Mexico x2, Philippines, Vietnam x2, Cambodia, China, Hong Kong x2, South Korea x2, Thailand x2, Austria, Germany x2, Switzerland, Italy x2 and France for the purpose of recruiting new students for the school. The travel was funded from the net surplus from international student fees revenue.)

6 Learning Resources

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Curricular	999,597	1,131,358	1,098,664	999,597	1,131,358	1,098,664
Equipment repairs	25,376	17,500	20,199	25,376	17,500	20,199
Information and communication technology	564,250	582,385	513,777	564,250	582,385	513,777
Extra-curricular activities	600,984	614,575	618,698	600,984	614,575	618,698
Library resources	159,617	157,701	137,892	159,617	157,701	137,892
Employee benefits - salaries	12,413,875	12,350,790	12,412,940	12,413,875	12,350,790	12,412,940
Staff development	107,936	129,900	130,698	107,936	129,900	130,698
	14,871,635	14,984,209	14,932,868	14,871,635	14,984,209	14,932,868

7 Administration

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Audit Fee	22,535	11,500	11,104	24,447	11,500	12,979
Board of Trustees Fees	23,631	23,120	5,240	23,631	23,120	5,240
Board of Trustees Expenses	5,625	6,120	110,412	5,625	6,120	110,412
Communication	76,417	79,750	72,227	76,417	79,750	72,227
Consumables	(62,548)	(70,900)	(53,219)	(62,548)	(70,900)	(53,219)
Operating Lease	5,007	22,550	101,440	5,007	22,550	101,440
Postage	9,763	11,000	10,881	9,763	11,000	10,881
Other	104,238	135,300	130,858	131,868	135,300	163,621
Employee Benefits - Salaries	843,603	807,735	927,306	843,603	807,735	931,954
Insurance	42,717	47,380	42,096	42,717	47,380	42,096
Service Providers, Contractors and Consultancy	19,790	18,000	16,956	21,542	18,000	19,894
	1,090,778	1,091,555	1,375,301	1,122,072	1,091,555	1,417,525

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

8 Property

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	316,093	309,900	300,425	316,093	309,900	300,425
Consultancy and Contract Services	224,346	220,000	203,770	224,346	220,000	203,770
Cyclical Maintenance Provision	66,525	109,095	58,446	66,525	109,095	58,446
Grounds	35,974	46,064	28,960	35,974	46,064	28,960
Heat, Light and Water	233,089	226,599	226,406	233,089	226,599	226,406
Rates	386	400	377	386	400	377
Repairs and Maintenance	30,615	45,000	34,000	30,615	45,000	34,000
Use of Land and Buildings	10,714,321	10,665,194	10,665,194	10,714,321	10,665,194	10,665,194
Security	37,807	37,000	38,161	37,807	37,000	38,161
Employee Benefits - Salaries	277,234	246,937	250,012	277,234	246,937	250,012
	<u>11,936,390</u>	<u>11,906,189</u>	<u>11,805,751</u>	<u>11,936,390</u>	<u>11,906,189</u>	<u>11,805,751</u>

The use of land and buildings figure represents 8% of the Group's total property value. This is used as a 'proxy' for the market rental of the property. 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 Depreciation of Property, Plant and Equipment

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Building Improvements - Crown	348,608	317,840	304,085	348,608	317,840	304,085
Furniture and Equipment	288,492	356,515	255,168	288,492	356,515	255,168
Information and Communication Technology	369,535	382,800	391,949	369,535	382,800	391,949
Leased Assets	200,919	63,485	132,440	200,919	63,485	132,440
Library Resources	14,381	18,357	15,545	14,381	18,357	15,545
	<u>1,221,935</u>	<u>1,138,997</u>	<u>1,099,187</u>	<u>1,221,935</u>	<u>1,138,997</u>	<u>1,099,187</u>

10 Cash and Cash Equivalents

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Cash on Hand	2,568	2,560	2,568	2,568	2,560	2,568
Bank Current Account	221,091	427,704	464,728	334,816	427,704	494,513
Bank Call Account	465,624	50,000	85,725	482,908	50,000	224,086
Short-term Bank Deposits	1,500,000	800,000	800,000	1,500,000	800,000	800,000
Net cash and cash equivalents and bank	<u>2,189,283</u>	<u>1,280,264</u>	<u>1,353,021</u>	<u>2,320,292</u>	<u>1,280,264</u>	<u>1,521,167</u>

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

11 Accounts Receivable

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Receivables	408,046	500,000	515,855	408,326	500,000	467,080
Interest Receivable	13,591	50,000	59,755	13,591	50,000	59,755
Teacher Salaries Grant Receivable	792,152	790,000	757,662	792,152	790,000	757,662
	<u>1,213,789</u>	<u>1,340,000</u>	<u>1,333,272</u>	<u>1,214,069</u>	<u>1,340,000</u>	<u>1,284,497</u>
Receivables from Exchange Transactions	421,637	550,000	575,610	421,917	550,000	526,835
Receivables from Non-Exchange Transactions	792,152	790,000	757,662	792,152	790,000	757,662
	<u>1,213,789</u>	<u>1,340,000</u>	<u>1,333,272</u>	<u>1,214,069</u>	<u>1,340,000</u>	<u>1,284,497</u>

The Ageing Profile of Receivables at year end is detailed below

	2018 Actual School			2017 Actual School		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$	\$	\$	\$	\$	\$
Not Past Due	809,775	-	809,775	1,121,178	-	1,121,178
Past Due 1 - 30 Days	341,433	-	341,433	182,486	-	182,486
Past Due 31 - 60 Days	12,685	-	12,685	10,776	-	10,776
Past Due 61 - 90 Days	12,159	-	12,159	2,372	-	2,372
Past Due over 90 Days	37,737	-	37,737	16,460	-	16,460
Total	<u>1,213,789</u>	<u>-</u>	<u>1,213,789</u>	<u>1,333,272</u>	<u>-</u>	<u>1,333,272</u>

12 Inventories

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Stationery	26,673	30,000	29,730	26,673	30,000	29,730
School Uniforms	50,695	70,000	81,214	50,695	70,000	81,214
School Memorabilia	33,005	30,000	34,011	33,005	30,000	34,011
	<u>110,373</u>	<u>130,000</u>	<u>144,955</u>	<u>110,373</u>	<u>130,000</u>	<u>144,955</u>

13 Investments

The School's investment activities are classified as follows:

	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Current Asset						
Short-term Bank Deposits	1,900,000	4,500,000	5,500,000	1,900,000	4,500,000	5,500,000
Non-current Asset						
Long-term Bank Deposits and equities	-	-	-	873,524	-	884,680
	<u>1,900,000</u>	<u>4,500,000</u>	<u>5,500,000</u>	<u>2,773,524</u>	<u>4,500,000</u>	<u>6,384,680</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

SCHOOL AND GROUP						
14 Property, Plant and Equipment						
	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	11,092,423	3,464,183	-	-	(348,608)	14,207,998
Furniture and Equipment	2,146,504	439,052	-	-	(288,492)	2,297,064
Information and Communication Technology	1,079,532	298,073	-	-	(369,535)	1,008,070
Leased Assets	438,226	175,682	-	-	(200,919)	412,989
Library Resources	108,820	23,974	(6,867)	-	(14,381)	111,546
Balance at 31 December 2018	14,865,505	4,400,964	(6,867)	-	(1,221,935)	18,037,667
				Cost or Valuation	Accumulated Depreciation	Net Book Value
				\$	\$	\$
2018						
Building Improvements				16,639,488	(2,431,490)	14,207,998
Furniture and Equipment				6,123,032	(3,825,968)	2,297,064
Information and Communication Technology				3,796,796	(2,788,726)	1,008,070
Leased Assets				818,232	(405,243)	412,989
Library Resources				287,427	(175,881)	111,546
Balance at 31 December 2018				27,664,975	(9,627,308)	18,037,667
The net carrying value of equipment held under a finance lease is \$412,989, (2017: \$438,226).						
	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	8,807,156	2,589,052	-	-	(303,785)	11,092,423
Furniture and Equipment	1,993,989	411,385	(3,402)	-	(255,468)	2,146,504
Information and Communication Technology	1,047,693	423,788	-	-	(391,949)	1,079,532
Leased Assets	434,996	135,670	-	-	(132,440)	438,226
Library Resources	106,353	22,318	(4,303)	-	(15,548)	108,820
Balance at 31 December 2017	12,390,187	3,582,213	(7,705)	-	(1,099,190)	14,865,505
				Cost or Valuation	Accumulated Depreciation	Net Book Value
				\$	\$	\$
2017						
Building Improvements				13,175,305	(2,082,882)	11,092,423
Furniture and Equipment				5,683,979	(3,537,475)	2,146,504
Information and Communication Technology				3,498,723	(2,419,191)	1,079,532
Leased Assets				642,549	(204,323)	438,226
Library Resources				281,198	(172,378)	108,820
Balance at 31 December 2017				23,281,754	(8,416,249)	14,865,505

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

14 (a) Capital Works In Progress

Project	Status	BOT		Closing Balance
		Opening Balance	Contribution/ Capitalised	
2018		\$	\$	\$
Sports Centre Courts	Completed	606,425	(606,425)	-
Epsom House Pod 2	Completed	248,266	(248,266)	-
School Project - Silver Road	In progress	750	7,700	8,450
School Project - Old Kitchen	In progress	-	70,178	70,178
Totals		<u>855,441</u>	<u>(776,813)</u>	<u>78,628</u>

Project	Status	BOT		Closing Balance
		Opening Balance	Contribution/ Capitalised	
2017		\$	\$	\$
Epsom House Bathroom Project	Completed	2,203,716	(2,203,716)	-
School Signage	Completed	36,874	(36,874)	-
Sports Centre Courts	In progress	46,769	559,656	606,425
Epsom House Pod 2	In progress	3,576	244,690	248,266
School Project - Silver Road	In progress	-	750	750
Totals		<u>2,290,935</u>	<u>(1,435,494)</u>	<u>855,441</u>

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

	SCHOOL			GROUP		
15 Accounts Payable	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Operating creditors	285,868	450,000	470,028	357,722	450,000	470,028
Accruals	69,605	50,000	63,880	72,080	50,000	66,355
Employee Entitlements - salaries	838,463	885,000	845,642	838,463	885,000	845,642
Employee Entitlements - leave accrual	147,950	160,000	162,314	147,950	160,000	162,314
	<u>1,341,886</u>	<u>1,545,000</u>	<u>1,541,864</u>	<u>1,416,215</u>	<u>1,545,000</u>	<u>1,544,339</u>
Payables for Exchange Transactions	1,341,886	1,545,000	1,541,864	1,416,215	1,545,000	1,544,339
	<u>1,341,886</u>	<u>1,545,000</u>	<u>1,541,864</u>	<u>1,416,215</u>	<u>1,545,000</u>	<u>1,544,339</u>

The carrying value of payables approximates their fair value.

16 Revenue Received in Advance	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
International Student Fees	1,716,296	1,950,000	1,954,194	1,716,296	1,950,000	1,954,194
Hostel Fees	533,968	640,000	628,130	533,968	640,000	628,130
Other	619,314	605,000	601,110	714,659	605,000	656,805
	<u>2,869,578</u>	<u>3,195,000</u>	<u>3,183,434</u>	<u>2,964,923</u>	<u>3,195,000</u>	<u>3,239,129</u>

17 Provision for Cyclical Maintenance	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Provision at the Start of the Year	488,216	488,216	537,570	488,216	488,216	537,570
Increase to the Provision During the Year	66,525	109,095	58,446	66,525	109,095	58,446
Adjustment to the Provision	-	-	-	-	-	-
Use of the Provision During the Year	(115,230)	-	(107,800)	(115,230)	-	(107,800)
Provision at the End of the Year	<u>439,511</u>	<u>597,311</u>	<u>488,216</u>	<u>439,511</u>	<u>597,311</u>	<u>488,216</u>
Cyclical Maintenance - Current	217,746	375,546	134,778	217,746	375,546	134,778
Cyclical Maintenance - Term	221,765	221,765	353,438	221,765	221,765	353,438
	<u>439,511</u>	<u>597,311</u>	<u>488,216</u>	<u>439,511</u>	<u>597,311</u>	<u>488,216</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

	SCHOOL			GROUP		
18 Finance Lease Liability						
The school has entered into a number of finance lease agreements for laptops and photocopiers						
Minimum lease payments payable:						
	2018	2018	2017	2018	2018	2017
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Minimum lease payments payable:						
No Later than One Year	229,640	186,073	164,454	229,640	186,073	164,454
Later than One Year and no Later than Five Years	246,132	184,239	291,902	246,132	184,239	291,902
<i>Total minimum lease payments</i>	<i>475,772</i>	<i>370,312</i>	<i>456,356</i>	<i>475,772</i>	<i>370,312</i>	<i>456,356</i>
Future finance charges	42,498	-	-	42,498	-	-
<i>Present value of minimum lease payments</i>	<i>433,274</i>	<i>370,312</i>	<i>456,356</i>	<i>433,274</i>	<i>370,312</i>	<i>456,356</i>
Present value of minimum lease payments payable:						
No Later than One Year	200,940	186,073	164,454	200,940	186,073	164,454
Later than One Year and no Later than Five Years	232,334	184,239	291,902	232,334	184,239	291,902
<i>Present value of minimum lease payments</i>	<i>433,274</i>	<i>370,312</i>	<i>456,356</i>	<i>433,274</i>	<i>370,312</i>	<i>456,356</i>
19 Funds held in Trust						
	2018	2018	2017	2018	2018	2017
	Actual	Budget (Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	1,094,668	1,135,000	1,120,192	1,094,668	1,135,000	1,120,192
	1,094,668	1,135,000	1,120,192	1,094,668	1,135,000	1,120,192

These funds are held in trust for international student homestay fees.

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

SCHOOL AND GROUP

20 Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	\$	\$	\$	\$	\$
L Block	<i>in progress</i>	103,270	30,784	188,067	38,081	(92,094)
Hall Lobby Maintenance	<i>Completed</i>	22,529	3,506	58,178	(32,143)	-
D Block	<i>Completed</i>	115,287	-	110,248	5,039	-
D Block Power Supply and Carpet	<i>Completed</i>	(8,900)	90,190	81,170	120	-
Science Block Ventilation	<i>Completed</i>	(1,387)	1,387	-	-	-
Canopy Replacement	<i>Cancelled</i>	(5,500)	-	438	(5,938)	-
L Block Roof	<i>in progress</i>	-	-	3,500	-	(3,500)
Totals		225,299	125,867	441,601	5,159	(95,594)

Represented by:

Funds Due from the Ministry of Education

95,594

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2017	\$	\$	\$	\$	\$
Sports Centre Stage 3	<i>Completed</i>	(140,847)	9,000	20,064	(151,911)	-
L Block	<i>in progress</i>	(5,000)	152,168	43,898	-	103,270
Hall Lobby Maintenance	<i>in progress</i>	50,992	31,553	60,016	-	22,529
D Block	<i>in progress</i>	-	124,753	9,466	-	115,287
D Block Power Supply and Carpet	<i>in progress</i>	-	58,813	67,713	-	(8,900)
Hall Outdoor Air & Mezzanine	<i>Completed</i>	-	15,800	15,800	-	-
Science Block Ventilation	<i>Completed</i>	-	12,483	13,870	-	(1,387)
Senior Com RM	<i>Completed</i>	-	1,015	-	1,015	-
Canopy Replacement	<i>in progress</i>	-	-	5,500	-	(5,500)
Totals		(94,855)	405,585	236,327	(150,896)	225,299

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

21 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 school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the 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.

22 Remuneration

Key management personnel compensation (School and Group)

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

	2018 Actual \$	2017 Actual \$
<i>Board Members - School</i>		
Remuneration	23,631	5,240
Full-time equivalent members	1.24	1.24
<i>Leadership Team</i>		
Remuneration	738,287	758,127
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	761,918	763,367
Total full-time equivalent personnel	7.24	7.24

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	210-220	200-210
Benefits and Other Emoluments	20-30	20 - 30
Termination Benefits	-	-

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
110-120	4	1
100-110	1	6
	5	7

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

23 Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2018 Actual	2017 Actual
<i>School and Group</i>		
Total	-	\$62,744
Number of People	-	2

Epsom Girls Grammar School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

24 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as 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 school may exist.

25 Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

(a) L Block Redevelopment to be funded by the Ministry of Education, of which \$184,013 has been received and \$274,107 has been spent on the project to date.

(b) L Block roofing upgrade, funded by the Ministry of Education. Nil funds have been received, with \$3,500 spent to date.

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) Completion of the Epsom House Pod - Budgeted at an estimate of \$2,558,263.75

(b) L Block Redevelopment contract for \$85,000

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

- Operating Leases for TRL Tela Laptops for Teachers
- Operating lease for Server and Data projectors

	2018 Actual \$	2017 Actual \$
No later than One Year	-	14,996
Later than One Year and No Later than Five Years	-	-
	<u>-</u>	<u>14,996</u>

26 Managing Capital

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

Epsom Girls Grammar School
Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

27 Financial Instruments

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

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Loans and receivables						
Cash and Cash Equivalents	2,189,283	1,280,264	1,353,021	2,320,292	1,280,264	1,521,167
Receivables	1,213,789	1,340,000	1,333,272	1,214,069	1,340,000	1,284,497
Investments - Short Term Deposits	1,900,000	4,500,000	5,500,000	1,900,000	4,500,000	5,500,000
Investments - Long Term Deposits	-	-	-	873,524	-	884,680
Total Loans and Receivables	5,303,072	7,120,264	8,186,293	6,307,885	7,120,264	9,190,344
Financial liabilities measured at amortised cost						
Payables	1,341,886	1,545,000	1,541,864	1,416,215	1,545,000	1,544,339
Finance Leases	433,274	370,312	456,356	433,274	370,312	456,356
Total Financial Liabilities Measured at Amortised Cost	1,775,160	1,915,312	1,998,220	1,849,489	1,915,312	2,000,695

Fair Value

The fair value of financial instruments is the carrying value. See notes 10 and 13 for the fair value of deposits.

Credit Risk

The maximum exposure to credit risk is disclosed in the Statement of Financial Position.

Credit risk is the risk that a third party will default on its obligations to Epsom Girls Grammar School, causing the school to incur a loss.

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial assets. Maximum credit risks are disclosed in the Statement of Financial Position. The concentration of credit risk in respect of cash and cash equivalents is mitigated by investing with high credit rating registered banks (in accordance with section 73 of the Education Act 1989).

Receivables include grants and funding due from MOE. No collateral is held to mitigate the risk of loss as a result of default.

In accordance with Schedule 6 section 28 of the Education Act 1989 all surplus monies are invested with registered banks. The following cash and deposit balances represent concentrations of credit risk.

	SCHOOL			GROUP		
	2018	2018	2017	2018	2018	2017
	Actual	Budget	Actual	Actual	Budget	Actual
	\$	(Unaudited)	\$	\$	(Unaudited)	\$
Bank Of New Zealand Limited						
Cash on Hand	2,568	2,560	2,568	2,568	2,560	2,568
Bank Current Account	221,091	427,704	464,728	334,816	427,704	494,513
Bank Call Account	465,624	50,000	85,725	482,908	50,000	224,086
Short-term Bank Deposits - Maturities less than 3 months	1,500,000	800,000	800,000	1,500,000	800,000	800,000
Short-term Bank Deposits with Maturities more than 3 months	1,900,000	4,500,000	5,500,000	1,900,000	4,500,000	5,500,000
Forsyth Barr - Long-term Bank Deposits	-	-	-	873,524	-	884,680
Net cash and cash equivalents and bank	4,089,283	5,780,264	6,853,021	5,093,816	5,780,264	7,905,847
Accrued Interest	13,591	50,000	59,755	13,591	50,000	59,755
	4,102,874	5,830,264	6,912,776	5,107,407	5,830,264	7,965,602

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Interest Rate Risk

The board's treasury policy objectives are to

- (a) ensure there is sufficient liquidity to meet the operational commitments;
- (b) invest in risk free or near risk free investments
- (c) purchase investments with a range of maturity dates.

The maturity periods for the investments are as follows:

	2018	2017
	\$	\$
Within 180 days	1,900,000	5,500,000

All of the above investments can be readily liquidated, although not necessarily at the amounts recorded above.

Currency Risk

The School had no exposure to currency risk as at reporting date.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements of Epsom Girls Grammar School. The school manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

28 Events After Balance Date

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

29 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2017. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2018.

30 Working Capital Deficit

The School and Group has recorded a working capital deficit for the year ended 31 December 2018. The Board of Trustees are budgeting for a reduced spend on additions to property, plant and equipment during the year ended 31 December 2019 which should result in a working capital surplus at 31 December 2019.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF EPSOM GIRLS GRAMMAR SCHOOL'S****GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Epsom Girls Grammar School and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Paul Lawrence, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 2 to 24, 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 Group:

- 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 Standards.

Our audit was completed on 31 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 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 of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the Group 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 Group for assessing the Group'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 Group, 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 Group'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 Group'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 Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Student Achievement Report 2018, KiwiSport Note and Listing of Members of the Board of Trustees, 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 Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



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