

VANGUARD MILITARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	00854
Principal:	Rockley Montgomery
School Address:	8 Rothwell Avenue Rosedale Auckland 0632
School Phone:	09 443 2969
School Email:	accounts@vanguard.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Nick Hyde	Chair Person	Appointed
Rockley Montgomery	Principal ex Officio	
Kirk Richardson	Parent Rep	Appointed
Jonathan Gale	Parent Rep	Appointed
Alan Curtis	Parent Rep	Co-opted
Katene Eruera	Parent Rep	Appointed

VANGUARD MILITARY SCHOOL

Annual Report - For the year ended 31 December 2020

Index

Page Statement

Financial Statements

- 1 Statement of Responsibility
- 2 Statement of Comprehensive Revenue and Expense
- 3 Statement of Changes in Net Assets/Equity
- 4 Statement of Financial Position
- 5 Statement of Cash Flows
- 6 - 16 Notes to the Financial Statements

Other Information

- 17 - 21 Analysis of Variance
- 22 Kiwisport

Vanguard Military School

Statement of Responsibility

For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

NICHOLAS HYDE
Full Name of Board Chairperson


Signature of Board Chairperson

29 MAY 2021
Date:

ROCKLEY GLEN MONTGOMERY
Full Name of Principal


Signature of Principal

29/05/2021
Date:

Vanguard Military School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	3,158,236	862,746	2,858,205
Locally Raised Funds	3	60,241	20,000	82,949
Interest income		7,149	7,000	8,796
		3,225,626	889,746	2,949,950
Expenses				
Locally Raised Funds	3	191,337	189,000	187,416
Learning Resources	4	1,788,797	245,000	1,496,585
Administration	5	285,062	357,500	346,386
Finance		3,620	-	3,988
Property	6	779,956	88,000	662,948
Depreciation	7	116,595	-	109,599
		3,165,367	879,500	2,806,922
Net Surplus for the year		60,259	10,246	143,028
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		60,259	10,246	143,028

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

Vanguard Military School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		1,309,419	-	1,166,391
Total comprehensive revenue and expense for the year		60,259	10,246	143,028
Equity at 31 December	20	1,369,678	10,246	1,309,419
Retained Earnings		1,369,678	10,246	1,309,419
Equity at 31 December		1,369,678	10,246	1,309,419

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

Vanguard Military School

Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	8	1,179,518	10,246	955,519
Accounts Receivable	9	141,127	-	164,683
GST Receivable		15,558	-	11,077
Inventories	10	26,562	-	34,885
		1,362,765	10,246	1,166,164
Current Liabilities				
Accounts Payable	12	180,745	-	139,017
Revenue Received in Advance	13	3,965	-	-
Finance Lease Liability - Current Portion	14	14,906	-	13,437
		199,616	-	152,454
Working Capital Surplus		1,163,149	10,246	1,013,710
Non-current Assets				
Property, Plant and Equipment	11	218,948	-	314,618
		218,948	-	314,618
Non-current Liabilities				
Finance Lease Liability	14	12,419	-	18,909
		12,419	-	18,909
Net Assets		1,369,678	10,246	1,309,419
Equity	20	1,369,678	10,246	1,309,419

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

Vanguard Military School

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash flows from Operating Activities				
Government Grants		869,598	844,626	829,812
Locally Raised Funds		73,984	20,000	80,145
Goods and Services Tax (net)		(4,481)	-	(22,302)
Payments to Employees		(164,658)	(265,000)	(163,863)
Payments to Suppliers		(527,542)	(614,500)	(540,028)
Interest Paid		(3,620)	-	(3,988)
Interest Received		6,664	7,000	5,699
Net cash from/(to) Operating Activities		249,945	(7,874)	185,475
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(13,384)	-	-
Net cash from/(to) Investing Activities		(13,384)	-	-
Cash flows from Financing Activities				
Finance Lease Payments		(12,562)	-	(5,918)
Net cash (to) Financing Activities		(12,562)	-	(5,918)
Net increase/(decrease) in cash and cash equivalents		223,999	(7,874)	179,557
Cash and cash equivalents at the beginning of the year	8	955,519	18,120	775,962
Cash and cash equivalents at the end of the year	8	1,179,518	10,246	955,519

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

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



Vanguard Military School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Vanguard Military School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.



Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

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

h) Inventories

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

i) Property, Plant and Equipment

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

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

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

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



Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	6–7 years
Furniture and equipment	3 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	Term of Lease
Establishment Assets brought over	Boards approval

j) 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.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

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

m) Revenue Received in Advance

Revenue received in advance relates to fees received from students for PT Bonds and Uniform contribution 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.

n) Financial Instruments

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

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

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

o) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

p) Budget Figures

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

q) Services received in-kind

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



2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	666,470	628,529	596,576
Teachers' Salaries Grants	1,583,159	-	1,443,002
Use of Land and Buildings Grants	705,479	-	585,391
Other MoE Grants	13,100	14,217	13,013
Transport grants	190,028	220,000	220,223
	3,158,236	862,746	2,858,205

The school has opted in to the donations scheme for this year. Total amount received was \$23,100.

Operational Grants total includes additional COVID-19 funding totalling \$3,130 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	-	-	275
Bequests & Grants	7,960	-	6,701
Trading	18,179	20,000	25,665
Conveyance Allowance	32,043	-	50,308
Other Revenue	2,059	-	-
	60,241	20,000	82,949
Expenses			
Trading	38,632	29,000	29,347
Transport (Local)	152,705	160,000	149,621
Inventory Write Off	-	-	8,448
	191,337	189,000	187,416
Surplus/ (Deficit) for the year Locally raised funds	(131,096)	(169,000)	(104,467)

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	99,033	107,000	78,194
Information and Communication Technology	18,133	38,000	16,441
Employee Benefits - Salaries	1,663,723	90,000	1,394,243
Staff Development	7,908	10,000	7,707
	1,788,797	245,000	1,496,585



5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	12,545	6,000	4,000
Board of Trustees Fees	49,850	60,000	23,500
Board of Trustees Expenses	14,895	18,000	11,728
Communication	807	1,000	937
Legal Fees	2,753	10,000	7,221
Other	47,464	58,500	30,935
Employee Benefits - Salaries	130,351	175,000	166,185
Insurance	2,277	5,000	-
Service Providers, Contractors and Consultancy	24,120	24,000	101,880
	285,062	357,500	346,386

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	25,285	27,500	27,502
Heat, Light and Water	34,112	46,500	41,593
Repairs and Maintenance	14,160	12,000	7,447
Use of Land and Buildings	705,479	-	585,391
Security	920	2,000	1,015
	779,956	88,000	662,948

7. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements	37,348	-	37,348
Furniture and Equipment	49,835	-	45,905
Information and Communication Technology	12,325	-	16,337
Leased Assets	17,087	-	10,009
	116,595	-	109,599

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	49	-	866
Bank Current Account	1,180,966	10,246	956,516
ASB Credit Card	(1,497)	-	(1,863)
Cash and cash equivalents for Statement of Cash Flows	1,179,518	10,246	955,519



9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	45	-	9,823
Interest Receivable	5,407	-	4,922
Banking Staffing Underuse	-	-	46,257
Teacher Salaries Grant Receivable	135,675	-	103,681
	141,127	-	164,683
Receivables from Exchange Transactions	5,452	-	14,745
Receivables from Non-Exchange Transactions	135,675	-	149,938
	141,127	-	164,683

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
School Uniforms	26,562	-	34,885
	26,562	-	34,885

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020	\$	\$	\$	\$	\$	\$
Building Improvements	183,629	-	-	-	(37,348)	146,281
Furniture and Equipment	87,984	3,930	-	-	(49,835)	42,079
Information and Communication Technology	14,976	9,454	-	-	(12,325)	12,105
Leased Assets	28,029	7,541	-	-	(17,087)	18,483
Balance at 31 December 2020	314,618	20,925	-	-	(116,595)	218,948

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020	\$	\$	\$
Building Improvements	220,977	(74,696)	146,281
Furniture and Equipment	137,819	(95,740)	42,079
Information and Communication Technology	44,697	(32,592)	12,105
Leased Assets	45,579	(27,096)	18,483
Balance at 31 December 2020	449,072	(230,124)	218,948



	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	220,977	-	-	-	(37,348)	183,629
Furniture and Equipment	133,889	-	-	-	(45,905)	87,984
Information and Communication Technology	31,313	-	-	-	(16,337)	14,976
Leased Assets	-	38,038	-	-	(10,009)	28,029
Balance at 31 December 2019	386,179	38,038	-	-	(109,599)	314,618

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	220,977	(37,348)	183,629
Furniture and Equipment	133,889	(45,905)	87,984
Information and Communication Technology	31,313	(16,337)	14,976
Leased Assets	38,038	(10,009)	28,029
Balance at 31 December 2019	424,217	(109,599)	314,618

12. Accounts Payable

	2020	2020 Budget (Unaudited)	2019
	Actual \$	Actual \$	Actual \$
Operating Creditors	33,790	-	33,866
Accruals	11,280	-	1,470
Employee Entitlements - Salaries	135,675	-	103,681
	180,745	-	139,017
Payables for Exchange Transactions	180,745	-	139,017
	180,745	-	139,017

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2020	2020	2019
	Actual \$	Budget (Unaudited)	Actual \$
Other	3,965	-	-
	3,965	-	-



14. Finance Lease Liability

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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
No Later than One Year	15,648	13,437	
Later than One Year and no Later than Five Years	18,981	18,909	
	<hr/> <hr/> 34,629	-	<hr/> <hr/> 32,346

15. Related Party Transactions

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

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

During the year, Tyron Montgomery, son of the Principal, was employed as a teacher, in the role of Deputy Principal, on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances.

During the year, Faith Gale, wife of a BOT member, was employed as an Office Administrator on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances.

Nicholas Hyde was employed by the school as a relief teacher during the Covid 19 lockdown periods. During this time he stepped down as Chair of the Board of Trustees, but remained a board member, acting as a staff representative. He was employed on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances.

16. Remuneration

Key management personnel compensation

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

	2020 Actual	2019 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	49,850	23,500
Full-time equivalent members	0.20	5.00
<i>Leadership Team</i>		
Remuneration	437,078	400,231
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	<hr/> <hr/> 486,928	<hr/> <hr/> 423,731
Total full-time equivalent personnel	<hr/> <hr/> 4.20	<hr/> <hr/> 9.00



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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	120-130
Benefits and Other Emoluments	3-5	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration	2020	2019
\$000	FTE Number	FTE Number
100-110	7.00	0.00
	<hr/> <hr/> 7.00	<hr/> <hr/> 0.00

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

17. 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:

	2020 Actual	2019 Actual
Total	\$7,500	-
Number of People	1	-

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.



19. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has not entered into contract agreements for capital works (2019: nil).

20. 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.

21. Financial Instruments

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

Financial assets measured at amortised cost

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	1,179,518	10,246	955,519
Receivables	141,127	-	164,683
Total Financial assets measured at amortised cost	<u>1,320,645</u>	<u>10,246</u>	<u>1,120,202</u>

Financial liabilities measured at amortised cost

Payables	180,745	-	139,017
Finance Leases	27,325	-	32,346
Total Financial Liabilities Measured at Amortised Cost	<u>208,070</u>	<u>-</u>	<u>171,363</u>

22. Events After Balance Date

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

23. Comparatives

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





VANGUARD MILITARY SCHOOL

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Telephone: 09 443 2969

VANGUARD MILITARY SCHOOL

ANALYSIS OF VARIANCE 2020

1.0 Vanguard Military School 2020 Strategic Aims and Targets

- a) To provide a military school as an educational option for all
- b) Establish a permanent site for the School in 2021.
- c) Open enrolment for Year 9 in 2021 and Year 10 in 2022.
- d) Grow the roll to 312 by 2022.
- e) Maintain our history, traditions and ethos as a special character school
- f) NCEA results for all year levels above 90%
- g) Maintain the average school attendance rate above 90%

2.0 Rationale for 2020 Strategic Aims

Vanguard Military School has transitioned from a privately-owned charter school in 2018 to a designated special character state school in 2019. The EBOT's aim is to transition the methodology and values of the previous school to the new Designated Character School. It remains aware of the high expectations it places on its students and staff, but also of the consistently outstanding results the school has continued to achieve with at risk children. The EBOT has maintained the same Strategic Aims that had previously been in place to provide consistency for all staff, students, parents, supporters and the school community.

The EBOT continued to believe that the Ministry would, in the near future, provide the school with a permanent site in which to allow for the development of Years 9 and 10 and grow the roll to 312 students by 2022.

3.0 Actions taken to achieve aims and targets and their effect

Vanguard Military School continued to operate as a senior secondary school in 2020, thus fully satisfying section **1.0 a)** of the Vanguard Military School 2020 Strategic Aims and Targets.

The Principal and the EBOT constantly requested information, meetings and confirmation of the Ministry's commitment to the progress and planning behind the permanent property solution for Vanguard. However, possibly due to the disruption the ministry faced in 2020, no progress on the documented aims under section **1.0 b), c) and d)** of the Vanguard Military School 2020 Strategic Aims and Targets have yet been made.

With strong leadership from the Principal, Senior Management Team, Staff and the EBOT, the school has achieved its aim of maintaining its history, traditions and ethos as a special designated character school in 2020. The action plan identified several key actions to ensure the achievement of aim **e)**. These key actions are listed under point **5.0**. The effect was that the leadership of the school, regardless of the disruptions caused in 2020 by the national requirements of Covid-19, was able to focus on what was considered essential to measuring achievement of this aim for Vanguard Military School.

Vanguard has always used daily monitoring systems such as Sections to provide pastoral care for students, morning parades to provide immediate data on attendance and a tracking system that involves Deputy Principals, Subject Teachers and Section Leaders to monitor recruit achievement. Add to that rolls taken in every class, student pathway plans, the use of academic catch ups, an ability to move students between classes and subjects and an overarching ethos that every student will pass and every student is cared for, provides the nucleus of actions taken towards aims **e) and f)**.

4.0 Progress and Achievement for the 2020 Aims and Targets

a) Achieved.	Aim and Target	MET
b) No progress made.	Aim and Target	NOT MET
c) No progress made.	Aim and Target	NOT MET
d) No Progress made.	Aim and Target	NOT MET
e) Progress completed.	Aim and Target	MET
f) Progress completed.	Aim and Target	MET
g) Progress completed.	Aim and Target	MET

5.0 Baseline Data for Analysis

For aim **a)** the baseline data used was the school's KAMAR system, showing the enrolled students at the school in 2020, and thus the provision of a military style educational system for all who choose it.

Aims **b), c) and d)** all require action from the Ministry, which, for whatever reason, has not been forthcoming. Without this component from the ministry, there is no baseline data and therefore no analysis at this time.

For aim **e)** The baseline data for analysis is listed below as key indicators as to whether the school was maintaining its history, tradition and ethos.

A Military ethos throughout the school	YES
Instructional teaching used	YES
A high pastoral care system used	YES
High expectations placed on student attitude, effort and behavior	YES
Compulsory physical training	YES
Compulsory School Haka	YES
Compulsory learning of the School Pledge	YES
Compulsory Mathematics, English, PE and RDC for all recruits	YES
Staff with buy-in to the school's special character	YES
Students who want to be at Vanguard as a school of choice	YES
Teamwork and Leadership of recruits to be developed	YES
Compulsory community involvement	YES
Pride in the School	YES
ALL MET	

For aim **f).** Through our own tracking systems, using end of year KAMAR data for all students that remained at the school for the entire year, the following baseline data was used to calculate the NCEA results for the 2020 students against our target of **90%** for all year levels, without the addition of Learning Recognition Credits.

Level 1	100%	MET
Level 2	100%	MET
Level 3	100%	MET

Using the official NZQA data as the baseline, for all students enrolled at Vanguard in 2020, including students who dropped out of school due to personal reasons/covid-19, measured against the school target set prior to the 2020 covid-19 disruption.

Level 1	84.8%	NOT MET
Level 2	98.3%	MET
Level 3	87.8%	NOT MET

Note: It can be seen from the NZQA data that the largest number of students leaving the school in 2020 fell into the Level One group and the Level Three group. For whatever reason, a number of Level One's left the school prior to completion of the academic year at Vanguard and as seen by the NZQA data, were unable to pass the year level at their

new school. This could have been due to a number of schools not offering many level one credits in 2020. A greater than usual number of Level Three students decided to move on to the workforce prior to passing the year level. A number of these students cited needing to assist the family with their financial burden.

For aim **g)** the KAMAR school administration system was used as the baseline data for tracking the attendance rate for 2020. The target was to maintain the average school attendance at above 90%. This was, in spite of the health regulations imposed as a result of Covid-19, to remain at home if the slightest symptoms of a flu like illness is experienced.

The average school Attendance Rate for 2020 was 92.7%

MET

6.0 Variations identified between aims, targets and actual outcomes.

Aims **b), c) and d)** have been identified as being in variation to the aims, targets and outcomes set for 2020.

Aim **f)** has been identified as having some variation to the aims, targets and outcomes set for 2020.

7.0 Planned action to address any variation.

The EBOT and the Principal have already met to discuss this pressing issue. The planned action is to apply more pressure on the Ministry property team, our Ministry regional team, the centralized Ministry officials, The Minister and various politicians to resolve this issue. At this time, the Board now feels that without a concerted effort to action the gazetted establishment of the school on new premises, the school could sit in limbo for an undeterminable amount of time.

The school will assess students withdrawing from the school in 2021 as it did in 2020. Action to dissuade students from leaving without passing the year level will be weighed against the need for that student to leave school without passing the year level and the decision to leave will either be supported or an attempt to hold them at the school will be made. The outcome for Level One's leaving the school and not passing the year level at their new school is out of the control of Vanguard. The data clearly indicates that an extremely high percentage of students who remain at the school for the entire year will pass that year. (>99% school average for the last two years) In the last two years, only one student, with a very good reason, has not done so.

8.0 Summary of 2021 aims and targets

The EBOT retained all the aims for the 2021 year. Target times for the achievement of aims **b), c) and d)** however, have not been set due to the uncertain nature and lack of information from the Ministry.

Targets for **e), f) and g)** remain in place, regardless of the uncertainty around mandatory lockdowns during the academic year, as we believe they are critically important to the school and the school should continue to strive toward these high expectations placed on the staff and students of the school.



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Kiwisport 2020 Funding

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$4795.00 (excluding GST).

The funding was spent on sporting endeavors.



Rockley Montgomery (Principal)

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF VANGUARD MILITARY SCHOOLS'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

Level 29, 188 Quay Street
Auckland 1010
PO Box 158
Auckland 1140
New Zealand

Tel +64 9 303 4586
Fax +64 9 309 1198

www.crowe.nz

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

Opinion

We have audited the financial statements of the School on pages 2 to 16, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with *Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime*

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the Analysis of Variance and the KiwiSport Note, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

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



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