

KAIWAKA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1027

Principal: Sharlene Tornquist

School Address: 33 Kaiwaka Mangawhai Rd, Kaiwaka

School Postal Address: PO Box 104 , KAIWAKA, 0542

School Phone: 09 431 2309

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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Adrian Buxton	Chairperson	Elected	Quality Assurance	Dec 2021
Rosemarie Ellis	Principal	ex Officio		
Blake Worsfold	Parent Rep	Elected	Manager	May 2022
Josie Gritten	Parent Rep	Elected	Photograper	Jul 2019
Benji Woodman	Parent Rep	Elected	Landscaper/ designer	May 2019
Charmaine Tynan	Parent Rep	Elected	Accounts Manager	Dec 2021
Dominique Incorvaia	Parent Rep	Elected	Foster Carer	May 2022
Sharlene Tornquist	Staff Rep	Elected	Staff	May 2022

Accountant / Service Provider: Education Services Ltd

KAIWAKA SCHOOL

Annual Report - For the year ended 31 December 2019

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Kaiwaka School

Statement of Responsibility

For the year ended 31 December 2019

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Kaiwaka School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	1,420,986	1,106,765	1,357,317
Locally Raised Funds	3	54,789	74,654	91,891
Interest income		3,351	2,500	3,588
		<hr/>	<hr/>	<hr/>
		1,479,126	1,183,919	1,452,796
Expenses				
Locally Raised Funds	3	27,413	45,700	56,069
Learning Resources	4	1,085,915	792,652	955,955
Administration	5	67,138	54,220	59,224
Finance		1,372	3,740	1,464
Property	6	285,363	241,262	258,910
Depreciation	7	42,654	38,307	35,423
Loss on Disposal of Property, Plant and Equipment		1,520	-	-
Loss on Uncollectable Accounts Receivable		-	-	1,651
		<hr/>	<hr/>	<hr/>
		1,511,375	1,175,881	1,368,696
Net Surplus / (Deficit) for the year		(32,249)	8,038	84,100
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(32,249)	8,038	84,100

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

Kaiwaka School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		373,779	300,436	279,636
Total comprehensive revenue and expense for the year		(32,249)	8,038	84,100
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		9,750	-	10,043
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	23	351,280	308,474	373,779
Retained Earnings		351,280	308,474	373,779
Equity at 31 December		351,280	308,474	373,779

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.

Kaiwaka School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	32,579	70,490	139,292
Accounts Receivable	9	65,520	65,603	88,768
GST Receivable		231	14,335	324
Prepayments		5,373	3,305	4,501
Inventories	10	469	745	363
Investments	11	61,460	-	-
Funds owed for Capital Works Projects	17	7,677	-	5,754
		<u>173,309</u>	<u>154,478</u>	<u>239,002</u>
Current Liabilities				
Accounts Payable	13	61,963	49,892	73,925
Revenue Received in Advance	14	1,413	924	1,357
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability - Current Portion	16	7,580	5,464	5,662
		<u>70,956</u>	<u>56,280</u>	<u>80,944</u>
Working Capital Surplus/(Deficit)		102,353	98,198	158,058
Non-current Assets				
Property, Plant and Equipment	12	286,281	242,916	243,826
		<u>286,281</u>	<u>242,916</u>	<u>243,826</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	29,000	30,250	21,250
Finance Lease Liability	16	8,354	2,390	6,855
		<u>37,354</u>	<u>32,640</u>	<u>28,105</u>
Net Assets		<u>351,280</u>	<u>308,474</u>	<u>373,779</u>
Equity		<u>351,280</u>	<u>308,474</u>	<u>373,779</u>

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

Kaiwaka School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		333,635	359,328	383,926
Locally Raised Funds		61,967	67,354	88,503
Goods and Services Tax (net)		93	-	14,011
Payments to Employees		(221,371)	(181,017)	(175,880)
Payments to Suppliers		(152,315)	(222,818)	(168,901)
Interest Paid		(1,372)	(3,740)	(1,464)
Interest Received		2,960	2,500	3,535
Net cash from Operating Activities		23,597	21,607	143,730
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(75,832)	(45,500)	(77,647)
Purchase of Investments		(61,460)	-	-
Net cash from Investing Activities		(137,292)	(45,500)	(77,647)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,750	6,000	10,043
Finance Lease Payments		(5,158)	(6,271)	(3,319)
Funds Held for Capital Works Projects		2,390	-	(28,169)
Net cash from Financing Activities		6,982	(271)	(21,445)
Net increase/(decrease) in cash and cash equivalents		(106,713)	(24,164)	44,638
Cash and cash equivalents at the beginning of the year	8	139,292	94,654	94,654
Cash and cash equivalents at the end of the year	8	32,579	70,490	139,292

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

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

Kaiwaka School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Kaiwaka 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. 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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

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 14.

Cyclical Maintenance Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	10-75 Years
Building Improvements	10-75 Years
Furniture and Equipment	10-15 Years
Information and Communication	4-5 Years
Motor Vehicles	5 Yers
Textbooks	3 Years
Leased Assets	4 Years
Library Resources	8 Years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

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

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

q) 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 Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) 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).

t) Financial Assets and Liabilities

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

u) Borrowings

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

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

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

v) 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.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	257,183	277,374	267,577
Teachers' Salaries Grants	902,253	612,335	818,294
Use of Land and Buildings Grants	180,108	132,512	170,224
Resource Teachers Learning and Behaviour Grants	600	-	1,769
Other MoE Grants	69,315	74,544	85,389
Transport grants	11,527	10,000	11,596
Other Government Grants	-	-	2,468
	<u>1,420,986</u>	<u>1,106,765</u>	<u>1,357,317</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	10,142	11,000	23,735
Bequests & Grants	-	10,300	1,000
Activities	15,705	10,402	10,414
Trading	676	100	1,133
Fundraising	7,697	7,352	14,473
Other Revenue	11,611	10,500	10,800
After School Care	8,958	25,000	30,336
	<u>54,789</u>	<u>74,654</u>	<u>91,891</u>
Expenses			
Activities	9,999	7,300	11,686
Trading	953	100	1,911
Fundraising (Costs of Raising Funds)	3,598	7,600	5,737
Other Locally Raised Funds Expenditure	4,564	4,700	3,037
After School Care	8,299	26,000	33,698
	<u>27,413</u>	<u>45,700</u>	<u>56,069</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,376</u>	<u>28,954</u>	<u>35,822</u>

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	19,125	18,900	16,992
Library Resources	1,900	1,500	1,247
Employee Benefits - Salaries	1,049,302	730,152	913,514
Staff Development	10,543	22,500	11,474
Minor Equip R&m	5,045	19,600	12,728
	<u>1,085,915</u>	<u>792,652</u>	<u>955,955</u>

5. Administration

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	3,620	3,320	3,060
Board of Trustees Fees	3,205	3,750	3,665
Board of Trustees Expenses	7,643	5,000	3,636
Communication	2,921	2,200	2,619
Consumables	5,671	2,500	4,633
Other	5,288	7,250	4,451
Employee Benefits - Salaries	29,552	20,300	28,629
Insurance	2,698	3,500	2,756
Service Providers, Contractors and Consultancy	6,540	6,400	5,775
	<u>67,138</u>	<u>54,220</u>	<u>59,224</u>

6. Property

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	7,385	8,000	5,546
Cyclical Maintenance Expense	7,750	7,750	7,750
Grounds	6,835	15,600	10,651
Heat, Light and Water	11,845	10,000	8,185
Rates	3,060	3,500	2,833
Repairs and Maintenance	22,618	19,300	7,141
Use of Land and Buildings	180,108	132,512	170,224
Security	1,526	2,000	1,284
Employee Benefits - Salaries	44,236	42,600	45,296
	<u>285,363</u>	<u>241,262</u>	<u>258,910</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings	2,919	3,157	2,919
Building Improvements	5,151	2,911	2,692
Furniture and Equipment	11,510	12,010	11,106
Information and Communication Technology	15,835	14,769	13,657
Leased Assets	6,788	4,833	4,469
Library Resources	451	627	580
	<u>42,654</u>	<u>38,307</u>	<u>35,423</u>

8. Cash and Cash Equivalents

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	32,006	70,486	58,913
Bank Call Account	573	4	20,157
Short-term Bank Deposits	-	-	60,222
Cash equivalents for Cash Flow Statement	<u>32,579</u>	<u>70,490</u>	<u>139,292</u>

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

9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	16,967	25,984	12,562
Receivables from the Ministry of Education	-	-	4,313
Banking Staffing Underuse	-	3,245	10,027
Interest Receivable	444	-	53
Teacher Salaries Grant Receivable	48,109	36,374	61,813
	<u>65,520</u>	<u>65,603</u>	<u>88,768</u>

Receivables from Exchange Transactions	17,411	25,984	12,615
Receivables from Non-Exchange Transactions	48,109	39,619	76,153
	<u>65,520</u>	<u>65,603</u>	<u>88,768</u>

10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Pool Caps	-	126	-
Stationery	469	619	363
	<u>469</u>	<u>745</u>	<u>363</u>

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	61,460	-	-
	<u>61,460</u>	<u>-</u>	<u>-</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	27,000	-	-	-	-	27,000
Buildings	75,876	-	-	-	(2,919)	72,957
Building Improvements	21,971	44,971	-	-	(5,151)	61,791
Furniture and Equipment	61,754	26,951	(499)	-	(11,510)	76,696
Information and Communication Tech	44,275	3,645	(143)	-	(15,835)	31,942
Leased Assets	11,229	10,693	(878)	-	(6,788)	14,256
Library Resources	1,721	369	-	-	(451)	1,639
Balance at 31 December 2019	243,826	86,629	(1,520)	-	(42,654)	286,281

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	27,000	-	27,000
Buildings	115,894	(42,937)	72,957
Building Improvements	123,989	(62,198)	61,791
Furniture and Equipment	190,509	(113,813)	76,696
Information and Communication	73,795	(41,853)	31,942
Leased Assets	26,803	(12,547)	14,256
Library Resources	9,898	(8,259)	1,639
Balance at 31 December 2019	567,888	(281,607)	286,281

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	27,000	-	-	-	-	27,000
Buildings	78,795	-	-	-	(2,919)	75,876
Building Improvements	11,565	13,098	-	-	(2,692)	21,971
Furniture and Equipment	45,185	27,675	-	-	(11,106)	61,754
Information and Communication Technology	21,439	36,493	-	-	(13,657)	44,275
Leased Assets	14,573	1,124	-	-	(4,469)	11,229
Library Resources	1,666	635	-	-	(580)	1,721
Balance at 31 December 2018	200,223	79,025	-	-	(35,423)	243,826

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	27,000	-	27,000
Buildings	115,894	(40,018)	75,876
Building Improvements	79,018	(57,047)	21,971
Furniture and Equipment	207,496	(145,742)	61,754
Information and Communication	88,419	(44,144)	44,275
Leased Assets	17,325	(6,096)	11,229
Library Resources	68,272	(66,551)	1,721
Balance at 31 December 2018	603,424	(359,598)	243,826

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	4,377	5,135	1,946
Accruals	3,320	3,180	3,220
Capital Accruals for PPE items	-	-	255
Employee Entitlements - Salaries	48,109	36,374	61,813
Employee Entitlements - Leave Accrual	6,157	5,203	6,691
	<u>61,963</u>	<u>49,892</u>	<u>73,925</u>
Payables for Exchange Transactions	61,963	49,892	73,925
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>61,963</u>	<u>49,892</u>	<u>73,925</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue Received In Advance	1,413	924	1,357
	<u>1,413</u>	<u>924</u>	<u>1,357</u>

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	21,250	22,500	13,500
Increase to the Provision During the Year	7,750	7,750	7,750
Provision at the End of the Year	<u>29,000</u>	<u>30,250</u>	<u>21,250</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	29,000	30,250	21,250
	<u>29,000</u>	<u>30,250</u>	<u>21,250</u>

16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	7,941	5,464	6,271
Later than One Year and no Later than Five Years	8,467	2,390	7,329
	<u>16,408</u>	<u>7,854</u>	<u>13,600</u>

17. Funds Owed (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
	2019	\$	\$	\$		\$
Electrical & Heating Upgrade	<i>in progress</i>	2,218	-	-	-	2,218
5YAI Rationalisation	<i>in progress</i>	2,827	-	-	-	2,827
Drainage Repairs	<i>in progress</i>	709	-	-	-	709
Water Tanks	<i>in progress</i>	-	7,446	9,264	-	1,818
217042 Block 1 Renovations	<i>in progress</i>	-	16,492	16,597	-	105
Totals		<u>5,754</u>	<u>23,938</u>	<u>25,861</u>	<u>-</u>	<u>7,677</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

7,677

7,677

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	\$	\$	\$		\$
Electrical & Heating Upgrade	<i>in progress</i>	2,218	-	-	-	2,218
5YAI Reroofing Senior Block	<i>completed</i>	(22,933)	(12,574)	10,359	-	-
5YAI Rationalisation	<i>in progress</i>	2,827	-	-	-	2,827
Drainage Repairs	<i>in progress</i>	-	7,776	8,485	-	709
Totals		<u>(17,888)</u>	<u>(4,798)</u>	<u>18,844</u>	<u>-</u>	<u>5,754</u>

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,205	3,665
Full-time equivalent members	0.05	0.34
<i>Leadership Team</i>		
Remuneration	332,472	341,748
Full-time equivalent members	2.89	3.00
Total key management personnel remuneration	<u>335,677</u>	<u>345,413</u>
Total full-time equivalent personnel	<u>2.94</u>	<u>3.34</u>

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	150 - 160
Benefits and Other Emoluments	3 - 4	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

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

20. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

23. Managing Capital

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

24. Financial Instruments

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

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	32,579	70,490	139,292
Receivables	65,520	65,603	88,768
Investments - Term Deposits	61,460	-	-

Total Financial assets measured at amortised cost	<u>159,559</u>	<u>136,093</u>	<u>228,060</u>
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Financial liabilities measured at amortised cost

Payables	61,963	49,892	73,925
Borrowings - Loans	-	-	-
Finance Leases	15,934	7,854	12,517
Painting Contract Liability	-	-	-

Total Financial Liabilities Measured at Amortised Cost	<u>77,897</u>	<u>57,746</u>	<u>86,442</u>
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25. Events After Balance Date

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

26. Comparatives

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

27. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

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

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