

BUCKLANDS BEACH PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:

Principal:

Kelly Slater - Brown

School Address:

107 Clovelly Road,
Bucklands Beach,
Auckland 2012

School Postal Address:

107 Clovelly Road,
Bucklands Beach,
Auckland 2012

School Phone:

09 534 6543

School Email:

office@bbps.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Kieran Turner	Chair Person	Elected
Kelly Slater-Brown	Principal ex Officio	
Theodora Despotaki	Parent Rep	Elected
Phillippa Boyes	Parent Rep	Elected
Rachel Penney	Parent Rep	Elected
Claudette Weir	Parent Rep	Elected
Carole Crompton	Staff Rep	Re-Elected
Diana Haxton	Parent Rep	Co-Opted
Victoria Wu	Parent Rep	Co-Opted

Accountant / Service Provider:

Sheryl Lane Chartered Accountant

BUCKLANDS BEACH PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2018

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Bucklands Beach Primary School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgments 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 2018 fairly reflects the financial position and operations of the school.

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

Kieran Turner

Full Name of Board Chairperson



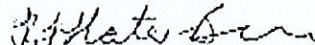
Signature of Board Chairperson

30/5/19

Date:

Kelly Slater-Brown

Full Name of Principal



Signature of Principal

30.05.19

Date:

Buckland's Beach Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	3,788,115	2,439,478	3,765,114
Locally Raised Funds	3	248,062	245,714	259,408
Interest Earned		33,590	30,000	42,319
International Students	4	1,558	-	56,917
		<u>4,071,325</u>	<u>2,715,192</u>	<u>4,123,758</u>
Expenses				
Locally Raised Funds	3	59,017	57,500	65,476
International Students	4	-	-	5,161
Learning Resources	5	2,290,540	2,276,105	2,295,951
Administration	6	210,724	204,618	193,387
Finance		1,962	-	1,944
Property	7	1,537,065	177,097	1,474,639
Depreciation	8	147,493	147,000	132,814
Loss on Disposal of Property, Plant and Equipment		-	-	3,064
		<u>4,246,821</u>	<u>2,862,320</u>	<u>4,172,436</u>
Net Surplus / (Deficit) for the year		(175,496)	(147,128)	(48,678)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(175,496)</u>	<u>(147,128)</u>	<u>(48,678)</u>

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

Bucklands Beach Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>2,252,798</u>	<u>2,252,798</u>	<u>2,287,727</u>
Total comprehensive revenue and expense for the year	(175,496)	(147,128)	(48,678)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	13,749
Equity at 31 December	<u>2,077,302</u>	<u>2,105,670</u>	<u>2,252,798</u>
Retained Earnings	2,077,302	2,105,670	2,252,798
Reserves	-	-	-
Equity at 31 December	<u>2,077,302</u>	<u>2,105,670</u>	<u>2,252,798</u>

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



Buckland's Beach Primary School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	194,389	445,045	47,485
Accounts Receivable	10	131,290	113,000	121,410
GST Receivable		-	-	29,250
Prepayments		7,266	8,000	7,700
Investments	11	778,505	380,744	973,707
		<u>1,111,450</u>	<u>946,789</u>	<u>1,179,552</u>
Current Liabilities				
GST Payable		149	2,000	-
Accounts Payable	13	170,904	180,800	141,213
Borrowings - Due in one year	14	5,392	-	-
Revenue Received in Advance	15	16,682	15,000	6,790
Provision for Cyclical Maintenance	16	22,373	-	-
Finance Lease Liability - Current Portion	17	15,717	15,000	26,305
Funds held for Capital Works Projects	18	85,159	-	14,258
		<u>316,376</u>	<u>212,800</u>	<u>188,566</u>
Working Capital Surplus/(Deficit)		795,074	733,989	990,986
Non-current Assets				
Property, Plant and Equipment	12	1,421,132	1,491,681	1,385,367
		<u>1,421,132</u>	<u>1,491,681</u>	<u>1,385,367</u>
Non-current Liabilities				
Borrowings	14	21,568	-	-
Provision for Cyclical Maintenance	16	98,500	100,000	101,244
Finance Lease Liability	17	18,836	20,000	22,311
		<u>138,904</u>	<u>120,000</u>	<u>123,555</u>
Net Assets		<u>2,077,302</u>	<u>2,105,670</u>	<u>2,252,798</u>
Equity		<u>2,077,302</u>	<u>2,105,670</u>	<u>2,252,798</u>

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



Buckland's Beach Primary School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities		683,665	661,697	694,677
Government Grants		267,092	266,020	237,834
Locally Raised Funds		1,558	(6,790)	45,389
International Students		28,399	31,250	(25,878)
Goods and Services Tax (net)		(509,701)	(400,150)	(485,568)
Payments to Employees		(456,024)	(454,271)	(463,838)
Payments to Suppliers		-	(11,244)	(798)
Cyclical Maintenance Payments in the year		(1,962)	-	(1,944)
Interest Paid		37,135	31,789	39,659
Interest Received				
Net cash from / (to) the Operating Activities		51,162	118,301	39,533
Cash flows from Investing Activities		-	3,326	-
Proceeds from Sale of PPE (and Intangibles)		(180,258)	(167,065)	(263,488)
Purchase of PPE (and Intangibles)		195,202	469,256	104,781
Sale/(Purchase) of Investments				
Net cash from / (to) the Investing Activities		14,944	305,517	(158,707)
Cash flows from Financing Activities		-	-	11,956
Furniture and Equipment Grant		(17,063)	(12,000)	(12,400)
Finance Lease Payments		28,960	-	-
Loans Received/ Repayment of Loans		70,901	(14,258)	(35,962)
Funds Held for Capital Works Projects				
Net cash from Financing Activities		80,798	(26,258)	(36,406)
Net increase/(decrease) in cash and cash equivalents		146,904	397,560	(155,580)
Cash and cash equivalents at the beginning of the year	9	47,485	47,485	203,065
Cash and cash equivalents at the end of the year	9	194,389	445,045	47,485

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.



Bucklands Beach Primary School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Kiwi Park 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 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the 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 12.

Critical Judgements In applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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

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) Investments

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

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

j) 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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.



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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Resource Books	3 years
Uniforms	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

k) 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.

l) 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.

m) 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.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students for Year 6 2019 camp 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.

o) 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).

p) Financial Assets and Liabilities

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

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

q) Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) 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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	530,617	510,362	567,954
Teachers' salaries grants	1,811,599	1,792,190	1,796,926
Use of Land and Buildings grants	1,307,260	-	1,262,688
Resource teachers learning and behaviour grants	4,365	136,926	-
Other MoE Grants	134,274	-	137,546
	3,788,115	2,439,478	3,765,114

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	140,617	143,464	149,678
Bequests & Grants	7,100	15,000	-
Activities	61,492	57,500	69,421
Trading	229	100	2,151
Fundraising	2,177	2,650	2,671
Other Revenue	36,447	27,000	35,487
	248,062	245,714	259,408
Expenses			
Activities	59,017	57,500	64,709
Trading	-	-	767
	59,017	57,500	65,476
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	189,045	188,214	193,932

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	0	0	3
Revenue			
International student fees	1,558	-	56,917
Expenses			
Other Expenses	-	-	5,161
	-	-	5,161
<i>Surplus/ (Deficit) for the year International Students'</i>	1,558	-	51,756

5. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	71,882	93,653	57,254
Information and communication technology	14,604	15,000	9,056
Employee benefits - salaries	2,140,628	2,090,034	2,155,658
Staff development	83,426	77,418	73,983
	<u>2,290,540</u>	<u>2,276,105</u>	<u>2,295,951</u>

6. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	6,526	4,200	6,037
Board of Trustees Fees	4,865	4,920	4,180
Board of Trustees Expenses	3,353	3,750	1,883
Communication	5,555	6,000	8,051
Consumables	15,825	15,700	20,312
Operating Lease	32,318	38,987	26,859
Other	27,295	15,600	9,726
Employee Benefits - Salaries	100,227	101,461	102,702
Insurance	5,060	5,000	5,001
Service Providers, Contractors and Consultancy	9,700	9,000	8,676
	<u>210,724</u>	<u>204,618</u>	<u>193,387</u>

7. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	47,969	45,900	44,005
Cyclical Maintenance Expense	29,611	10,000	13,348
Grounds	8,713	9,400	8,482
Heat, Light and Water	26,573	26,000	25,377
Repairs and Maintenance	79,192	47,797	83,516
Use of Land and Buildings	1,307,260	-	1,262,688
Employee Benefits - Salaries	37,767	38,000	37,223
	<u>1,537,085</u>	<u>177,097</u>	<u>1,474,639</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.



8. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	75,296	75,000	67,841
Furniture and Equipment	22,044	22,000	17,976
Information and Communication Technology	25,544	25,500	28,083
Leased Assets	22,187	22,100	16,408
Library Resources	2,422	2,400	2,506
	<u>147,493</u>	<u>147,000</u>	<u>132,814</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	194,344	200,000	47,440
Bank Call Account	45	45	45
Short-term Bank Deposits	-	245,000	-
	<u>194,389</u>	<u>445,045</u>	<u>47,485</u>

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

Of the \$ 194,389 Cash and Cash Equivalents, \$ 85,159 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,168	5,000	10,306
Receivables from the Ministry of Education	-	-	14,409
Interest Receivable	6,244	8,000	9,789
Teacher Salaries Grant Receivable	105,835	100,000	86,906
Banking Staffing Underuse	18,043	-	-
	<u>131,290</u>	<u>113,000</u>	<u>121,410</u>
Receivables from Exchange Transactions	7,412	13,000	20,095
Receivables from Non-Exchange Transactions	123,878	100,000	101,315
	<u>131,290</u>	<u>113,000</u>	<u>121,410</u>



11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	778,505	380,744	973,707

12. Property, Plant and Equipment

	Opening	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	Balance (NBV)					
2018	\$	\$	\$	\$	\$	\$
Building Improvements	1,056,262	81,569	-	-	(75,296)	1,062,535
Furniture and Equipment	205,189	47,729	-	-	(22,044)	230,874
Information and Communication	61,359	48,919	-	-	(25,544)	84,734
Leased Assets	43,953	3,661	-	-	(22,187)	25,427
Library Resources	18,604	1,380	-	-	(2,422)	17,562
Balance at 31 December 2018	1,385,367	183,258	-	-	(147,493)	1,421,132

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
2018	\$	\$	\$
Building Improvements	1,705,938	(643,403)	1,062,535
Furniture and Equipment	460,001	(229,127)	230,874
Information and Communication	354,446	(269,712)	84,734
Uniforms	3,326	(3,326)	-
Textbooks	47,672	(47,672)	-
Leased Assets	92,575	(67,148)	25,427
Library Resources	125,223	(107,661)	17,562
Balance at 31 December 2018	2,789,181	(1,368,049)	1,421,132

	Opening	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	Balance (NBV)					
2017	\$	\$	\$	\$	\$	\$
Building Improvements	955,533	168,570	-	-	(67,841)	1,056,262
Furniture and Equipment	158,597	64,568	-	-	(17,976)	205,189
Information and Communication	64,500	28,006	(3,064)	-	(28,083)	61,359
Technology						
Leased Assets	21,299	39,062	-	-	(16,408)	43,953
Library Resources	18,766	2,344	-	-	(2,506)	18,604
Balance at 31 December 2017	1,218,695	302,550	(3,064)	-	(132,814)	1,385,367

The net carrying value of equipment held under a finance lease is \$43,953 (2016: \$ 21,299)



2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	1,624,369	(568,107)	1,056,262
Furniture and Equipment	412,273	(207,084)	205,189
Information and Communication Technology	305,527	(244,168)	61,359
Uniforms	3,328	(3,326)	-
Resource Books	47,672	(47,672)	-
Leased Assets	89,575	(45,622)	43,953
Library Resources	123,843	(105,239)	18,604
Balance at 31 December 2017	2,606,585	(1,221,218)	1,385,367

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	44,728	54,000	32,146
Accruals	6,800	6,800	6,800
Employee Entitlements - salaries	116,592	120,000	99,777
Employee Entitlements - leave accrual	2,784	-	2,490
	<u>170,904</u>	<u>180,800</u>	<u>141,213</u>
Payables for Exchange Transactions	170,904	180,800	141,213
	<u>170,904</u>	<u>180,800</u>	<u>141,213</u>

The carrying value of payables approximates their fair value.

14. Borrowings

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Due in One Year	5,392	-	-
Due Beyond One Year	21,568	-	-
	<u>26,960</u>	<u>-</u>	<u>-</u>

The school has borrowings at 31 December 2018 of \$ 26,960,- (31 December 2017 \$0,00). This loan is from the EECA for the purpose of upgrading lighting in school. The loan is unsecured, interest is 0% per annum and the loan is payable in equal instalments of \$1,348.

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	16,682	15,000	6,790
	<u>16,682</u>	<u>15,000</u>	<u>6,790</u>

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	101,244	101,244	88,694
Increase/ (decrease) to the Provision During the Year	29,611	10,000	13,348
Use of the Provision During the Year	(9,982)	(11,244)	(798)
Provision at the End of the Year	<u>120,873</u>	<u>100,000</u>	<u>101,244</u>
Cyclical Maintenance - Current	22,373	-	-
Cyclical Maintenance - Term	98,500	100,000	101,244
	<u>120,873</u>	<u>100,000</u>	<u>101,244</u>

17. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	15,717	15,717	28,305
Later than One Year and no Later than Five Years	18,836	18,836	22,311
Later than Five Years	-	-	-
	<u>34,553</u>	<u>34,553</u>	<u>48,616</u>

18. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Window Replacement <i>completed</i>		14,258	-	3,038	11,220
Spouting <i>completed</i>		-	36,843	36,453	390
Block 4 Refurb <i>in progress</i>		-	23,211	24,780	(1,569)
Roof Replacement and Spouting <i>in progress</i>		-	75,118	-	75,118
Totals		<u>14,258</u>	<u>135,172</u>	<u>64,271</u>	<u>85,159</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	85,159
Funds Due from the Ministry of Education	-
	<u>85,159</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Window Replacement <i>in progress</i>		50,220	-	35,692	14,258
Totals		<u>50,220</u>	<u>-</u>	<u>35,692</u>	<u>14,258</u>



19. 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.

20. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,410	4,160
Full-time equivalent members	0.46	0.46
<i>Leadership Team</i>		
Remuneration	317,313	232,007
Full-time equivalent members	3	2
Total key management personnel remuneration	320,723	236,167
Total full-time equivalent personnel	3.46	2.46

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

Principal

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

	2018 Actual	2017 Actual
Salaries and Other Short-term Employee Benefits:	\$000	\$000
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

There were no other employees with remuneration greater than \$100,000.

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



21. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	\$0	\$0
Number of People	0	0

22. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

23. Commitments

(a) Capital Commitments

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

(a) The fitness track extension - \$ 15,086 - a contract was signed with Civil & Asphalt Projects Limited prior to December 2018 and work was completed in January 2019. This project was fully funded by the Bucklands Beach Primary School PTA in 2019.

(Capital commitments at 31 December 2017: \$ 7,337)

(b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine and visitor management system;

	2018 Actual \$	2017 Actual \$
No later than One Year	837	23,996
Later than One Year and No Later than Five Years	1,952	13,760
Later than Five Years	-	-
	<u>2,789</u>	<u>37,756</u>

24. 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.

25. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	194,389	445,045	47,485
Receivables	131,290	113,000	121,410
Investments - Term Deposits	778,505	380,744	973,707
Total Loans and Receivables	1,104,184	938,789	1,142,602

Financial liabilities measured at amortised cost

Payables	170,904	180,800	141,213
Borrowings - Loans	26,960	-	-
Finance Leases	34,553	35,000	48,616
Total Financial Liabilities Measured at Amortised Cost	232,417	215,800	189,829

26. Events After Balance Date

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

27. Comparatives

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



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF BUCKLANDS BEACH PRIMARY SCHOOL'S
FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2018**Level 3, Bridgewater Building, 130 Grantham St
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The Auditor-General is the auditor of Bucklands Beach Primary School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe Horwath 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 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees are responsible for the other information. The other information obtained at the date of our report is the Kiwisport Report, Analysis of Variance, Equal Employment Opportunities Report and Principal's Annual Review, but does not include the financial statements and our auditor's report thereon.

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

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

Independence

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

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



Kurt Sherlock
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand