

BUCKLANDS BEACH PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

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
<u>6 - 10</u>	Statement of Accounting Policies
<u>11-19</u>	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Equal Employment Opportunities Statement
	Kiwisport

BUCKLANDS BEACH PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1241

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	Term Expired/ Expires
Kieran Turner	Chair Person	Re-Elected	2022
Kelly Slater-Brown	Principal ex Officio		
Diana Haxton	Parent Rep	Elected	2022
Henry Chlang	Parent Rep	Elected	2022
Grant Lowe	Parent Rep	Elected	2022
Claudette Weir	Parent Rep	Re-Elected	2022
Carole Crompton	Staff Rep	Re-Elected	2022

Accountant / Service Provider: Sheryl Lane Chartered Accountant

Bucklands Beach Primary 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.

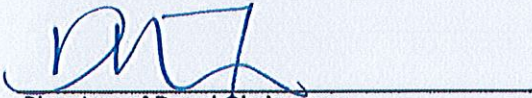
The School's 2019 financial statements are authorised for issue by the Board.

Diana Helen Haxton

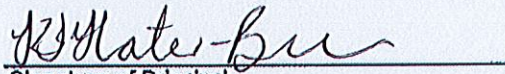
Full Name of Board Chairperson

Kelly Joanna Frances Slater-Brown

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

25-06-2020

Date:

25.06.2020

Date:

Bucklands Beach Primary 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	3,917,941	2,631,148	3,788,115
Locally Raised Funds	3	252,414	282,340	248,062
Interest income		28,265	18,000	33,590
International Students	4	4,288	20,000	1,558
		<u>4,202,908</u>	<u>2,951,488</u>	<u>4,071,325</u>
Expenses				
Locally Raised Funds	3	69,107	65,475	59,017
Learning Resources	5	2,278,001	2,424,028	2,290,540
Administration	6	192,077	194,821	210,724
Finance		1,499	-	1,962
Property	7	1,537,194	187,678	1,537,085
Depreciation	8	142,963	155,000	147,493
Loss on Disposal of Property, Plant and Equipment		4,264	-	-
		<u>4,226,105</u>	<u>3,027,002</u>	<u>4,246,821</u>
Net Surplus / (Deficit) for the year		(22,197)	(75,514)	(175,496)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(22,197)</u>	<u>(75,514)</u>	<u>(175,496)</u>

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

Bucklands Beach Primary 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		<u>2,077,302</u>	<u>2,077,302</u>	<u>2,252,798</u>
Total comprehensive revenue and expense for the year		(22,197)	(75,514)	(175,496)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	24	<u>2,055,105</u>	<u>2,001,788</u>	<u>2,077,302</u>
Retained Earnings		2,055,105	2,001,788	2,077,302
Reserves		-	-	-
Equity at 31 December		<u>2,055,105</u>	<u>2,001,788</u>	<u>2,077,302</u>

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.

Bucklands Beach Primary School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	60,367	98,857	194,389
Accounts Receivable	10	125,650	112,200	131,290
GST Receivable		16,462	-	-
Prepayments		26,295	8,000	7,266
Investments	11	774,479	780,000	778,505
Funds due for Capital Works Projects	18	21,733	-	-
		<u>1,024,986</u>	<u>999,057</u>	<u>1,111,450</u>
Current Liabilities				
GST Payable		-	150	149
Accounts Payable	13	195,609	174,500	170,904
Borrowings - Due In one year	14	5,392	5,392	5,392
Revenue Received In Advance	15	27,792	20,000	16,682
Provision for Cyclical Maintenance	16	11,538	12,000	22,373
Finance Lease Liability - Current Portion	17	14,853	15,000	15,717
Funds held for Capital Works Projects	18	-	-	85,159
		<u>255,184</u>	<u>227,042</u>	<u>316,376</u>
Working Capital Surplus/(Deficit)		769,802	772,015	795,074
Non-current Assets				
Property, Plant and Equipment	12	1,439,230	1,363,949	1,421,132
		<u>1,439,230</u>	<u>1,363,949</u>	<u>1,421,132</u>
Non-current Liabilities				
Borrowings	14	16,176	16,176	21,668
Provision for Cyclical Maintenance	16	119,313	100,000	98,600
Finance Lease Liability	17	18,438	18,000	18,836
		<u>153,927</u>	<u>134,176</u>	<u>138,904</u>
Net Assets		<u><u>2,055,105</u></u>	<u><u>2,001,788</u></u>	<u><u>2,077,302</u></u>
Equity	24	<u><u>2,055,105</u></u>	<u><u>2,001,788</u></u>	<u><u>2,077,302</u></u>

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

Buckland's Beach Primary 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		740,168	648,257	683,665
Locally Raised Funds		263,072	285,626	267,092
Hostel		-	-	-
International Students		4,288	20,000	1,558
Goods and Services Tax (net)		(16,611)	1	29,399
Payments to Employees		(444,868)	(433,139)	(509,701)
Payments to Suppliers		(435,877)	(436,232)	(456,024)
Cyclical Maintenance Payments in the year		-	(8,873)	-
Interest Paid		(1,499)	-	(1,962)
Interest Received		32,150	20,244	37,135
Net cash from Operating Activities		140,823	95,884	51,162
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		3,574	-	-
Purchase of PPE (and Intangibles)		(152,796)	(90,392)	(180,258)
Sale of Investments		4,026	(1,495)	195,202
Net cash from Investing Activities		(145,196)	(91,887)	14,944
Cash flows from Financing Activities				
Finance Lease Payments		(17,365)	(8,978)	(17,063)
Loans Received/ Repayment of Loans		(5,392)	(5,392)	26,960
Funds Held for Capital Works Projects		(106,892)	(85,159)	70,901
Net cash from Financing Activities		(129,649)	(99,529)	80,798
Net increase/(decrease) in cash and cash equivalents		(134,022)	(95,532)	146,904
Cash and cash equivalents at the beginning of the year	9	194,389	194,389	47,485
Cash and cash equivalents at the end of the year	9	60,367	98,857	194,389

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.

Bucklands Beach Primary School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Bucklands beach Primary 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 28.

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

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 properly 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) 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.

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.

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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Uniforms	3 years
Resource Books	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 2020 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.

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.

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).