

**p) 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.

**q) 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.

**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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	535,014	528,257	530,617
Teachers' Salaries Grants	1,833,898	1,982,891	1,811,599
Use of Land and Buildings Grants	1,343,875	-	1,307,260
Resource Teachers Learning and Behaviour Grants	-	-	4,365
Other MoE Grants	205,154	120,000	134,274
	<u>3,917,941</u>	<u>2,631,148</u>	<u>3,788,115</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	150,855	168,760	140,617
Bequests & Grants	6,353	10,000	7,100
Activities	69,470	68,255	61,492
Trading	-	100	229
Fundraising	1,661	2,200	2,177
Other Revenue	24,075	33,025	36,447
	<u>252,414</u>	<u>282,340</u>	<u>248,062</u>
<b>Expenses</b>			
Activities	68,371	65,375	59,017
Trading	80	100	-
Fundraising (Costs of Raising Funds)	656	-	-
	<u>69,107</u>	<u>65,475</u>	<u>59,017</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>183,307</u>	<u>216,865</u>	<u>189,045</u>

## 4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	5	2	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	4,288	20,000	1,558
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>4,288</u>	<u>20,000</u>	<u>1,558</u>

## 5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	71,449	61,667	71,882
Information and Communication Technology	14,604	14,000	14,604
Employee Benefits - Salaries	2,150,503	2,296,061	2,140,628
Staff Development	41,445	52,300	63,426
	<u>2,278,001</u>	<u>2,424,028</u>	<u>2,290,540</u>

## 6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	7,833	7,000	6,526
Board of Trustees Fees	3,530	4,920	4,865
Board of Trustees Expenses	6,682	4,250	3,353
Communication	4,862	7,500	5,555
Consumables	12,587	15,200	15,825
Operating Lease	24,244	20,000	32,318
Other	12,911	20,068	27,295
Employee Benefits - Salaries	105,053	101,701	100,227
Insurance	5,525	4,182	5,060
Service Providers, Contractors and Consultancy	8,850	10,000	9,700
	<u>192,077</u>	<u>194,821</u>	<u>210,724</u>

## 7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	53,900	56,296	47,969
Cyclical Maintenance Provision	9,978	-	29,611
Grounds	7,292	9,800	8,713
Heat, Light and Water	28,717	28,725	26,573
Repairs and Maintenance	44,332	49,387	79,192
Use of Land and Buildings	1,343,875	-	1,307,260
Security	3,551	5,000	-
Employee Benefits - Salaries	45,549	38,470	37,767
	<u>1,537,194</u>	<u>187,678</u>	<u>1,537,085</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	73,648	75,000	75,296
Furniture and Equipment	26,047	22,000	22,044
Information and Communication Technology	24,805	30,000	25,544
Uniforms	-	-	-
Resource Books	-	-	-
Leased Assets	16,253	25,500	22,187
Library Resources	2,210	2,500	2,422
	<u>142,963</u>	<u>155,000</u>	<u>147,493</u>

## 9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	60,322	98,812	194,344
Bank Call Account	45	45	45
Cash and cash equivalents for Cash Flow Statement	<u>60,367</u>	<u>98,857</u>	<u>194,389</u>

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

Of the \$ 60,367 Cash and Cash Equivalents, \$ 10,204 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

## 10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	1,620	1,200	1,168
Interest Receivable	2,359	4,000	6,244
Banking Staffing Underuse	1,836	2,000	18,043
Teacher Salaries Grant Receivable	119,835	105,000	105,835
	<u>125,650</u>	<u>112,200</u>	<u>131,290</u>
Receivables from Exchange Transactions	3,979	5,200	7,412
Receivables from Non-Exchange Transactions	121,671	107,000	123,878
	<u>125,650</u>	<u>112,200</u>	<u>131,290</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	774,479	780,000	778,505
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>774,479</u>	<u>780,000</u>	<u>778,505</u>

## 12. Property, Plant and Equipment

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	1,062,535	64,920	(4,264)	-	(73,648)	1,049,543
Furniture and Equipment	230,874	69,353	-	-	(26,047)	274,180
Information and Communication	84,734	13,884	-	-	(24,805)	73,813
Leased Assets	25,427	16,104	-	-	(16,253)	25,278
Library Resources	17,562	1,064	-	-	(2,210)	16,416
Balance at 31 December 2019	<u>1,421,132</u>	<u>165,325</u>	<u>(4,264)</u>	<u>-</u>	<u>(142,963)</u>	<u>1,439,230</u>

The net carrying value of equipment held under a finance lease is \$ 25,278 (2018: \$ 43,953)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	1,763,020	(713,477)	1,049,543
Furniture and Equipment	529,355	(255,175)	274,180
Information and Communication	368,330	(294,516)	73,814
Uniforms	3,326	(3,326)	-
Resource Books	47,672	(47,672)	-
Leased Assets	108,678	(83,400)	25,278
Library Resources	126,286	(109,871)	16,415
Balance at 31 December 2019	<u>2,946,667</u>	<u>(1,507,437)</u>	<u>1,439,230</u>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (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					(25,544)	84,734
Technology	61,359	48,919	-	-		
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	<u>1,385,367</u>	<u>183,258</u>	<u>-</u>	<u>-</u>	<u>(147,493)</u>	<u>1,421,132</u>

The net carrying value of equipment held under a finance lease is \$ 43,953 (2017: \$ 21,299)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	1,705,938	(643,403)	1,062,535
Furniture and Equipment	460,001	(229,127)	230,874
Information and Communication Technology	354,446	(269,712)	84,734
Uniforms	3,326	(3,326)	-
Resource Books	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	<u>2,789,181</u>	<u>(1,368,049)</u>	<u>1,421,132</u>

### 13. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating Creditors	49,301	45,000	44,728
Accruals	6,800	6,800	6,800
Employee Entitlements - Salaries	136,709	120,000	116,592
Employee Entitlements - Leave Accrual	2,799	2,700	2,784
	<u>195,609</u>	<u>174,500</u>	<u>170,904</u>
Payables for Exchange Transactions	195,609	174,500	170,904
	<u>195,609</u>	<u>174,500</u>	<u>170,904</u>

The carrying value of payables approximates their fair value.



#### 14. Borrowings

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Due in One Year	5,392	5,392	5,392
Due Beyond One Year	16,176	16,176	21,568
	<u>21,568</u>	<u>21,568</u>	<u>26,960</u>

The school has borrowings at 31 December 2019 of \$ 21,568, (31 December 2018 \$ 26,960). 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	27,792	20,000	16,682
	<u>27,792</u>	<u>20,000</u>	<u>16,682</u>

#### 16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	120,873	120,873	101,244
Increase/ (decrease) to the Provision During the Year	9,978	-	29,611
Use of the Provision During the Year	-	-	(9,982)
Provision at the End of the Year	<u>130,851</u>	<u>120,873</u>	<u>120,873</u>
Cyclical Maintenance - Current	11,538	12,000	22,373
Cyclical Maintenance - Term	119,313	100,000	98,500
	<u>130,851</u>	<u>112,000</u>	<u>120,873</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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	10,486	10,000	10,710
Later than One Year and no Later than Five Years	13,827	13,000	22,353
Later than Five Years	-	-	-
	<u>24,313</u>	<u>23,000</u>	<u>33,063</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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Window Replacement	<i>completed</i>	11,220	-	1,406	-	9,814
Spouting	<i>completed</i>	390	-	-	-	390
Block 4 Refurb	<i>In progress</i>	(1,569)	-	5,357	-	(6,926)
Roof Replacement and Spouting	<i>completed</i>	75,118	-	100,129	-	(25,011)
<b>Totals</b>		<b>85,159</b>	<b>-</b>	<b>106,892</b>	<b>-</b>	<b>(21,733)</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	10,204
Funds Due from the Ministry of Education	(31,937)
	<u>(21,733)</u>

	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
<b>Totals</b>		<b>14,258</b>	<b>135,172</b>	<b>64,271</b>	<b>-</b>	<b>85,159</b>

## 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.

	2019 Actual \$	2018 Actual \$
<b>Board Members</b>		
Remuneration	3,530	3,410
Full-time equivalent members	0.19	0.46
<b>Leadership Team</b>		
Remuneration	334,579	317,313
Full-time equivalent members	3	3
<b>Total key management personnel remuneration</b>	<b>338,109</b>	<b>320,723</b>
<b>Total full-time equivalent personnel</b>	<b>3.19</b>	<b>3.46</b>

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	120-130
Benefits and Other Emoluments	3-4	3-4
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	0.00
0		
	<u>1.00</u>	<u>0.00</u>

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:

	2019 Actual	2018 Actual
Total Number of People	-	-

**22. 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.

**23. Commitments**

**(a) Capital Commitments**

As at 31 December 2019 the Board has entered into a contract, on 16 December 2019, for work to be completed as part of the Capital Works Block 4 Refurbishment project, for \$308,621 plus GST.

(Capital commitments at 31 December 2018: \$ 15,086)





## (b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

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

	2019 Actual \$	2018 Actual \$
No later than One Year	27,496	837
Later than One Year and No Later than Five Years	33,037	1,952
Later than Five Years	-	-
	<u>60,533</u>	<u>2,789</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:

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	60,367	98,857	194,389
Receivables	125,650	112,200	131,290
Investments - Term Deposits	774,479	780,000	778,505
Total Financial assets measured at amortised cost	<u>960,496</u>	<u>991,057</u>	<u>1,104,184</u>

Financial liabilities measured at amortised cost

Payables	195,609	174,500	170,904
Borrowings - Loans	21,568	21,568	26,960
Finance Leases	33,291	33,000	34,553
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>250,468</u>	<u>229,068</u>	<u>232,417</u>

## 26. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID - 19 alert level to level 4 and a nationwide lockdown commenced. As part of the lockdown all schools were closed until 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school was physically closed but open for tuition, the school switched to alternative methods of delivering the curriculum, so students could learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

There were no other 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.



## **28. 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 10 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 11 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

## **29. Breach of Law**

The Board of Trustees did not comply with section 87A(1) of the Education Act 1989 in that it did not submit financial statements for audit by 31 March 2020. On March 11, 2020 the World Health Organisation declared the outbreak of COVID - 19 ( a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID - 19 alert level to level 4 and a nationwide lockdown commenced which has caused time delays and resulted in a breach of Section 87A(1) of the Education Act. As this situation is out of the Board of Trustees' control no audit qualification has been issued for breach of section 87A(1) of the Education Act. The Board of Trustees were also unable to submit their audited financial statement to the Ministry of Education by 31 May 2020. The disruption caused by COVID - 19 restrictions, including closure of the School, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

