

# TE RANGA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 2019

**Principal:** Brendan Wilson

**School Address:** 1492 Te Matai Road, R D 8,  
Te Puke

**School Postal Address:** 1492 Te Matai Road, R D 8  
Te Puke

**School Phone:** 07 573 8032

**School Email:** [office@teranga.school.nz](mailto:office@teranga.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Retired	Occupation	Term Expired/ Expires
David Pugh	Chair Person	Elected		Engineer	May-22
Brendan Wilson	Principal	Gained		Principal	
Daniel Schluter	Parent Rep	Elected	2019	Veterinarian	May-19
Jared Lee	Parent Rep	Elected		Consultant	May-22
Fiona Edwards	Parent Rep	Elected		Consultant	May-22
Tony Tamatea	Parent Rep	Elected		Police	May-22
Brendan Grylls	Parent Rep	Elected		Firefighter	May-22
Bridie Holland	Staff Rep	Elected		Teacher	May-22

**Accountant / Service Provider:** Barker Brown Limited

# TE RANGA SCHOOL

Annual Report - For the year ended 31 December 2019

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# **Te Ranga 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.

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Full Name of Board Chairperson

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Full Name of Principal

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Signature of Board Chairperson

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Signature of Principal

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Date:

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Date:

## Te Ranga School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,178,311	836,258	1,059,071
Locally Raised Funds	3	101,101	56,700	130,489
Interest income		752	1,000	1,137
Gain on Sale of Property, Plant and Equipment		1,059		
		<u>1,281,223</u>	<u>893,958</u>	<u>1,190,698</u>
<b>Expenses</b>				
Locally Raised Funds	3	46,683	4,000	55,697
Learning Resources	4	846,224	608,750	719,626
Administration	5	91,022	87,200	83,039
Property	6	291,943	203,288	268,164
Depreciation	7	39,387	-	39,732
		<u>1,315,260</u>	<u>903,238</u>	<u>1,166,259</u>
<b>Net Surplus / (Deficit) for the year</b>		(34,037)	(9,280)	24,439
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(34,037)</u>	<u>(9,280)</u>	<u>24,439</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.

## Te Ranga School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>258,724</u>	<u>258,724</u>	<u>234,285</u>
Total comprehensive revenue and expense for the year		(34,037)	(9,280)	24,439
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
<b>Equity at 31 December</b>	22	<u>224,687</u>	<u>249,444</u>	<u>258,724</u>
Retained Earnings		224,687	249,444	258,724
Reserves		-	-	-
<b>Equity at 31 December</b>		<u>224,687</u>	<u>249,444</u>	<u>258,724</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.

# Te Ranga School

## Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	95,781	46,786	56,066
Accounts Receivable	9	48,740	67,632	67,632
GST Receivable		305	4,196	4,196
Prepayments		6,291	6,020	6,020
Inventories	10	4,963	7,008	7,009
		<u>156,080</u>	<u>131,642</u>	<u>140,923</u>
<b>Current Liabilities</b>				
GST Payable		-	-	-
Accounts Payable	12	68,672	65,836	65,836
Revenue Received in Advance	13	132	1,950	1,950
Provision for Cyclical Maintenance	14	5,385	-	-
Finance Lease Liability - Current Portion	15	2,696	2,836	2,836
Funds held for Capital Works Projects	16	33,240	420	420
		<u>110,125</u>	<u>71,042</u>	<u>71,042</u>
<b>Working Capital Surplus/(Deficit)</b>		45,955	60,600	69,881
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	201,998	212,245	212,245
		<u>201,998</u>	<u>212,245</u>	<u>212,245</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	20,775	20,608	20,608
Finance Lease Liability	15	2,492	2,795	2,795
		<u>23,267</u>	<u>23,403</u>	<u>23,403</u>
<b>Net Assets</b>		<u>224,687</u>	<u>249,444</u>	<u>258,724</u>
<b>Equity</b>	22	<u>224,687</u>	<u>249,444</u>	<u>258,724</u>

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

**Te Ranga School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		302,799	283,280	245,474
Locally Raised Funds		101,404	56,700	130,489
Goods and Services Tax (net)		3,891	-	1,043
Payments to Employees		(175,439)	(163,500)	(143,256)
Payments to Suppliers		(197,377)	(183,330)	(193,052)
Cyclical Maintenance Payments in the year		-	(3,430)	-
Interest Paid		(618)	-	(429)
Interest Received		758	1,000	1,137
Net cash from Operating Activities		35,419	(9,280)	41,406
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		1,169	-	-
Purchase of PPE (and Intangibles)		(26,205)	-	(72,493)
Net cash from Investing Activities		(25,036)	-	(72,493)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(3,488)	-	(3,106)
Funds Held for Capital Works Projects		32,820	-	(20,624)
Net cash from Financing Activities		29,332	-	(23,730)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>39,715</b>	<b>(9,280)</b>	<b>(54,817)</b>
Cash and cash equivalents at the beginning of the year	8	56,066	56,066	110,883
<b>Cash and cash equivalents at the end of the year</b>	8	<b>95,781</b>	<b>46,786</b>	<b>56,066</b>

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.

# **Te Ranga School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2019**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

Te Ranga 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 26.

###### ***PBE Accounting Standards Reduced Disclosure Regime***

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

###### ***Measurement Base***

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

###### ***Presentation Currency***

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

###### ***Specific Accounting Policies***

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

###### ***Critical Accounting Estimates And Assumptions***

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

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

###### ***Useful lives of property, plant and equipment***

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



### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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 land and buildings which are owned by the Crown.

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### **d) Use of Land and Buildings Expense**

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

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

### **g) Cash and Cash Equivalents**

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

#### **h) Accounts Receivable**

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

#### **Prior Year Policy**

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

#### **i) Inventories**

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

#### **j) Investments**

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

#### **Prior Year Policy**

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

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

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

#### **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$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
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

## **l) Intangible Assets**

### *Software costs*

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

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

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

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

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

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

### *Non cash generating assets*

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

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

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

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

## **n) Accounts Payable**

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

## **o) Employee Entitlements**

### *Short-term employee entitlements*

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

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

#### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

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

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

#### **q) 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).

#### **r) 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.

#### **s) 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.

#### **t) 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.

#### **u) Budget Figures**

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

#### **v) 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	242,630	264,000	228,322
Teachers' Salaries Grants	701,043	464,200	617,460
Use of Land and Buildings Grants	181,809	98,058	178,390
Other MoE Grants	52,829	10,000	34,900
	<u>1,178,311</u>	<u>836,258</u>	<u>1,059,071</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	8,589	-	-
Activities	28,301	1,000	21,162
Trading	5,353	1,000	10,059
Fundraising	26,596	54,700	99,268
Other Revenue	32,263	-	-
	<u>101,101</u>	<u>56,700</u>	<u>130,489</u>
<b>Expenses</b>			
Activities	32,802	4,000	34,896
Trading	8,205	-	11,470
Fundraising (Costs of Raising Funds)	5,676	-	9,332
	<u>46,683</u>	<u>4,000</u>	<u>55,697</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>54,418</u>	<u>52,700</u>	<u>74,792</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	33,807	45,050	29,664
Library Resources	250	-	1,800
Employee Benefits - Salaries	802,481	553,700	682,126
Staff Development	9,686	10,000	6,036
	<u>846,224</u>	<u>608,750</u>	<u>719,626</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,770	4,500	4,900
Board of Trustees Fees	3,500	4,000	4,510
Board of Trustees Expenses	718	2,000	2,139
Communication	1,222	1,750	1,563
Consumables	5,621	4,550	5,256
Operating Lease	-	1,500	353
Other	25,475	28,900	26,652
Employee Benefits - Salaries	42,551	34,000	31,345
Insurance	7,164	6,000	6,323
	<u>91,022</u>	<u>87,200</u>	<u>83,041</u>

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	3,678	4,000	4,891
Consultancy and Contract Services	4,913	2,000	4,255
Cyclical Maintenance Provision	5,552	3,430	(1,332)
Grounds	2,054	1,800	12,560
Heat, Light and Water	9,886	13,500	-
Repairs and Maintenance	39,904	40,500	30,595
Use of Land and Buildings	181,809	98,058	178,390
Employee Benefits - Salaries	44,147	40,000	38,806
	<u>291,943</u>	<u>203,288</u>	<u>268,164</u>

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

## 7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	11,012	-	10,808
Furniture and Equipment	8,266	-	7,470
Information and Communication Technology	4,121	-	15,776
Motor Vehicles	3,222	-	2,248
Leased Assets	3,533	-	2,672
Library Resources	9,233	-	759
	<u>39,387</u>	<u>-</u>	<u>39,732</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	95,781	-	56,066
Cash and cash equivalents for Cash Flow Statement	<u>95,781</u>	<u>-</u>	<u>56,066</u>

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

Of the \$95,781 Cash and Cash Equivalents, \$33,240 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.

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	2,741	-	12,497
Receivables from the Ministry of Education	4,058	-	4,058
Teacher Salaries Grant Receivable	41,941	-	51,077
	<u>48,740</u>	<u>-</u>	<u>67,632</u>
Receivables from Exchange Transactions	2,741	-	12,497
Receivables from Non-Exchange Transactions	45,999	-	55,135
	<u>48,740</u>	<u>-</u>	<u>67,632</u>

## 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	933	-	1,162
School Uniforms	4,030	-	5,846
	<u>4,963</u>	<u>-</u>	<u>7,009</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Buildings	92,225	3,222	-	-	(11,012)	84,435
Furniture and Equipment	46,251	9,521	(110)	-	(8,266)	47,396
Information and Communication	33,657	13,046	-	-	(4,121)	42,582
Motor Vehicles	29,371	-	-	-	(3,222)	26,149
Leased Assets	5,430	3,045	-	-	(3,533)	4,942
Library Resources	5,312	415	-	-	(9,233)	(3,506)
<b>Balance at 31 December 2019</b>	<u>212,246</u>	<u>29,249</u>	<u>(110)</u>	<u>-</u>	<u>(39,387)</u>	<u>201,998</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Buildings	221,128	(136,692)	84,435
Furniture and Equipment	225,908	(178,512)	47,396
Information and Communication	134,151	(100,085)	34,065
Motor Vehicles	68,818	(42,670)	26,149
Leased Assets	14,003	(9,061)	4,942
Library Resources	13,019	(8,008)	5,011
<b>Balance at 31 December 2019</b>	<u>677,027</u>	<u>(475,029)</u>	<u>201,998</u>

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	95,759	7,275	-	-	(10,808)	92,226
Furniture and Equipment	38,479	15,242	-	-	(7,470)	46,251
Information and Communication Technology	20,599	28,834	-	-	(15,776)	33,657
Motor Vehicles	2,400	29,218	-	-	(2,248)	29,370
Leased Assets	4,186	3,916	-	-	(2,672)	5,430
Library Resources	5,729	342	-	-	(759)	5,312
<b>Balance at 31 December 2018</b>	<b>167,152</b>	<b>84,827</b>	<b>-</b>	<b>-</b>	<b>(39,732)</b>	<b>212,246</b>

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	217,905	(125,681)	92,225
Furniture and Equipment	217,465	(171,213)	46,251
Information and Communication Technology	121,104	(87,447)	33,657
Motor Vehicles	68,818	(39,448)	29,371
Leased Assets	10,958	(5,528)	5,430
Library Resources	12,503	(7,192)	5,311
<b>Balance at 31 December 2018</b>	<b>648,753</b>	<b>(436,508)</b>	<b>212,245</b>

## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	19,248	-	19,973
Employee Entitlements - Salaries	49,424	-	45,864
	<b>68,672</b>	<b>-</b>	<b>65,836</b>
Payables for Exchange Transactions	68,672	-	65,836
Payables for Non-exchange Transactions - Other	-	-	-
	<b>68,672</b>	<b>-</b>	<b>65,836</b>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	132	-	1,950
	<b>132</b>	<b>-</b>	<b>1,950</b>



#### 14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	20,608	20,608	21,940
Increase/ (decrease) to the Provision During the Year	5,552	3,430	10,665
Use of the Provision During the Year	-	-	(5,998)
Provision at the End of the Year	<u>26,160</u>	<u>24,038</u>	<u>26,607</u>
Cyclical Maintenance - Current	5,385	-	-
Cyclical Maintenance - Term	20,775	-	20,608
	<u>26,160</u>	<u>-</u>	<u>20,608</u>

#### 15. 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	3,084	-	2,836
Later than One Year and no Later than Five Years	2,651	-	2,795
	<u>5,735</u>	<u>-</u>	<u>5,631</u>

#### 16. 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 \$
Block K Alterations	<i>in progress</i>	420	34,620	(1,800)	-	33,240
Totals		<u>420</u>	<u>34,620</u>	<u>(1,800)</u>	<u>-</u>	<u>33,240</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	33,240
Funds Due from the Ministry of Education	-
	<u>33,240</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Block K Alterations	<i>in progress</i>	165	-	255	420
Totals		<u>165</u>	<u>-</u>	<u>255</u>	<u>420</u>

## 17. 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.

## 18. Remuneration

### Key management personnel compensation

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

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<i>Board Members</i>		
Remuneration	3,500	4,510
Full-time equivalent members	0.23	0.12
<i>Leadership Team</i>		
Remuneration	295,998	273,799
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>299,498</u>	<u>278,309</u>
Total full-time equivalent personnel	<u>3.23</u>	<u>3.12</u>

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

### Principal

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

	<b>2019 Actual \$000</b>	<b>2018 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	100 - 110
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:

<b>Remuneration \$000</b>	<b>2019 FTE Number</b>	<b>2018 FTE Number</b>
100	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

## 19. 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	-	-

## 20. 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.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$71,200 contract for upgrading K Block to be completed in 2020, which will be fully funded by the Ministry of Education. \$66,660 has been received of which \$33,420 has been spent on the project to date.

(Capital commitments at 31 December 2018: \$27,785)

### (b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine;

	2019 Actual \$	2018 Actual \$
No later than One Year	-	543
	-	543

## 22. 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.

### 23. 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	95,781	-	56,066
Receivables	48,740	-	67,632
Total Financial assets measured at amortised cost	<u>144,521</u>	<u>-</u>	<u>123,698</u>

#### Financial liabilities measured at amortised cost

Payables	68,672	-	65,836
Finance Leases	5,188	5,631	5,631
Total Financial Liabilities Measured at Amortised Cost	<u>73,860</u>	<u>5,631</u>	<u>71,467</u>

### 24. 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 this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing 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 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.

### 25. Comparatives

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

### 26. 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 9 Receivables: This policy has been updated to reflect that impairment of short-term receivables is now determined by applying an expected credit loss model.

### 27. Failure to meet statutory reporting deadline

The Board of Trustees did not comply with section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2020. The Board was unable to meet the statutory deadline because of delays caused by the response to the COVID-19 pandemic.