

DARFIELD PRIMARY SCHOOL

Annual Report For the year ended 31 December 2019

Ministry Number: 3326
Principal: Meredith Devonald
School Address: 16 Ross Street., Darfield
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Members of the Board of Trustees

Name	Ceased		Term Finishes
Brad Sutton	May-19		
Katie Molloy		Elected	May-22
Belinda Wilson	May-19		
Cleia Tymons		Elected	May-22
Tig Dalley		Elected	May-22
Britta Pliarcyk		Elected	May-22
Natalie Peters		Elected	May-22
Mark Robb		Elected	May-22
Meredith Devonald - Principal			

Accountant / Service Provider:
Geoff Gillam Consultants

Darfield Primary School Table of Contents

Page

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expenses
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Cashflow Statement
6	Statement of Accounting Policies
10	Notes and Disclosures
17	Independent Auditor's Report

Other Information

Analysis of Variance
Kiwisport Statement

Darfield Primary School
Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees (the Board) has pleasure in presenting the annual report of Darfield Primary School incorporating the financial statements and the auditor's report, 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 Chairperson and the principal.

Celia Tymons

Full Name of Board Chairperson



Signature of Board Chairperson

29/05/20

Date:

Meredith Devonald

Full Name of Principal



Signature of Principal

29/05/20

Date:

Darfield 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	1,721,466	1,645,827	1,680,299
Locally Raised Funds	3	71,627	26,740	65,267
Interest Earned		6,486	6,000	8,350
Gain on Sale of Property, Plant and Equipment		653	-	-
		<u>1,800,232</u>	<u>1,678,567</u>	<u>1,753,916</u>
Expenses				
Locally Raised Funds	3	40,280	-	36,040
Learning Resources	4	1,168,479	1,131,397	1,104,446
Administration	5	99,329	97,666	95,698
Finance Costs		905	-	1,095
Property	6	428,903	429,330	438,963
Depreciation	7	57,054	31,300	52,765
		<u>1,794,950</u>	<u>1,689,693</u>	<u>1,729,007</u>
Net Surplus / (Deficit)		5,282	(11,126)	24,909
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>5,282</u></u>	<u><u>(11,126)</u></u>	<u><u>24,909</u></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.

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

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>608,120</u>	<u>608,120</u>	<u>583,211</u>
Total comprehensive revenue and expense for the year	5,282	(11,126)	24,909
Owner transactions			
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	<u>613,402</u>	<u>596,994</u>	<u>608,120</u>
Retained Earnings	613,402	596,994	608,120
Reserves	-	-	-
Equity at 31 December 2019	<u>613,402</u>	<u>596,994</u>	<u>608,120</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.

Darfield 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	8	25,199	28,382	38,266
Accounts Receivable	9	91,874	65,000	78,148
GST Receivable		4,180	3,000	10,898
Prepayments		1,104	1,000	3,069
Inventories		1,167	1,500	1,469
Investments	10	215,620	152,000	146,403
		<u>339,144</u>	<u>250,882</u>	<u>278,253</u>
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	12	95,756	93,000	104,606
Revenue Received in Advance	13	1,091	-	2,367
Provision for Cyclical Maintenance	14	51,621	53,708	73,961
Finance Lease Liability - Current Portion	15	6,110	1,999	6,257
Funds held on behalf of RTLit	17	26,052	18,000	21,241
		<u>180,630</u>	<u>166,707</u>	<u>208,432</u>
Working Capital Surplus or (Deficit)		158,514	84,175	69,821
Non-current Assets				
Property, Plant and Equipment	11	503,803	565,920	584,720
		<u>503,803</u>	<u>565,920</u>	<u>584,720</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	41,655	48,000	44,422
Finance Lease Liability	15	7,260	5,101	1,999
		<u>48,915</u>	<u>53,101</u>	<u>46,421</u>
Net Assets		<u>613,402</u>	<u>596,994</u>	<u>608,120</u>
Equity		<u>613,402</u>	<u>596,994</u>	<u>608,120</u>

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

Darfield Primary School

Cash Flow Statement

For the year ended 31 December 2019

	2019	2019	2018
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	368,297	328,519	371,164
Locally Raised Funds	71,627	26,740	65,267
Goods and Services Tax (net)	6,718	7,898	(40,273)
Payments to Employees	(234,604)	(192,205)	(203,205)
Payments to Suppliers	(193,150)	(162,208)	(142,255)
Interest Received	4,632	6,233	9,555
Funds Administered on Behalf of Third Parties	3,535	(5,608)	(184,328)
Net cash from / (to) the Operating Activities	<u>27,055</u>	<u>9,369</u>	<u>(124,075)</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	653	-	-
Purchase of PPE (and Intangibles)	36,842	(12,500)	(372,390)
Purchase of Investments	(69,217)	(5,597)	147,503
Proceeds from Sale of Investments	-	-	-
Net cash from / (to) the Investing Activities	<u>(31,722)</u>	<u>(18,097)</u>	<u>(224,887)</u>
Cash flows from Financing Activities			
Contribution by the Ministry of Education - Furniture and Equipment Grants	-	-	-
Finance Lease Payments	(8,400)	(1,156)	(8,055)
Net cash from Financing Activities	<u>(8,400)</u>	<u>(1,156)</u>	<u>(8,055)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(13,067)</u>	<u>(9,884)</u>	<u>(357,017)</u>
Cash and cash equivalents at the beginning of the year	8	38,266	395,283
Cash and cash equivalents at the end of the year	8	<u>25,199</u>	<u>38,266</u>

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.

Darfield Primary School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Darfield 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 25.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publically 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.

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.

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.

Donations

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 three months 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) 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. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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.

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

	Years
Building improvements – Crown	40-50
Furniture and equipment	10
Information and communication technology	5
Motor Vehicles	5
Plant	10
Leased assets	3
Library resources	10

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.

n) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees, 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).

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Capital Works

Capital works are funded as agreed with the Ministry of Education and the schools capital works plan. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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 "financial assets measured at fair value through other comprehensive income" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, 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) 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.

t) Budget Figures

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

u) Classification of Comparatives

The classification of some comparative figures has been changed to ensure compliance with the Ministry of Education's model financial statements, which is now compulsory. These changes do not materially alter the financial statements.

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.

w) Statement of cash flows

For the purpose of the cash flow statement, 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 following terms are used in the statement of cash flows:

Operating activities: the principle revenue producing activities of the School and other activities that are not investing or financing act

Investing activities: the acquisition and disposal of long term assets and other investments not included in cash and cash equivalents.

Financing activities: the activities that result in changes in the size and composition of the contributed equity and borrowings of the School.

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	317,332	301,827	295,071
Teachers' salaries grants	1,010,395	1,000,000	959,884
Use of Land and Buildings grants	331,784	330,000	352,243
Other government grants	61,955	14,000	73,101
	<u>1,721,466</u>	<u>1,645,827</u>	<u>1,680,299</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<i>Revenue</i>			
Donations	28,821	25,240	29,927
Fundraising	477	-	480
Activities	36,114	-	29,452
Trading	6,215	1,500	5,408
	<u>71,627</u>	<u>26,740</u>	<u>65,267</u>
<i>Expenses</i>			
Activities	33,874	-	31,013
Trading	5,887	-	4,747
Fundraising (costs of raising funds)	519	-	280
	<u>40,280</u>	<u>-</u>	<u>36,040</u>
<i>Surplus for the year Locally raised funds</i>	<u>31,347</u>	<u>26,740</u>	<u>29,227</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	25,663	30,530	34,353
Employee Benefits - Salaries	1,132,442	1,087,867	1,059,942
Staff Development	10,374	13,000	10,151
	<u>1,168,479</u>	<u>1,131,397</u>	<u>1,104,446</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,392	4,245	4,882
Board of Trustees Fees	3,405	3,200	3,035
Board of Trustees Expenses	4,108	6,050	2,125
Communication	2,919	3,890	3,247
Consumables	3,173	3,000	3,476
Operating Lease	7,551	12,000	7,737
Staff Expenses	2,853	2,400	2,009
Other	5,682	5,650	6,121
Employee Benefits - Salaries	65,246	57,231	63,066
	<u>99,329</u>	<u>97,666</u>	<u>95,698</u>

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	4,208	4,000	4,110
Cyclical Maintenance Provision	7,701	10,000	6,675
Grounds	2,232	2,500	2,228
Heat, Light and Water	14,816	16,000	15,094
Rates	4,135	4,700	3,829
Repairs and Maintenance	18,041	15,650	13,538
Use of Land and Buildings - Non-Integrated	331,784	330,000	352,243
Employee Benefits - Salaries	45,986	46,480	41,246
	<u>428,903</u>	<u>429,330</u>	<u>438,963</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 of Property, Plant and Equipment

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	10,217	2,000	7,300
Furniture and Equipment	4,125	3,000	5,465
Information and Communication Technology	12,108	7,500	9,733
Motor Vehicles	3,826	3,000	3,826
Plant	17,768	9,000	17,696
Leased Assets	7,672	6,000	7,370
Library Resources	1,338	800	1,375
	<u>57,054</u>	<u>31,300</u>	<u>52,765</u>

8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	100	200
Bank Current Account	24,985	24,782	34,253
Bank Call Account	14	3,500	3,813
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	-
	<u>25,199</u>	<u>28,382</u>	<u>38,266</u>

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

9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Debtor Ministry of Education	23,310	-	12,692
Interest Accrued	2,087	-	233
Teacher Salaries Grant Receivable	66,477	65,000	65,223
	<u>91,874</u>	<u>65,000</u>	<u>78,148</u>
Receivables from Exchange Transactions	2,087	-	233
Receivables from Non-Exchange Transactions	89,787	65,000	77,915
	<u>91,874</u>	<u>65,000</u>	<u>78,148</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	215,620	152,000	146,403

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements - Crown Furniture and Equipment	443,242	-	(51,559)	-	(10,217)	381,466
Information and Communication	36,605	-	-	-	(4,125)	32,480
Motor Vehicles	31,254	14,715	-	-	(12,108)	33,861
Plant	9,246	-	-	-	(3,826)	5,420
Leased Assets	50,585	-	-	-	(17,768)	32,817
Library Resources	7,690	12,981	-	-	(7,672)	12,999
	6,098	-	-	-	(1,338)	4,760
Balance at 31 December 2019	584,720	27,696	(51,559)	-	(57,054)	503,803

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements - Crown Furniture and Equipment	437,077	(55,611)	381,466
Information and Communication	133,530	(101,050)	32,480
Motor Vehicles	159,055	(125,194)	33,861
Plant	19,130	(13,710)	5,420
Leased Assets	202,034	(169,217)	32,817
Library Resources	22,679	(9,680)	12,999
	47,606	(42,846)	4,760
Balance at 31 December 2019	1,021,111	(517,308)	503,803

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	110,105	340,437	-	-	(7,300)	443,242
Furniture and Equipment	33,255	8,815	-	-	(5,465)	36,605
Information and Communication	21,020	19,967	-	-	(9,733)	31,254
Motor Vehicles	13,072	-	-	-	(3,826)	9,246
Plant	65,112	3,169	-	-	(17,696)	50,585
Leased Assets	15,060	-	-	-	(7,370)	7,690
Library Resources	7,473	-	-	-	(1,375)	6,098
Balance at 31 December 2018	265,097	372,388	-	-	(52,765)	584,720

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	489,289	(46,047)	443,242
Furniture and Equipment	133,530	(96,925)	36,605
Information and Communication	154,973	(123,719)	31,254
Motor Vehicles	19,130	(9,884)	9,246
Plant	202,034	(151,449)	50,585
Leased Assets	22,109	(14,419)	7,690
Library Resources	47,606	(41,508)	6,098
Balance at 31 December 2018	1,068,671	(483,951)	584,720

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	26,977	25,000	35,756
Employee Benefits Payable - Salaries	66,477	65,000	65,223
Employee Benefits Payable - Leave Accrual	2,302	3,000	3,627
	95,756	93,000	104,606
Payables for Exchange Transactions	95,756	93,000	104,606
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	95,756	93,000	104,606

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held on Behalf of Third Parties	1,091	-	2,367
	1,091	-	2,367

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	118,383	118,383	111,708
Increase to the Provision During the Year	7,701	10,000	6,675
Use of the Provision During the Year	(32,808)	(26,635)	-
Provision at the End of the Year	93,276	101,748	118,383
Cyclical Maintenance - Current	51,621	53,708	73,961
Cyclical Maintenance - Term	41,655	48,000	44,422
	93,276	101,708	118,383

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	6,110	1,999	6,257
Later than One Year and no Later than Five Years	7,260	5,101	1,999
Later than Five Years	-	-	-
	<u>13,370</u>	<u>7,100</u>	<u>8,256</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:

There were no Capital Works Projects in 2019.

	2018 <i>completed</i>	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Classroom 4		190,411	80,029	(270,440)	-
Totals		<u>190,411</u>	<u>80,029</u>	<u>(270,440)</u>	<u>-</u>

17. Funds Held on Behalf of RTLit

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	21,241	21,241	17,071
Funds Received from MoE	15,401	15,000	15,158
Funds Spent on Behalf of the Cluster	(10,590)	(18,241)	(10,988)
Fund spent on Motor Vehicle	-	-	-
Funds Held at Year End	<u>26,052</u>	<u>18,000</u>	<u>21,241</u>

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	3,405	3,055
Full-time equivalent members	0.11	0.18

Leadership Team

Remuneration	210,485	207,460
Full-time equivalent members	2	2
Total key management personnel remuneration	213,890	210,515
Total full-time equivalent personnel	2.11	2.18

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	2018 Actual
Salaries and Other Short-term Employee Benefits:	\$000	\$000
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	1-5	1-5
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2018: nil).

20. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$0	\$0
Number of People	-	-

21. Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, 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 2019, a contingent liability for the school may exist.

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	25,199	28,382	38,266
Receivables	91,874	65,000	78,148
Investments - Term Deposits	215,620	152,000	146,403
Total Cash and Receivables	332,693	245,382	262,817

Financial liabilities measured at amortised cost

Payables	95,756	93,000	104,606
Finance Leases	13,370	7,100	8,256
Total Financial Liabilities Measured at Amortised Cost	109,126	100,100	112,862

24. Events After Balance Date

Impact from COVID-19

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 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 is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can 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.

25. 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 the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 10 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