

HAURAKI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1304

Principal: Clarinda Franklin

School Address: 82 Jutland Road
Hauraki
Auckland 0622

School Phone: (09) 489 4568

School Email: office@hauraki.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/Expires
James Greenway	Chair Person	Elected	Accountant	May 2022
Clarinda Franklin	Principal ex Officio			
Jennine Cassidy	Parent Rep	Elected	Business Owner	May 2022
Melanie Toft	Parent Rep	Elected	Bank HR	May 2022
Sarah Heron	Parent Rep	Elected	Lawyer	May 2022
Sarah Keber	Parent Rep	Elected	Lawyer	May 2022
Matthew Manning	Parent Rep	Elected	Insurance	May 2022
Logan Burson	Staff Rep - shared	Elected		May 2022
Christopher Pipes	Staff Rep - shared	Elected		May 2022
Brendan Clark	Chair Person	Elected	Naval Officer	May 2019
Grant Signal	Parent Rep	Elected	Accountant	May 2019

Accountant / Service Provider:

Top Class Financial Management Services

HAURAKI SCHOOL

Annual Report - For the year ended 31 December 2019

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Hauraki 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.

James Greenway
Full Name of Board Chairperson

Clairinda Franklin
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

25/5/2020
Date:

25/5/20
Date:

Hauraki School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,629,222	3,541,737	3,584,307
Locally Raised Funds	3	333,306	213,000	284,706
Interest income		24,849	16,000	19,784
International Students	4	120,203	90,000	92,747
		<u>4,107,580</u>	<u>3,860,737</u>	<u>3,981,544</u>
Expenses				
Locally Raised Funds	3	145,239	70,000	141,357
International Students	4	2,812	1,634	1,894
Learning Resources	5	2,412,105	2,389,105	2,227,519
Administration	6	183,138	181,500	174,373
Finance		6,130	6,500	7,062
Property	7	1,252,152	1,215,928	1,196,177
Depreciation	8	153,161	144,000	159,433
Loss on Disposal of Property, Plant and Equipment		6,964	-	444
		<u>4,161,701</u>	<u>4,008,667</u>	<u>3,908,259</u>
Net Surplus / (Deficit) for the year		(54,121)	(147,930)	73,285
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(54,121)</u>	<u>(147,930)</u>	<u>73,285</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.

Hauraki School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>1,192,072</u>	<u>1,192,072</u>	<u>1,064,751</u>
Total comprehensive revenue and expense for the year		(54,121)	(147,930)	73,285
Capital Contributions from the Ministry of Education				
Contribution, - Furniture and Equipment Grant		7,814	-	54,036
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	23	<u>1,145,765</u>	<u>1,044,142</u>	<u>1,192,072</u>
Retained Earnings		1,145,765	1,044,142	1,192,072
Equity at 31 December		<u>1,145,765</u>	<u>1,044,142</u>	<u>1,192,072</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.

Hauraki School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	177,659	92,208	167,896
Accounts Receivable	10	135,700	143,000	131,833
GST Receivable		22,500	5,000	10,994
Prepayments		11,934	4,000	3,884
Inventories	11	44,453	36,000	38,826
Investments	12	581,720	450,000	532,810
		<u>973,966</u>	<u>730,208</u>	<u>886,243</u>
Current Liabilities				
Accounts Payable	14	245,080	175,188	182,379
Revenue Received in Advance	15	117,745	30,000	66,096
Provision for Cyclical Maintenance	16	6,857	10,000	38,444
Finance Lease Liability - Current Portion	17	28,444	30,000	32,061
Funds held for Capital Works Projects	18	(55,082)	-	(37,797)
		<u>343,044</u>	<u>245,188</u>	<u>281,183</u>
Working Capital Surplus/(Deficit)		630,922	485,020	605,060
Non-current Assets				
Property, Plant and Equipment	13	<u>635,042</u>	<u>645,645</u>	<u>674,445</u>
		635,042	645,645	674,445
Non-current Liabilities				
Provision for Cyclical Maintenance	16	99,245	56,523	54,523
Finance Lease Liability	17	20,954	30,000	32,910
		<u>120,199</u>	<u>86,523</u>	<u>87,433</u>
Net Assets		<u>1,145,765</u>	<u>1,044,142</u>	<u>1,192,072</u>
Equity	23	<u>1,145,765</u>	<u>1,044,142</u>	<u>1,192,072</u>

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

Hauraki School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		645,086	856,677	629,276
Locally Raised Funds		326,622	213,000	297,307
International Students		169,910	110,000	101,776
Goods and Services Tax (net)		(11,506)	-	(5,725)
Payments to Employees		(467,495)	(504,970)	(327,671)
Payments to Suppliers		(477,972)	(414,954)	(429,917)
Cyclical Maintenance Payments in the year		-	(13,514)	-
Interest Paid		(6,130)	(6,500)	(7,062)
Interest Received		25,924	15,000	19,444
Net cash from Operating Activities		204,439	254,739	277,428
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	2,291	(87,480)
Purchase of PPE (and Intangibles)		(108,923)	(170,286)	
Purchase of Investments		(48,910)	(150,000)	(189,264)
Net cash from Investing Activities		(157,833)	(317,995)	(276,744)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,814	-	54,036
Finance Lease Payments		(27,372)	3,000	(31,689)
Funds Held for Capital Works Projects		(17,285)	-	(37,797)
Net cash from Financing Activities		(36,843)	3,000	(15,450)
Net increase/(decrease) in cash and cash equivalents		9,763	(60,256)	(14,766)
Cash and cash equivalents at the beginning of the year	9	167,896	152,464	182,662
Cash and cash equivalents at the end of the year	9	177,659	92,208	167,896

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..

Hauraki School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Hauraki 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 36.

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 13.

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 the land and buildings which are owned by the Crown.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

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.

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20 years
Furniture and equipment	2–20 years
Information and communication technology	2–5 years
Playground	4–10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

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

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international and domestic 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.

o) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

p) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" 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) 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.

r) Budget Figures

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

s) 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	589,577	567,350	574,620
Teachers' Salaries Grants	1,967,094	1,904,434	1,933,710
Use of Land and Buildings Grants	1,009,369	1,021,321	1,021,321
Other MoE Grants	52,403	48,632	48,951
Other Government Grants	10,779	-	5,705
	3,629,222	3,541,737	3,584,307

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	152,686	124,000	124,605
Activities	77,249	5,000	77,231
Trading	88,868	70,000	73,905
Fundraising	14,503	14,000	8,965
	333,306	213,000	284,706
Expenses			
Activities	66,119	-	70,439
Trading	78,453	70,000	70,918
Fundraising (Costs of Raising Funds)	667	-	-
	145,239	70,000	141,357
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	188,067	143,000	143,349

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	9	10	10
Revenue			
International Student Fees	120,203	90,000	92,747
Expenses			
International Student Levy	2,812	1,634	1,894
	2,812	1,634	1,894
<i>Surplus/ (Deficit) for the year International Students'</i>	117,391	88,366	90,853

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	82,175	80,701	56,340
Information and Communication Technology	26,374	20,500	19,206
Library Resources	1,146	1,500	968
Employee Benefits - Salaries	2,281,746	2,257,404	2,119,009
Staff Development	20,664	29,000	31,996
	<u>2,412,105</u>	<u>2,389,105</u>	<u>2,227,519</u>

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,188	6,400	6,008
Board of Trustees Fees	3,360	3,700	3,300
Board of Trustees Expenses	5,078	4,500	3,045
Communication	7,189	7,450	7,469
Consumables	21,615	18,500	18,068
Operating Lease	4,649	-	4,626
Other	12,085	11,450	9,208
Employee Benefits - Salaries	98,452	105,000	98,643
Insurance	9,522	9,500	9,236
Service Providers, Contractors and Consultancy	15,000	15,000	14,770
	<u>183,138</u>	<u>181,500</u>	<u>174,373</u>

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	14,926	16,500	15,230
Consultancy and Contract Services	31,835	35,100	31,198
Cyclical Maintenance Provision	13,135	12,000	10,186
Grounds	5,075	5,000	4,685
Heat, Light and Water	32,279	32,800	32,170
Rates	74	100	88
Repairs and Maintenance	83,250	33,107	27,385
Use of Land and Buildings	1,009,369	1,021,321	1,021,321
Security	13,208	8,000	6,759
Employee Benefits - Salaries	49,001	52,000	47,155
	<u>1,252,152</u>	<u>1,215,928</u>	<u>1,196,177</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	41,865	40,000	41,865
Furniture and Equipment	30,661	28,000	30,613
Information and Communication Technology	41,867	42,000	55,166
Playground	32,755	32,000	29,291
Leased Assets	3,299	-	-
Library Resources	2,714	2,000	2,498
	<u>153,161</u>	<u>144,000</u>	<u>159,433</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	300	300	300
Bank Current Account	175,150	86,908	155,403
Bank Call Account	2,209	5,000	12,193
Cash and cash equivalents for Cash Flow Statement	<u>177,659</u>	<u>92,208</u>	<u>167,896</u>

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

Of the \$177,659 Cash and Cash Equivalents, \$105,991 (2018:\$56,264) is held by the School for International Students who have paid in advance. These funds are required to be held until the service to these students is provided by the school.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	8,633	-	7
Interest Receivable	2,645	3,000	3,720
Teacher Salaries Grant Receivable	124,422	140,000	128,106
	<u>135,700</u>	<u>143,000</u>	<u>131,833</u>
Receivables from Exchange Transactions	11,278	3,000	3,727
Receivables from Non-Exchange Transactions	124,422	140,000	128,106
	<u>135,700</u>	<u>143,000</u>	<u>131,833</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	10,160	4,000	4,430
School Uniforms	34,293	32,000	34,396
	<u>44,453</u>	<u>36,000</u>	<u>38,826</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	581,720	450,000	532,810
Total Investments	<u>581,720</u>	<u>450,000</u>	<u>532,810</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	218,172	-	-	-	(41,865)	176,307
Furniture and Equipment	122,476	56,700	-	-	(30,661)	148,515
Information and Communication Technology	102,545	13,414	(6,766)	-	(41,867)	67,326
Playground	212,094	25,800	-	-	(32,755)	205,139
Leased Assets	-	19,302	-	-	(3,299)	16,003
Library Resources	19,158	5,506	(198)	-	(2,714)	21,752
Balance at 31 December 2019	<u>674,445</u>	<u>120,722</u>	<u>(6,964)</u>	<u>-</u>	<u>(153,161)</u>	<u>635,042</u>

The net carrying value of IT equipment and Photocopiers held under a finance lease is \$30,896 (2018: \$61,958)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	920,383	(744,076)	176,307
Furniture and Equipment	592,066	(443,551)	148,515
Information and Communication Technology	424,410	(357,084)	67,326
Playground	403,519	(198,380)	205,139
Leased Assets	19,302	(3,299)	16,003
Library Resources	56,229	(34,477)	21,752
Balance at 31 December 2019	<u>2,415,909</u>	<u>(1,780,867)</u>	<u>635,042</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	260,037	-	-	-	(41,865)	218,172
Furniture and Equipment	140,585	12,504	-	-	(30,613)	122,476
Information and Communication Technology	87,788	69,923	-	-	(55,166)	102,545
Playground	204,485	36,900	-	-	(29,291)	212,094
Leased Assets	-	-	-	-	-	-
Library Resources	18,755	3,345	(444)	-	(2,498)	19,158
Balance at 31 December 2018	<u>711,650</u>	<u>122,672</u>	<u>(444)</u>	<u>-</u>	<u>(159,433)</u>	<u>674,445</u>

The net carrying value of IT equipment and Photocopiers held under a finance lease is \$61,958 (2017: \$62,416)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	920,383	(702,211)	218,172
Furniture and Equipment	554,376	(431,900)	122,476
Information and Communication Technology	455,241	(352,696)	102,545
Motor Vehicles	377,719	(165,625)	212,094
Leased Assets	-	-	-
Library Resources	51,822	(32,664)	19,158
Balance at 31 December 2018	2,359,541	(1,685,096)	674,445

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	102,699	20,000	37,202
Accruals	17,959	6,188	4,008
Banking Staffing Overuse	-	5,000	7,673
Employee Entitlements - Salaries	124,422	140,000	128,106
Employee Entitlements - Leave Accrual	-	4,000	5,390
	245,080	175,188	182,379
Payables for Exchange Transactions	245,080	175,188	182,379
	245,080	175,188	182,379

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	105,991	30,000	56,284
Other	11,754	-	9,812
	117,745	30,000	66,096

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	92,967	92,967	82,781
Increase/ (decrease) to the Provision During the Year	13,135	12,000	10,186
Use of the Provision During the Year	-	(38,444)	-
Provision at the End of the Year	106,102	66,523	92,967
Cyclical Maintenance - Current	6,857	10,000	38,444
Cyclical Maintenance - Term	99,245	56,523	54,523
	106,102	66,523	92,967

17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	26,896	30,000	30,921
Later than One Year and no Later than Five Years	18,023	30,000	35,554
	<u>44,919</u>	<u>60,000</u>	<u>66,475</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 \$
ILE & Roofing Project	<i>in progress</i>	(37,797)	502,536	(519,821)	-	(55,082)
Security System	<i>completed</i>	-	5,655	(5,655)	-	-
Totals		<u>(37,797)</u>	<u>508,191</u>	<u>(525,476)</u>	<u>-</u>	<u>(55,082)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-
(55,082)

55,082

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Spouting	<i>completed</i>	-	12,850	(12,850)	-	-
ILE & Roofing Project	<i>in progress</i>	-	-	-	-	(37,797)
Totals		<u>-</u>	<u>12,850</u>	<u>(12,850)</u>	<u>-</u>	<u>(37,797)</u>

19. Related Party Transactions

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

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

20. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,360	3,300
Full-time equivalent members	0.10	0.10
<i>Leadership Team</i>		
Remuneration	355,026	266,762
Full-time equivalent members	3	2
Total key management personnel remuneration	358,386	270,062
Total full-time equivalent personnel	3.10	2.10

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	140-150	140-150
Benefits and Other Emoluments	15-25	15-25
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	2.00	1.00
	2.00	1.00

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

21. Contingencies

There are no contingent liabilities 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.

22. Commitments

(a) Capital Commitments

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

\$558,373 contract for ILE and roofing works to be completed in 2020, which will be fully funded by the Ministry of Education. \$502,536 has been received at year end, \$557,618 has been spent on the project to date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2018:)

\$558,373 contract for ILE and roofing works to be completed in 2019, which will be fully funded by the Ministry of Education. \$0 has been received at year end, \$37,797 has been spent on the project to date. This project has been approved by the Ministry.

(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	521	-
	<u>521</u>	<u>-</u>

23. 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.

24. 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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	177,659	92,208	167,896
Receivables	135,700	143,000	131,833
Investments - Term Deposits	581,720	450,000	532,810
Total Financial assets measured at amortised cost	895,079	685,208	832,539

Financial liabilities measured at amortised cost

Payables	245,080	175,188	182,379
Finance Leases	49,398	60,000	64,971
Total Financial Liabilities Measured at Amortised Cost	294,478	235,188	247,350

25. 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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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

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 8 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 9 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