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Beachlands School

Annual Report for the year ended 31 December 2019

Ministry Number:	1224
Principal:	Anthony Noble-Campbell
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Beachlands School

Annual Report

For the year ended 31 December 2019

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Beachlands School
Statement of Responsibility
For the year ended 31 December 2019

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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.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Statement of Comprehensive Revenue and Expense

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For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	4,571,377	3,617,223	4,208,599
Locally Raised Funds	3	394,953	180,700	321,411
Interest Income		9,963	7,000	11,034
International Students	4	7,272	25,000	-
		<u>4,983,565</u>	<u>3,829,923</u>	<u>4,541,044</u>
Expenses				
Locally Raised Funds	3	182,735	26,400	159,998
International Students	4	449	10,000	214
Learning Resources	5	3,156,570	2,545,188	2,735,985
Administration	6	273,603	281,870	253,413
Finance		3,594	-	3,676
Property	7	1,172,889	915,916	1,134,000
Depreciation	8	103,624	80,000	97,595
Loss on Disposal of Property, Plant and Equipment		-	-	256
		<u>4,893,464</u>	<u>3,859,374</u>	<u>4,385,137</u>
Net Surplus / (Deficit) for the year		90,101	(29,451)	155,907
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>90,101</u></u>	<u><u>(29,451)</u></u>	<u><u>155,907</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.

Beachlands School
Statement of Changes in Net Assets/Equity

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For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		995,724	1,055,750	839,817
Total comprehensive revenue and expense for the year		90,101	(29,451)	155,907
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		6,971	-	-
Equity at 31 December	24	1,092,796	1,026,299	995,724
Retained Earnings		1,092,796	1,026,299	995,724
Equity at 31 December		1,092,796	1,026,299	995,724

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.

Beachlands School
Statement of Financial Position

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As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	280,119	442,322	253,155
Accounts Receivable	10	208,059	167,000	287,755
GST Receivable		29,654	23,000	23,318
Prepayments		18,380	12,000	12,434
Inventories	11	3,831	3,900	3,933
Investments	12	277,175	265,000	265,435
		<u>817,218</u>	<u>913,222</u>	<u>846,030</u>
Current Liabilities				
Accounts Payable	14	239,901	219,900	222,811
Revenue Received in Advance	15	37,321	-	37,321
Provision for Cyclical Maintenance	16	57,861	57,861	-
Finance Lease Liability - Current Portion	17	15,329	15,329	21,038
Funds Held for Capital Works Projects	18	3,221	50,000	50,249
		<u>353,633</u>	<u>343,090</u>	<u>331,419</u>
Working Capital Surplus/(Deficit)		463,585	570,132	514,611
Non-current Assets				
Property, Plant and Equipment	13	681,653	509,502	580,302
Capital Works in Progress		894	-	-
		<u>682,547</u>	<u>509,502</u>	<u>580,302</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	41,750	41,750	84,016
Finance Lease Liability	17	11,586	11,585	15,173
		<u>53,336</u>	<u>53,335</u>	<u>99,189</u>
Net Assets		<u>1,092,796</u>	<u>1,026,299</u>	<u>995,724</u>
Equity	24	<u>1,092,796</u>	<u>1,026,299</u>	<u>995,724</u>

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

Beachlands School

Statement of Cash Flows

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For the year ended 31 December 2019

	2019	2019	2018
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,078,379	1,003,534	837,554
Locally Raised Funds	379,909	144,816	346,802
International Students	7,272	25,000	-
Goods and Services Tax (net)	(6,336)	318	(12,030)
Payments to Employees	(635,615)	(634,406)	(442,898)
Payments to Suppliers	(532,829)	(398,965)	(535,455)
Cyclical Maintenance Payments in the year	(6,564)	-	-
Interest Paid	(3,594)	-	(3,676)
Interest Received	13,304	7,155	8,902
Net cash from Operating Activities	<u>293,926</u>	<u>147,452</u>	<u>199,199</u>
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(191,823)	(86,718)	(55,738)
Purchase of Investments	(11,740)	-	-
Proceeds from Sale of Investments	-	435	9,019
Net cash from Investing Activities	<u>(203,563)</u>	<u>(86,283)</u>	<u>(46,719)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	6,971	-	-
Finance Lease Payments	(23,342)	68,221	(20,765)
Funds Held for Capital Works Projects	(47,028)	(249)	50,249
Net cash from Financing Activities	<u>(63,399)</u>	<u>67,972</u>	<u>29,484</u>
Net increase/(decrease) in cash and cash equivalents	<u><u>26,964</u></u>	<u><u>129,141</u></u>	<u><u>181,964</u></u>
Cash and cash equivalents at the beginning of the year	9 253,155	313,181	71,191
Cash and cash equivalents at the end of the year	9 <u><u>280,119</u></u>	<u><u>442,322</u></u>	<u><u>253,155</u></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.

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

Beachlands 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.

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 27.

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.

For the year ended 31 December 2019

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

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.

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.

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.

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.

For the year ended 31 December 2019

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.

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.

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.

The School has met the requirements under Schedule 6 Section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

For the year ended 31 December 2019

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:

Buildings - School	10–40 years
Furniture and equipment	3–15 years
Information and communication technology	3–15 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 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.

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.

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.

For the year ended 31 December 2019

Revenue Received in Advance

Revenue received in advance relates to fees received from astro turf donations 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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).

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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

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For the year ended 31 December 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	789,693	742,350	726,143
Teachers' Salaries Grants	2,734,761	2,111,000	2,493,524
Use of Land and Buildings Grants	921,558	666,010	897,565
Other MoE Grants	121,795	97,863	85,280
Other Government Grants	3,570	-	6,087
	<u>4,571,377</u>	<u>3,617,223</u>	<u>4,208,599</u>

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	132,102	107,000	110,941
Activities	219,120	41,700	197,754
Trading	19,611	12,000	12,716
Fundraising	24,120	20,000	-
	<u>394,953</u>	<u>180,700</u>	<u>321,411</u>
Expenses			
Activities	145,656	9,400	144,042
Trading	23,256	12,000	15,956
Fundraising (Costs of Raising Funds)	13,823	5,000	-
	<u>182,735</u>	<u>26,400</u>	<u>159,998</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>212,218</u>	<u>154,300</u>	<u>161,413</u>

4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	0	0	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	7,272	25,000	-
Expenses			
Other Expenses	449	10,000	214
	<u>449</u>	<u>10,000</u>	<u>214</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>6,823</u>	<u>15,000</u>	<u>(214)</u>

Notes to the Financial Statements (cont.)

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For the year ended 31 December 2019

5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	64,204	61,188	46,651
Information and Communication Technology	54,031	83,000	46,544
Library Resources	5,783	6,000	6,315
Employee Benefits - Salaries	2,996,837	2,369,500	2,601,548
Staff Development	35,715	25,500	34,927
	<u>3,156,570</u>	<u>2,545,188</u>	<u>2,735,985</u>

6 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	7,710	7,520	7,430
Board of Trustees Fees	2,543	-	3,559
Board of Trustees Expenses	1,672	6,000	-
Communication	4,392	5,750	5,689
Consumables	10,747	11,300	12,412
Operating Lease	24,114	22,000	19,070
Other	13,896	12,000	8,028
Employee Benefits - Salaries	190,322	191,000	179,209
Insurance	10,323	18,500	10,326
Service Providers, Contractors and Consultancy	7,884	7,800	7,690
	<u>273,603</u>	<u>281,870</u>	<u>253,413</u>

7 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	12,532	18,000	10,058
Consultancy and Contract Services	18,297	13,000	85,905
Cyclical Maintenance Expense	22,159	10,000	18,280
Grounds	16,170	20,000	16,140
Heat, Light and Water	24,985	35,000	27,643
Repairs and Maintenance	18,348	15,000	20,933
Use of Land and Buildings	921,558	666,010	897,565
Employee Benefits - Salaries	138,840	138,906	57,476
	<u>1,172,889</u>	<u>915,916</u>	<u>1,134,000</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

Notes to the Financial Statements (cont.)**DRAFT**

For the year ended 31 December 2019

8 Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	16,627	22,000	20,965
Furniture and Equipment	49,657	47,100	41,762
Information and Communication Technology	8,338	7,200	10,096
Leased Assets	28,323	-	23,996
Library Resources	679	3,700	776
	<u>103,624</u>	<u>80,000</u>	<u>97,595</u>

9 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	200	200
Bank Current Account	71,006	211,122	21,809
Bank Call Account	208,913	231,000	231,146
Cash and cash equivalents for Cash Flow Statement	<u>280,119</u>	<u>442,322</u>	<u>253,155</u>

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

10 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	16,481	-	1,437
Receivables from the Ministry of Education	-	-	163,321
Interest Receivable	814	4,000	4,155
Teacher Salaries Grant Receivable	190,764	163,000	118,842
	<u>208,059</u>	<u>167,000</u>	<u>287,755</u>
Receivables from Exchange Transactions	17,295	4,000	5,592
Receivables from Non-Exchange Transactions	190,764	163,000	282,163
	<u>208,059</u>	<u>167,000</u>	<u>287,755</u>

11 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	3,831	3,900	3,933
	<u>3,831</u>	<u>3,900</u>	<u>3,933</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	277,175	265,000	265,435
Total Investments	<u>277,175</u>	<u>265,000</u>	<u>265,435</u>

Notes to the Financial Statements (cont.)

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For the year ended 31 December 2019

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	288,685	-	-	-	(16,627)	272,058
Furniture and Equipment	232,880	64,734	-	-	(49,657)	247,957
Information and Communication Technology	24,073	126,195	-	-	(8,338)	141,930
Leased Assets	29,234	14,046	-	-	(28,323)	14,957
Library Resources	5,430	-	-	-	(679)	4,751
Balance at 31 December 2019	580,302	204,975	-	-	(103,624)	681,653

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	468,962	(196,904)	272,058
Furniture and Equipment	826,532	(578,575)	247,957
Information and Communication Technology	222,647	(80,717)	141,930
Leased Assets	91,564	(76,607)	14,957
Library Resources	44,644	(39,893)	4,751
Balance at 31 December 2019	1,654,349	(972,696)	681,653

The net carrying value of equipment held under a finance lease is \$14,957 (2018: \$29,234).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	301,898	7,752	-	-	(20,965)	288,685
Furniture and Equipment	233,764	40,878	-	-	(41,762)	232,880
Information and Communication Technology	32,136	2,033	-	-	(10,096)	24,073
Leased Assets	41,994	11,236	-	-	(23,996)	29,234
Library Resources	1,387	5,075	(256)	-	(776)	5,430
Balance at 31 December 2018	611,179	66,974	(256)	-	(97,595)	580,302

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	468,962	(180,277)	288,685
Furniture and Equipment	761,797	(528,917)	232,880
Information and Communication Technology	96,452	(72,379)	24,073
Leased Assets	77,518	(48,284)	29,234
Library Resources	44,644	(39,214)	5,430
Balance at 31 December 2018	1,449,373	(869,071)	580,302

Notes to the Financial Statements (cont.)**DRAFT**

For the year ended 31 December 2019

14 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	28,123	26,000	26,631
Accruals	14,491	26,000	26,438
Employee Entitlements - Salaries	192,337	163,000	164,881
Employee Entitlements - Leave Accrual	4,950	4,900	4,861
	<u>239,901</u>	<u>219,900</u>	<u>222,811</u>
Payables for Exchange Transactions	239,901	219,900	222,811
	<u>239,901</u>	<u>219,900</u>	<u>222,811</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	37,321	-	37,321
	<u>37,321</u>	<u>-</u>	<u>37,321</u>

16 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	84,016	84,016	68,416
Increase/(decrease) to the Provision During the Year	22,159	10,000	18,280
Use of the Provision During the Year	(6,564)	5,595	(2,680)
Provision at the End of the Year	<u>99,611</u>	<u>99,611</u>	<u>84,016</u>
Cyclical Maintenance - Current	57,861	57,861	-
Cyclical Maintenance - Term	41,750	41,750	84,016
	<u>99,611</u>	<u>99,611</u>	<u>84,016</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment.

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	21,411	-	23,396
Later than One Year and no Later than Five Years	15,545	-	16,051
	<u>36,956</u>	<u>-</u>	<u>39,447</u>

Notes to the Financial Statements (cont.)

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For the year ended 31 December 2019

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:

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2019	\$	\$	\$		\$
Rms 8,9,10 2017	<i>In progress</i>	15,220	8,047	22,860	-	407
5YA Drainage upgrade	<i>In progress</i>	35,029	1,328	31,683	-	4,674
5YA Light Fitting Upgrade	<i>In progress</i>	-	-	1,860	-	(1,860)
Totals		50,249	9,375	56,403	-	3,221

Represented by:

Funds Held on Behalf of the Ministry of Education	5,081
Funds Due from the Ministry of Education	(1,860)
	<u>3,221</u>

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	\$	\$	\$	\$	\$
Rms 8,9,10 2017	<i>In progress</i>	-	466,466	451,246	-	15,220
%YA Drainage upgrade	<i>Completed</i>	-	39,996	4,967	-	35,029
Totals		-	506,462	456,213	-	50,249

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.

Notes to the Financial Statements (cont.)**DRAFT**

For the year ended 31 December 2019

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	2,543	3,559
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	319,570	412,284
Full-time equivalent members	3.00	4.00
Total key management personnel remuneration	<u>322,113</u>	<u>415,843</u>
Total full-time equivalent personnel	<u>3.00</u>	<u>4.00</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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	135- 145
Benefits and Other Emoluments	20 - 30	15 - 20
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	3	1
	<u>3</u>	<u>1</u>

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Notes to the Financial Statements (cont.)

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For the year ended 31 December 2019

22 Contingencies

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

(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

23 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

24 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

25 Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	280,119	442,322	253,155
Receivables	208,059	167,000	287,755
Investments - Term Deposits	277,175	265,000	265,435
Total Financial assets measured at amortised cost	<u>765,353</u>	<u>874,322</u>	<u>806,345</u>
Financial liabilities measured at amortised cost			
Payables	239,901	219,900	222,811
Finance Leases	26,915	26,914	36,211
Total Financial Liabilities Measured at Amortised Cost	<u>266,816</u>	<u>246,814</u>	<u>259,022</u>

26 Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

27 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 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