

# TE KURA MAORI O PORIRUA

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

<b>Ministry Number:</b>	1634
<b>Principal:</b>	Sophie Tukukino
<b>School Address:</b>	392 Warspite Ave Waitangirua Porirua
<b>School Postal Address:</b>	
<b>School Phone:</b>	04-235-9617
<b>School Email:</b>	<a href="mailto:principal@kura-porirua.school.nz">principal@kura-porirua.school.nz</a>

#### Members of the Board of Trustees

Term expires	Position		Name
May-22	Chair Person		Michelle Hippolite
	Principal	ex Officio	Sophie Tukukino
May-22	Parent Rep		Pania Mitchell
May-22	Parent Rep	Co-opted	Tina Bennett
May-22	Parent Rep	Co-opted	Heather Fuimaono
May-22	Parent Rep		Melissa Nielsen
May-22	Parent Rep	Co-opted	Wareko Te Angina
	Iwi Rep		Mikaere Paki
May-22	Parent Rep		Te Rau Kupenga
May-22	Parent Rep		Richard Anderson
	Student Rep		Mairangimoana Te Angina
	Student Rep		Ngatuere Matakatea
	Staff Rep		Evelyn Wharehinga

<b>Accountant / Service Provider:</b>	Davidson Dickson Ltd
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# TE KURA MAORI O PORIRUA

Annual Report - For the year ended 31 December 2019

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# TE KURA MAORI o PORIRUA

## 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.

Michelle Hippolite

Full Name of Board Chairperson



Signature of Board Chairperson

5/11/2020

Date:

Sophie Tukukino

Full Name of Principal



Signature of Principal

5/11/2020

Date:

**TE KURA MAORI o PORIRUA**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	4,241,704	4,173,372	4,024,417
Locally Raised Funds	3	124,590	13,500	308,628
Interest income		20,039	14,000	19,804
		<u>4,386,333</u>	<u>4,200,872</u>	<u>4,352,849</u>
<b>Expenses</b>				
Locally Raised Funds	3	85,196	-	125,881
Learning Resources	4	2,985,319	2,981,039	2,758,925
Administration	5	191,537	197,666	181,924
Finance		3,124	-	3,256
Property	6	773,537	784,022	773,981
Depreciation	7	91,549	90,000	101,466
Transport		141,729	144,000	127,417
		<u>4,271,991</u>	<u>4,196,727</u>	<u>4,072,850</u>
<b>Net Surplus / (Deficit) for the year</b>		114,342	4,145	279,999
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>114,342</u>	<u>4,145</u>	<u>279,999</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

**TE KURA MAORI o PORIRUA**

**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		908,782	802,872	621,657
Total comprehensive revenue and expense for the year		114,342	4,145	279,999
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	7,126
<b>Equity at 31 December</b>	23	1,023,124	807,017	908,782
Retained Earnings		1,023,124	807,017	908,782
<b>Equity at 31 December</b>		1,023,124	807,017	908,782

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**TE KURA MAORI o PORIRUA**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	77,336	117,372	55,366
Accounts Receivable	9	173,346	150,000	229,507
GST Receivable		20,404	-	7,896
Prepayments		4,267	10,000	17,365
Inventories	10	2,340	3,000	2,525
Investments	11	684,357	400,000	631,531
		<u>962,050</u>	<u>680,372</u>	<u>944,190</u>
<b>Current Liabilities</b>				
GST Payable		-	-	-
Accounts Payable	13	239,319	178,900	228,023
Revenue Received in Advance	14	12,663	-	38,690
Provision for Cyclical Maintenance	15	62,567	50,000	48,213
Finance Lease Liability - Current Portion	16	18,922	20,000	16,566
Funds held for Capital Works Projects	17	(37,188)	-	(16,131)
		<u>296,283</u>	<u>248,900</u>	<u>315,361</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>665,767</u>	<u>431,472</u>	<u>628,829</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	<u>420,205</u>	<u>450,777</u>	<u>355,165</u>
		420,205	450,777	355,165
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	48,960	65,232	67,505
Finance Lease Liability	16	13,888	10,000	7,707
		<u>62,848</u>	<u>75,232</u>	<u>75,212</u>
<b>Net Assets</b>		<u>1,023,124</u>	<u>807,017</u>	<u>908,782</u>
<b>Equity</b>				
	23	<u>1,023,124</u>	<u>807,017</u>	<u>908,782</u>

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

# TE KURA MAORI o PORIRUA

## Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		1,470,519	1,359,483	1,154,279
Locally Raised Funds		130,723	13,500	306,641
Goods and Services Tax (net)		(12,509)	-	4,460
Payments to Employees		(567,920)	(579,871)	(279,168)
Payments to Suppliers		(791,760)	(731,067)	(971,269)
Cyclical Maintenance Payments in the year		(3,500)	26,728	(14,305)
Interest Paid		(3,124)	-	(3,256)
Interest Received		21,476	16,000	18,235
Net cash from Operating Activities		243,905	104,773	215,617
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	(15,000)	-
Purchase of PPE (and Intangibles)		(125,467)	(105,700)	(39,950)
Purchase of Investments		(52,825)	(150,000)	(399,473)
Net cash to Investing Activities		(178,292)	(270,700)	(439,423)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	7,126
Finance Lease Payments		(22,586)	(18,000)	(20,374)
Funds Held for Capital Works Projects		(21,057)	-	(13,686)
Net cash to Financing Activities		(43,643)	(18,000)	(26,934)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,969</b>	<b>(183,927)</b>	<b>(250,740)</b>
Cash and cash equivalents at the beginning of the year	8	55,366	301,299	306,106
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>77,336</b>	<b>117,372</b>	<b>55,366</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

# **TE KURA MAORI o PORIRUA**

## **Notes to the Financial Statements**

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

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

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

Te Kura Maori o Porirua (the Kura) is a Crown entity as specified in the Crown Entities Act 2004 and a Kura as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the Kura 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 Kura, 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 Kura 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 Kura 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 Kura qualifies for Tier 2 as the Kura 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 Kura reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The Kura 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 12.

### ***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 Kura. 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 Kura reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The Kura 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 Kura receives funding from the Ministry of Education. The following are the main types of funding that the Kura receives;

Operational grants are recorded as revenue when the Kura 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 Kura has the rights to the funding in the salary period they relate to. The grants are not received in cash by the Kura and are paid directly to teachers by the Ministry of Education.

#### ***Other Grants***

Other grants are recorded as revenue when the Kura 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 Kura.

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Kura 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 Group 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 Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group 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 Kura uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

## **j) Investments**

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

### **Prior Year Policy**

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

*Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated 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 Group may incur on sale or other disposal.*

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

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20-50 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3-5 years term of lease
Library resources	12.5% Diminishing value

## **l) Intangible Assets**

### *Software costs*

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

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

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

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

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

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

### *Non cash generating assets*

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

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

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

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

## **n) Accounts Payable**

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

## **o) Employee Entitlements**

### *Short-term employee entitlements*

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

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

### *Long-term employee entitlements*

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

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

**p) Revenue Received in Advance**

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

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

**q) Funds Held in Trust**

Funds are held in trust where they have been received by the Kura for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The Kura holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating Kuras as agreed with the Ministry of Education. The cluster of Kuras operate activities outside of Kura control. These amounts are not recorded in the Statement of Revenue and Expense. The Kura holds sufficient funds to enable the funds to be used for their intended purpose.

**s) Provision for Cyclical Maintenance**

The property from which the Kura 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 Kura site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the Kura, 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).

**t) Financial Assets and Liabilities**

The Kura'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 Kura'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.

**u) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the Kura has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**v) 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.

**w) Budget Figures**

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

**x) 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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,050,880	1,033,111	986,272
Teachers' Salaries Grants	2,277,644	2,277,644	2,227,567
Use of Land and Buildings Grants	536,245	536,245	512,024
Resource Teachers Learning and Behaviour Grants	1,538	-	2,254
Other MoE Grants	161,473	136,372	103,196
Transport grants	213,924	190,000	192,278
Other Government Grants	-	-	826
	<b>4,241,704</b>	<b>4,173,372</b>	<b>4,024,417</b>

## 3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	10,898	5,000	12,712
Activities	57,338	-	152,193
Trading	25,399	1,000	22,443
Fundraising	17,774	1,500	17,816
Other Revenue	13,181	6,000	103,464
	<b>124,590</b>	<b>13,500</b>	<b>308,628</b>
<b>Expenses</b>			
Activities	41,248	-	91,813
Trading	31,374	-	26,041
Fundraising (Costs of Raising Funds)	12,574	-	8,027
	<b>85,196</b>	<b>-</b>	<b>125,881</b>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<b>39,394</b>	<b>13,500</b>	<b>182,747</b>

#### 4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	122,617	158,024	198,090
Equipment Repairs	-	-	890
Information and Communication Technology	33,260	24,000	31,904
Extra-Curricular Activities	45,855	60,000	87,489
Library Resources	-	-	-
Employee Benefits - Salaries	2,729,209	2,694,015	2,409,874
Staff Development	54,378	45,000	30,678
	<b>2,985,319</b>	<b>2,981,039</b>	<b>2,758,925</b>

#### 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	8,910	8,900	9,910
Board of Trustees Fees	3,157	5,000	2,395
Board of Trustees Expenses	16,277	15,438	7,181
Communication	9,357	15,500	16,516
Consumables	12,807	12,500	11,252
Operating Lease	832	850	832
Other	12,748	16,400	16,120
Employee Benefits - Salaries	112,423	107,000	99,637
Insurance	5,826	6,878	9,206
Service Providers, Contractors and Consultancy	9,200	9,200	8,875
	<b>191,537</b>	<b>197,666</b>	<b>181,924</b>

#### 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	17,060	23,000	22,083
Consultancy and Contract Services	51,776	50,000	49,836
Cyclical Maintenance Provision	(691)	8,000	19,419
Grounds	12,849	25,400	30,566
Heat, Light and Water	29,438	23,506	30,237
Rates	3,883	1,800	804
Repairs and Maintenance	79,280	69,571	68,514
Use of Land and Buildings	536,245	536,245	512,024
Security	8,902	10,000	10,280
Employee Benefits - Salaries	34,795	36,500	30,218
	<b>773,537</b>	<b>784,022</b>	<b>773,981</b>

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



## 7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	3,276	2,500	3,276
Furniture and Equipment	36,412	37,500	29,802
Information and Communication Technology	19,540	20,000	24,298
Motor Vehicles	14,905	15,000	14,201
Leased Assets	16,498	15,000	28,839
Library Resources	918	-	1,050
	<u>91,549</u>	<u>90,000</u>	<u>101,466</u>

## 8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	600	-	280
Bank Current Account	76,136	117,372	54,837
Bank Call Account	600	-	249
Cash and cash equivalents for Cash Flow Statement	<u>77,336</u>	<u>117,372</u>	<u>55,366</u>

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

## 9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	-	-	74,863
Interest Receivable	3,100	-	4,539
Teacher Salaries Grant Receivable	170,246	150,000	150,105
	<u>173,346</u>	<u>150,000</u>	<u>229,507</u>
Receivables from Exchange Transactions	3,100	-	4,539
Receivables from Non-Exchange Transactions	170,246	150,000	224,968
	<u>173,346</u>	<u>150,000</u>	<u>229,507</u>

## 10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	2,340	3,000	2,525
	<u>2,340</u>	<u>3,000</u>	<u>2,525</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset Short-term Bank Deposits	684,357	400,000	631,531
<b>Total Investments</b>	<b>684,357</b>	<b>400,000</b>	<b>631,531</b>

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Buildings	88,087	-	-	-	(3,276)	<b>84,811</b>
Furniture and Equipment	159,520	104,911	-	-	(36,412)	<b>228,019</b>
Information and Communication	33,141	13,605	-	-	(19,540)	<b>27,206</b>
Motor Vehicles	45,141	6,952	-	-	(14,905)	<b>37,188</b>
Leased Assets	21,930	31,122	-	-	(16,498)	<b>36,554</b>
Library Resources	7,346	-	-	-	(918)	<b>6,428</b>
<b>Balance at 31 December 2019</b>	<b>355,165</b>	<b>156,590</b>	<b>-</b>	<b>-</b>	<b>(91,549)</b>	<b>420,205</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Buildings	140,641	(55,830)	<b>84,811</b>
Furniture and Equipment	667,101	(439,081)	<b>228,019</b>
Information and Communication	183,064	(155,859)	<b>27,205</b>
Motor Vehicles	91,402	(54,214)	<b>37,188</b>
Leased Assets	139,687	(103,133)	<b>36,554</b>
Library Resources	34,492	(28,064)	<b>6,428</b>
<b>Balance at 31 December 2019</b>	<b>1,256,387</b>	<b>(836,179)</b>	<b>420,205</b>

## 12. Property, Plant and Equipment cont.

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Buildings	91,363	-	-	-	(3,276)	<b>88,087</b>
Furniture and Equipment	162,206	27,116	-	-	(29,802)	<b>159,520</b>
Information and Communication Technology	53,521	3,918	-	-	(24,298)	<b>33,141</b>
Motor Vehicles	59,342	-	-	-	(14,201)	<b>45,141</b>
Leased Assets	41,854	8,915	-	-	(28,839)	<b>21,930</b>
Library Resources	8,396	-	-	-	(1,050)	<b>7,346</b>
<b>Balance at 31 December 2018</b>	<b>416,682</b>	<b>39,949</b>	<b>-</b>	<b>-</b>	<b>(101,466)</b>	<b>355,165</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Buildings	140,641	(52,554)	<b>88,087</b>
Furniture and Equipment	562,189	(402,669)	<b>159,520</b>
Information and Communication Technology	169,460	(136,319)	<b>33,141</b>
Motor Vehicles	84,450	(39,309)	<b>45,141</b>
Leased Assets	108,565	(86,635)	<b>21,930</b>
Library Resources	34,492	(27,146)	<b>7,346</b>
<b>Balance at 31 December 2018</b>	<b>1,099,797</b>	<b>(744,632)</b>	<b>355,165</b>

## 13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	7,089	20,000	43,493
Accruals	5,346	8,900	8,650
Employee Entitlements - Salaries	188,133	150,000	150,105
Employee Entitlements - Leave Accrual	38,751	-	25,775
	<b>239,319</b>	<b>178,900</b>	<b>228,023</b>
Payables for Exchange Transactions	239,319	178,900	228,023
	<b>239,319</b>	<b>178,900</b>	<b>228,023</b>

The carrying value of payables approximates their fair value.

#### 14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	-	-	32,160
Other	12,663	-	6,530
	<u>12,663</u>	<u>-</u>	<u>38,690</u>

#### 15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	115,718	115,718	110,604
Increase/ (decrease) to the Provision During the Year	(691)	8,000	19,419
Use of the Provision During the Year	(3,500)	-	(14,305)
Provision at the End of the Year	<u>111,527</u>	<u>123,718</u>	<u>115,718</u>
Cyclical Maintenance - Current	62,567	50,000	48,213
Cyclical Maintenance - Term	48,960	65,232	67,505
	<u>111,527</u>	<u>115,232</u>	<u>115,718</u>

#### 16. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	18,922	-	16,566
Later than One Year and no Later than Five Years	13,888	-	7,707
	<u>32,810</u>	<u>-</u>	<u>24,273</u>

## 17. 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 \$
Admin Hall	<i>completed</i>	(9,180)	-	-	-	(9,180)
Roofing project	<i>completed</i>	10,836	1,154	(11,990)	-	-
Student toilets	<i>in progress</i>	(21,960)	25,000	(31,048)	-	(28,008)
Fire damage	<i>in progress</i>	4,173	2,338	(1,598)	(4,913)	-
Totals		(16,131)	28,492	(44,636)	(4,913)	(37,188)

### Represented by:

Funds Held on Behalf of the Ministry of Education

-

Funds Due from the Ministry of Education

(37,188)

37,188

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Admin Hall	<i>on hold</i>	(9,180)	-	-	(9,180)
Roofing project	<i>on going</i>	-	35,000	(24,164)	10,836
Student toilets	<i>on going</i>	-	-	(21,960)	(21,960)
Fire damage	<i>on going</i>	(2,193)	104,319	(97,953)	4,173
Gas leaks	<i>closed</i>	6,340	1,160	(7,500)	-
Storm damage	<i>closed</i>	1,037	413	(1,450)	-
Switchboard	<i>closed</i>	1,550	-	(1,550)	-
Totals		(2,446)	140,892	(154,577)	(16,131)

## 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 \$
<i>Board Members</i>		
Remuneration	3,157	2,395
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	257,276	245,413
Full-time equivalent members	2	2
Total key management personnel remuneration	260,433	247,808
Total full-time equivalent personnel	2.00	2.00

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	150-160	145-150
Benefits and Other Emoluments	0-5	3-4
Termination Benefits	-	-

### Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	2.00	0.00
	2.00	0.00

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

## 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	-	-
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. 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

There were no capital commitments as at 31 December 2019.  
(31 December 2018: Nil)

### (b) Operating Commitments

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

(a) operating lease of a vehicle for the attached unit;

	2019 Actual \$	2018 Actual \$
No later than One Year	5,616	-
Later than One Year and No Later than Five Years	10,296	-
	<u>15,912</u>	<u>-</u>

(a) operating lease of a laptops;

	2019 Actual \$	2018 Actual \$
No later than One Year	843	1,686
Later than One Year and No Later than Five Years		843
	<u>843</u>	<u>2,529</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 (2019: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	77,336	117,372	55,366
Receivables	173,346	150,000	229,507
Investments - Term Deposits	684,357	400,000	631,531
Total Financial assets measured at amortised cost	935,039	667,372	916,404

### Financial liabilities measured at amortised cost

Payables	239,319	178,900	228,023
Borrowings - Loans	-	-	-
Finance Leases	32,810	30,000	24,273
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	272,129	208,900	252,296

## 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 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 was physically closed but open for tuition, the school 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. Comparatives

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



## **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 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 11 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

## **28. Breach of Law - Failure to meet statutory reporting deadlines**

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