

BATHGATE PARK SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	647
Principal:	Whetu Cormick
School Address:	213 Macandrew Road, South Dunedin 9012
School Postal Address:	213 Macandrew Road, South Dunedin 9012
School Phone:	03 455 3421
School Email:	principal@bathgatepark.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Selena Pomeroy	Chair Person	Elected	Health Worker	Apr-22
Whetu Cormick	Principal	ex Officio		
Katrina Robertson	Acting Principal	ex Officio		
Karen Campbell	Treasurer	Elected	Accounts manager	Apr-19
Joedine Hepi	Treasurer	Elected	Midwifery student	Apr-22
Tracy Cameron	Parent Rep	Elected	After School Manager	Apr-22
Geana Elisara	Parent Rep	Elected	Homemaker	Apr-19
Maria Hunt	Parent Rep	Elected	Early Childhood	Apr-19
Mike Rangihika	Parent Rep	Elected	Builder	Apr-19
Darryl Baser	Parent Rep	Elected	Journalist	Apr-22
Monika Pociecha	Parent Rep	Elected	Cleaner	Apr-22
Mark Tuten	Parent Rep	Elected	Policeman	Apr-22
Wendy Lipine	Staff Rep	Elected	Teacher Aide	Apr-22
Sandy Ehlers	Secretary	non voting	Teacher	

Accountant / Service Provider: MOORE Markhams Otago

BATHGATE PARK SCHOOL

Annual Report - For the year ended 31 December 2019

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Bathgate Park 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.

Selena Teresa Pommeroy
Full Name of Board Chairperson

Katrina Marie Robertson
Full Name of Principal

Selena
Signature of Board Chairperson

K.M. Robertson
Signature of Principal

25.05.2020
Date:

25/05/2020
Date:

Bathgate Park School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	2,109,834	1,743,494	1,872,984
Locally Raised Funds	3	57,193	72,273	72,414
Interest income		2,080	858	1,887
Gain on Sale of Property, Plant and Equipment		66		
		<u>2,169,173</u>	<u>1,816,625</u>	<u>1,947,285</u>
Expenses				
Locally Raised Funds	3	37,972	39,302	38,946
Learning Resources	4	1,489,849	1,188,836	1,359,002
Administration	5	103,292	83,230	81,653
Finance		1,947	-	2,787
Property	6	535,358	477,240	476,596
Depreciation	7	29,352	43,945	43,243
Loss on Disposal of Property, Plant and Equipment		98	-	290
		<u>2,197,868</u>	<u>1,832,553</u>	<u>2,002,517</u>
Net Surplus / (Deficit) for the year		(28,695)	(15,928)	(55,232)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(28,695)</u>	<u>(15,928)</u>	<u>(55,232)</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.

Bathgate Park 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		(36,898)	(36,898)	18,334
Total comprehensive revenue and expense for the year		(28,695)	(15,928)	(55,232)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		4,364	-	-
Equity at 31 December	20	(61,229)	(52,826)	(36,898)
Retained Earnings		(61,229)	(52,826)	(36,898)
Reserves		-	-	-
Equity at 31 December		(61,229)	(52,826)	(36,898)

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.

Bathgate Park School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	100,204	85,778	101,706
Accounts Receivable	9	103,627	90,415	90,415
Prepayments		3,931	4,541	4,541
Inventories	10	1,515	2,615	2,615
		<u>209,277</u>	<u>183,349</u>	<u>199,277</u>
Current Liabilities				
GST Payable		3,541	1,624	1,624
Accounts Payable	12	84,763	94,980	94,980
Provision for Cyclical Maintenance	13	79,750	74,000	74,000
Finance Lease Liability - Current Portion	14	9,600	9,482	9,482
Funds held for Capital Works Projects	15	21,471	26,243	26,243
		<u>199,125</u>	<u>206,329</u>	<u>206,329</u>
Working Capital Surplus/(Deficit)		10,152	(22,980)	(7,052)
Non-current Assets				
Property, Plant and Equipment	11	84,340	95,662	95,662
		<u>84,340</u>	<u>95,662</u>	<u>95,662</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	145,833	112,600	112,600
Finance Lease Liability	14	9,888	12,908	12,908
		<u>155,721</u>	<u>125,508</u>	<u>125,508</u>
Net Assets		<u>(61,229)</u>	<u>(52,826)</u>	<u>(36,898)</u>
Equity	20	<u>(61,229)</u>	<u>(52,826)</u>	<u>(36,898)</u>

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

Bathgate Park 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	673,737	481,394	619,777
Locally Raised Funds	35,310	72,273	72,947
Goods and Services Tax (net)	1,916	-	4,444
Payments to Employees	(426,853)	(339,780)	(460,203)
Payments to Suppliers	(265,971)	(186,728)	(242,954)
Interest Paid	(1,378)	-	(2,424)
Interest Received	3,108	858	1,395
	<hr/>	<hr/>	<hr/>
Net cash from Operating Activities	19,870	28,017	(7,018)
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(32)	-	(290)
Purchase of PPE (and Intangibles)	(10,549)	(43,945)	32
Purchase of Investments	-	-	75,000
	<hr/>	<hr/>	<hr/>
Net cash from Investing Activities	(10,581)	(43,945)	74,742
Cash flows from Financing Activities			
Furniture and Equipment Grant	4,364	-	-
Finance Lease Payments	(10,383)	-	(21,091)
Funds Held for Capital Works Projects	(4,772)	-	16,430
	<hr/>	<hr/>	<hr/>
Net cash from Financing Activities	(10,791)	-	(4,661)
	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(1,502)	(15,928)	63,063
Cash and cash equivalents at the beginning of the year	8	101,706	101,706
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	8	100,204	85,778
	<hr/>	<hr/>	<hr/>
		101,706	101,706

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..

Bathgate Park School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Bathgate Park 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 23.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using 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.

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

Property, plant and equipment 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 years
Furniture and equipment	5–20 years
Leased assets held under a Finance Lease	3-4 years
Library resources	10 years

l) Intangible Assets

Software costs

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

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) 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).

q) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards.

The School’s financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as “financial liabilities measured at amortised cost” for accounting purposes in accordance with financial reporting standards.

r) Borrowings

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

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

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

s) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

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.

t) Budget Figures

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

u) 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	390,171	394,617	394,617
Teachers' Salaries Grants	1,074,780	918,000	890,920
Use of Land and Buildings Grants	365,560	344,100	340,486
Other MoE Grants	88,498	51,874	51,876
Other Government Grants	190,825	34,903	195,085
	<u>2,109,834</u>	<u>1,743,494</u>	<u>1,872,984</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	15,257	25,270	25,271
Bequests & Grants	4,366	5,865	5,925
Activities	21,020	20,588	20,668
Trading	3,634	6,965	6,965
Fundraising	5,095	4,569	4,569
Other Revenue	7,821	9,016	9,016
	<u>57,193</u>	<u>72,273</u>	<u>72,414</u>
Expenses			
Activities	25,997	19,911	21,341
Trading	4,102	10,701	8,086
Fundraising (Costs of Raising Funds)	3,023	2,858	2,858
Transport (Local)	4,437	4,536	4,758
Other Locally Raised Funds Expenditure	413	1,296	1,903
	<u>37,972</u>	<u>39,302</u>	<u>38,946</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>19,221</u>	<u>32,971</u>	<u>33,468</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	43,134	38,020	40,739
Information and Communication Technology	738	536	537
Extra-Curricular Activities	2,377	-	4,322
Library Resources	-	2,500	515
Employee Benefits - Salaries	1,435,415	1,147,780	1,301,126
Staff Development	8,185	-	11,763
	<u>1,489,849</u>	<u>1,188,836</u>	<u>1,359,002</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,917	3,996	3,594
Board of Trustees Fees	4,510	4,000	3,315
Board of Trustees Expenses	1,509	-	1,238
Communication	4,372	4,750	4,821
Consumables	4,835	5,100	3,650
Operating Lease	11,234	-	(82)
Other	10,857	6,250	6,016
Employee Benefits - Salaries	51,991	50,000	49,997
Insurance	5,087	4,534	4,534
Service Providers, Contractors and Consultancy	4,980	4,600	4,570
	103,292	83,230	81,653

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	5,393	4,000	4,446
Consultancy and Contract Services	49,857	-	59,079
Cyclical Maintenance Provision	38,983	32,000	19,183
Grounds	17,145	5,540	11,563
Heat, Light and Water	31,681	20,000	28,914
Rates	8,164	8,000	7,778
Repairs and Maintenance	2,742	3,000	4,167
Use of Land and Buildings	365,560	344,100	340,486
Security	1,606	600	980
Employee Benefits - Salaries	14,227	60,000	-
	535,358	477,240	476,596

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

7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	956	956	956
Furniture and Equipment	17,827	22,351	21,649
Leased Assets	10,358	20,296	20,296
Library Resources	211	342	342
	29,352	43,945	43,243

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	25,910	-	5,848
Bank Call Account	74,870	10,778	20,858
Short-term Bank Deposits	-	75,000	75,000
Bank Overdraft	(576)	-	-
Cash and cash equivalents for Cash Flow Statement	100,204	85,778	101,706

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

Of the \$100,780 Cash and Cash Equivalents, \$23,925 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	30,993	9,110	9,110
Receivables from the Ministry of Education	-	8,223	8,223
Interest Receivable	-	1,028	1,028
Teacher Salaries Grant Receivable	72,634	72,054	72,054
	103,627	90,415	90,415
Receivables from Exchange Transactions	30,993	10,138	10,138
Receivables from Non-Exchange Transactions	72,634	80,277	80,277
	103,627	90,415	90,415

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	450	1,491	1,491
School Uniforms	1,065	1,124	1,124
	1,515	2,615	2,615

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	9,958	-	-	-	(956)	9,002
Furniture and Equipment	64,263	10,581	(32)	-	(17,827)	56,985
Leased Assets	20,965	7,481	-	-	(10,358)	18,088
Library Resources	476	-	-	-	(211)	265
Balance at 31 December 2019	95,662	18,062	(32)	-	(29,352)	84,340

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	54,909	(45,907)	9,002
Furniture and Equipment	455,635	(398,650)	56,985
Leased Assets	83,067	(64,979)	18,088
Library Resources	84,172	(83,907)	265
Balance at 31 December 2019	677,783	(593,443)	84,340

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	10,914	-	-	-	(956)	9,958
Furniture and Equipment	85,944	1,562	(1,594)	-	(21,649)	64,263
Leased Assets	32,381	8,880	-	-	(20,296)	20,965
Library Resources	818	-	-	-	(342)	476
Balance at 31 December 2018	130,057	10,442	(1,594)	-	(43,243)	95,662

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	54,909	(44,951)	9,958
Furniture and Equipment	463,054	(398,791)	64,263
Leased Assets	75,586	(54,621)	20,965
Library Resources	84,172	(83,696)	476
Balance at 31 December 2018	677,721	(582,059)	95,662

12. Accounts Payable

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating Creditors	6,958	17,805	17,805
Accruals	5,171	5,121	5,121
Employee Entitlements - Salaries	72,634	72,054	72,054
	84,763	94,980	94,980
	84,763	94,980	94,980
Payables for Exchange Transactions	84,763	94,980	94,980
	84,763	94,980	94,980
	84,763	94,980	94,980

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	186,600	186,600	167,417
Increase/ (decrease) to the Provision During the Year	38,983	-	19,183
Provision at the End of the Year	225,583	186,600	186,600
	225,583	186,600	186,600
Cyclical Maintenance - Current	79,750	74,000	74,000
Cyclical Maintenance - Term	145,833	112,600	112,600
	225,583	186,600	186,600
	225,583	186,600	186,600

14. 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 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	10,960	-	11,097
Later than One Year and no Later than Five Years	10,471	-	14,171
	21,431	-	25,268
	21,431	-	25,268

15. 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 \$
School Redevelopment	<i>in progress</i>	14,188	-	-	-	14,188
Emergency Butynol repairs	<i>completed</i>	762	-	(762)	-	-
Urgent repairs to windows	<i>completed</i>	19,417	244	(19,661)	-	-
Sick Bay Upgrade	<i>in progress</i>	(2,781)	94,254	(81,736)	-	9,737
Flooded ewer	<i>in progress</i>	-	-	(2,454)	-	(2,454)
Proposed claim power outage	<i>completed</i>	(5,343)	5,343	-	-	-
Totals		26,243	99,841	(104,613)	-	21,471

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

23,925

(2,454)

21,471

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
School Redevelopment	<i>in progress</i>	14,188	-	-	-	14,188
Exterior door replacement	<i>completed</i>	318	-	(318)	-	-
Emergency Butynol repairs	<i>in progress</i>	-	20,140	(19,378)	-	762
Urgent repairs to windows	<i>in progress</i>	-	19,417	-	-	19,417
Sick Bay Upgrade	<i>in progress</i>	-	-	(2,781)	-	(2,781)
Proposed claim power outage	<i>in progress</i>	(4,693)	-	(650)	-	(5,343)
Totals		9,813	39,557	(23,127)	-	26,243

16. 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.

17. 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	4,510	3,315
Full-time equivalent members	0.16	0.27
<i>Leadership Team</i>		
Remuneration	531,161	510,421
Full-time equivalent members	5	5.00
Total key management personnel remuneration	<u>535,671</u>	<u>513,736</u>
Total full-time equivalent personnel	<u>5.16</u>	<u>5.27</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	150 - 160	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
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
110 - 120	-	-
120-130	1	1
	<u>1</u>	<u>1</u>

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

18. 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.

19. Commitments

(a) Capital Commitments

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

(a) \$89,938 contract for Sick Bay Upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$94,254 has been received of which \$84,517 has been spent on the project to date; and

(b) \$1,051,089 contract for redevelopment of the school on merger as agent for the Ministry of Education. This project is fully funded by the Ministry of Education. \$1,049,762 has been received of which \$1,035,574 has been spent on the project to date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2018: \$26,243)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts.

20. 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.

21. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	100,204	85,778	101,706
Receivables	103,627	90,415	90,415
Total Financial assets measured at amortised cost	203,831	176,193	192,121

Financial liabilities measured at amortised cost

Payables	84,763	94,980	94,980
Finance Leases	19,488	22,390	22,390
Total Financial Liabilities Measured at Amortised Cost	104,251	117,370	117,370

22. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing 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.

23. 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.

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

24. Going Concern

The School is experiencing financial difficulties. At balance date the School has negative equity of \$61,229 and an Operating deficit of \$28,695 (considerably reduced from the prior year deficit) and a working capital surplus of \$10,152. This result follows the school having incurred a deficit in the previous year. The School is managing this situation by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.