

# RAVENSBOURNE SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

<b>Ministry Number:</b>	3808
<b>Principal:</b>	Adele Lidgard
<b>School Address:</b>	8 Wanaka Street, Ravensbourne, Dunedin
<b>School Postal Address:</b>	8 Wanaka Street, Ravensbourne, Dunedin 9022
<b>School Phone:</b>	03 471 0410
<b>School Email:</b>	<a href="mailto:principal@ravensbourne.school.nz">principal@ravensbourne.school.nz</a>

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Sara Forbes	Chair Person	Elected	Nurse	Mar-22
Adele Lidgard	Principal	ex Officio		
Andrew Wardell	Parent Rep	Elected	Audio Vis Engineer	Mar-22
Elona Buckingham	Parent Rep	Elected	Parent	Mar-22
Paul Trevathan	Parent Rep	Elected	IT Consultant	Mar-22
Nikki Day-Clarke	Parent Rep	Elected	IRD Team member	Apr-19
Sarah Freiburger	Staff Rep	Elected	Teacher	Jun-19
Monisha Wratten	Staff Rep	Co-opted	Teacher Aide	Sep-19

**Accountant / Service Provider:** MOORE Markhams Otago

# RAVENSBOURNE SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

<b>Page</b>	<b>Statement</b>
-------------	------------------

	<b>Financial Statements</b>
--	-----------------------------

<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 11</u>	Statement of Accounting Policies
<u>12 - 21</u>	Notes to the Financial Statements

	<b>Other Information</b>
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

# Ravensbourne 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.

---

Full Name of Board Chairperson

---

Full Name of Principal

---

Signature of Board Chairperson

---

Signature of Principal

---

Date:

---

Date:

**Ravensbourne School**
**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	416,111	385,633	394,693
Locally Raised Funds	3	19,319	16,150	17,672
Interest income		751	1,000	918
		436,181	402,783	413,283
<b>Expenses</b>				
Locally Raised Funds	3	7,931	1,400	4,809
Learning Resources	4	233,430	211,100	221,877
Administration	5	46,639	43,500	39,766
Finance		2,800	-	2,041
Property	6	150,914	144,633	152,106
Depreciation	7	15,503	10,000	8,384
Loss on Disposal of Property, Plant and Equipment		677	-	4,648
		457,894	410,633	433,631
<b>Net Surplus / (Deficit) for the year</b>		(21,713)	(7,850)	(20,348)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(21,713)	(7,850)	(20,348)

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

**Ravensbourne School**
**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>		12,905	12,905	32,863
Total comprehensive revenue and expense for the year		(21,713)	(7,850)	(20,348)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,215	-	390
<b>Equity at 31 December</b>	19	(7,593)	5,055	12,905
Retained Earnings		(7,593)	5,055	12,905
Reserves		-	-	-
<b>Equity at 31 December</b>		(7,593)	5,055	12,905

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.

# Ravensbourne School

## 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	791	21,921	29,771
Accounts Receivable	9	12,062	11,532	11,532
GST Receivable		15,000	6,698	6,698
Prepayments		1,033	2,390	2,390
Capital Works		1,939	2,458	2,458
		<u>30,825</u>	<u>44,999</u>	<u>52,849</u>
<b>Current Liabilities</b>				
Accounts Payable	11	23,910	34,887	34,887
Finance Lease Liability - Current Portion	13	5,861	5,547	5,547
		<u>29,771</u>	<u>40,434</u>	<u>40,434</u>
<b>Working Capital Surplus/(Deficit)</b>		1,054	4,565	12,415
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	39,973	48,294	48,294
		<u>39,973</u>	<u>48,294</u>	<u>48,294</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	34,878	28,200	28,200
Finance Lease Liability	13	13,742	19,604	19,604
		<u>48,620</u>	<u>47,804</u>	<u>47,804</u>
<b>Net Assets</b>		<u>(7,593)</u>	<u>5,055</u>	<u>12,905</u>
<b>Equity</b>	19	<u>(7,593)</u>	<u>5,055</u>	<u>12,905</u>

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

# Ravensbourne School

## 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		127,762	99,900	103,587
Locally Raised Funds		16,702	16,150	18,146
Goods and Services Tax (net)		(8,302)	-	(14,275)
Payments to Employees		(54,407)	(41,200)	(48,761)
Payments to Suppliers		(97,147)	(73,700)	(59,455)
Interest Paid		(2,666)	-	(1,814)
Interest Received		751	1,000	929
Net cash from Operating Activities		<u>(17,307)</u>	2,150	<u>(1,643)</u>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(677)	-	(4,648)
Purchase of PPE (and Intangibles)		(7,182)	(10,000)	(11,775)
Net cash from Investing Activities		<u>(7,859)</u>	(10,000)	<u>(16,423)</u>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,215	-	390
Finance Lease Payments		(5,548)	-	416
Funds Held for Capital Works Projects		519	-	(50,545)
Net cash from Financing Activities		<u>(3,814)</u>	-	<u>(49,739)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(28,980)</u>	<u>(7,850)</u>	<u>(67,805)</u>
Cash and cash equivalents at the beginning of the year	8	29,771	29,771	97,576
<b>Cash and cash equivalents at the end of the year</b>	8	<u>791</u>	<u>21,921</u>	<u>29,771</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..

# Ravensbourne School

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

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

Ravensbourne 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 22.

###### ***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 10.

#### **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	10-20 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Library resources	8 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. 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 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	85,095	79,900	84,679
Teachers' Salaries Grants	180,544	180,000	184,084
Use of Land and Buildings Grants	106,516	105,733	105,733
Other MoE Grants	1,289	-	1,289
Other Government Grants	42,667	20,000	18,908
	416,111	385,633	394,693

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	4,878	8,000	7,942
Activities	157	-	247
Trading	567	1,150	1,464
Fundraising	11,047	5,000	5,103
Other Revenue	2,670	2,000	2,916
	19,319	16,150	17,672
<b>Expenses</b>			
Activities	109	-	-
Trading	1,446	600	2,534
Fundraising (Costs of Raising Funds)	5,685	800	1,699
Other Locally Raised Funds Expenditure	691	-	576
	7,931	1,400	4,809
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	11,388	14,750	12,863

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	9,731	3,500	2,373
Information and Communication Technology	905	2,300	964
Library Resources	-	300	139
Employee Benefits - Salaries	216,800	200,000	210,781
Staff Development	5,994	5,000	7,620
	233,430	211,100	221,877

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	2,288	2,400	2,749
Board of Trustees Fees	2,950	3,000	2,745
Board of Trustees Expenses	5,274	1,550	1,952
Communication	2,657	2,000	2,664
Consumables	1,339	1,000	1,623
Operating Lease	1,871	5,850	1,005
Other	7,124	5,700	4,983
Employee Benefits - Salaries	17,302	15,500	15,512
Insurance	2,114	2,500	2,513
Service Providers, Contractors and Consultancy	3,720	4,000	4,020
	46,639	43,500	39,766

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	1,687	400	574
Consultancy and Contract Services	2,772	8,000	9,536
Cyclical Maintenance Provision	6,678	5,000	(7,483)
Grounds	3,580	2,000	2,798
Heat, Light and Water	11,261	10,100	11,212
Rates	2,513	2,200	2,392
Repairs and Maintenance	10,373	4,500	18,619
Use of Land and Buildings	106,516	105,733	105,733
Security	1,283	1,000	2,173
Employee Benefits - Salaries	4,251	5,700	6,552
	150,914	144,633	152,106

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	1,268	1,250	1,268
Furniture and Equipment	3,915	4,550	3,312
Information and Communication Technology	705	1,450	1,647
Leased Assets	8,870	2,000	1,418
Library Resources	745	750	739
	15,503	10,000	8,384

**8. Cash and Cash Equivalents**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
		<b>\$</b>	
Cash on Hand	175	175	175
Bank Current Account	(1,092)	22,775	30,625
Bank Call Account	2,583	87	87
Bank Overdraft	(875)	(1,116)	(1,116)
	<u>791</u>	<u>21,921</u>	<u>29,771</u>
Cash and cash equivalents for Cash Flow Statement	<u>791</u>	<u>21,921</u>	<u>29,771</u>

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

**9. Accounts Receivable**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
		<b>\$</b>	
Receivables	-	333	333
Teacher Salaries Grant Receivable	12,062	11,199	11,199
	<u>12,062</u>	<u>11,532</u>	<u>11,532</u>
Receivables from Exchange Transactions	-	333	333
Receivables from Non-Exchange Transactions	12,062	11,199	11,199
	<u>12,062</u>	<u>11,532</u>	<u>11,532</u>



**10. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	5,100	-	-	-	(1,268)	<b>3,832</b>
Furniture and Equipment	12,022	6,524	-	-	(3,915)	<b>14,631</b>
Information and Communication	2,980	980	(677)	-	(705)	<b>2,578</b>
Leased Assets	25,035	-	-	-	(8,870)	<b>16,165</b>
Library Resources	3,157	355	-	-	(745)	<b>2,767</b>
<b>Balance at 31 December 2019</b>	<b>48,294</b>	<b>7,859</b>	<b>(677)</b>	<b>-</b>	<b>(15,503)</b>	<b>39,973</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	96,685	(92,853)	<b>3,832</b>
Furniture and Equipment	52,927	(38,296)	<b>14,631</b>
Information and Communication	36,237	(33,659)	<b>2,578</b>
Leased Assets	26,881	(10,716)	<b>16,165</b>
Library Resources	12,921	(10,154)	<b>2,767</b>
<b>Balance at 31 December 2019</b>	<b>225,651</b>	<b>(185,678)</b>	<b>39,973</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building Improvements	6,367	1	-	-	(1,268)	<b>5,100</b>
Furniture and Equipment	12,258	4,596	(1,520)	-	(3,312)	<b>12,022</b>
Information and Communication					(1,647)	<b>2,980</b>
Technology	3,298	1,478	(149)	-		
Leased Assets	19,672	22,583	(15,802)	-	(1,418)	<b>25,035</b>
Library Resources	3,850	45	-	-	(739)	<b>3,157</b>
<b>Balance at 31 December 2018</b>	<b>45,445</b>	<b>28,703</b>	<b>(17,471)</b>	<b>-</b>	<b>(8,384)</b>	<b>48,294</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Building Improvements	96,685	(91,585)	<b>5,100</b>
Furniture and Equipment	46,403	(34,381)	<b>12,022</b>
Information and Communication Technology	62,101	(59,121)	<b>2,980</b>
Leased Assets	26,881	(1,846)	<b>25,035</b>
Library Resources	12,766	(9,609)	<b>3,157</b>
<b>Balance at 31 December 2018</b>	<b>244,836</b>	<b>(196,542)</b>	<b>48,294</b>

**11. Accounts Payable**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating Creditors	4,447	19,739	19,739
Accruals	3,999	3,949	3,949
Banking Staffing Overuse	3,402	-	-
Employee Entitlements - Salaries	12,062	11,199	11,199
	<u>23,910</u>	<u>34,887</u>	<u>34,887</u>
Payables for Exchange Transactions	23,910	34,887	34,887
	<u>23,910</u>	<u>34,887</u>	<u>34,887</u>

The carrying value of payables approximates their fair value.

**12. Provision for Cyclical Maintenance**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Provision at the Start of the Year	28,200	28,200	35,683
Increase/ (decrease) to the Provision During the Year	6,678	-	4,797
Use of the Provision During the Year	-	-	(12,280)
	<u>34,878</u>	<u>28,200</u>	<u>28,200</u>
Provision at the End of the Year	34,878	28,200	28,200
	<u>34,878</u>	<u>28,200</u>	<u>28,200</u>

**13. Finance Lease Liability**

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

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
No Later than One Year	7,858	-	8,347
Later than One Year and no Later than Five Years	15,654	-	23,511
	<u>23,512</u>	<u>-</u>	<u>31,858</u>

#### 14. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
ILE Remodel Room 1	<i>Completed</i>	(2,458)	10,790	(8,332)	-	-
Spec Needs Bathrm Upgrade	<i>in progress</i>	-	142,148	(142,587)	-	(439)
Proposed Drainage Upgrade	<i>in progress</i>	-	-	(1,500)	-	(1,500)
<b>Totals</b>		<b>(2,458)</b>	<b>152,938</b>	<b>(152,419)</b>	<b>-</b>	<b>(1,939)</b>

#### Represented by:

Funds Due from the Ministry of Education	1,939
	<u>1,939</u>

	2018	Opening Balances	Receipts from MoE	Payments		Closing Balances
		\$	\$	\$		\$
ILE Remodel Room 1	<i>in progress</i>	48,087	-	50,545	-	(2,458)
<b>Totals</b>		<b>48,087</b>	<b>-</b>	<b>50,545</b>	<b>-</b>	<b>(2,458)</b>

#### 15. 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.

## 16. Remuneration

### *Key management personnel compensation*

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

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<i>Board Members</i>		
Remuneration	2,950	2,745
Full-time equivalent members	0.09	0.11
<i>Leadership Team</i>		
Remuneration	94,737	88,965
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	<u>97,687</u>	<u>91,710</u>
Total full-time equivalent personnel	<u>1.09</u>	<u>1.11</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:

	<b>2019 Actual \$000</b>	<b>2018 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	80 - 90
Benefits and Other Emoluments	-	2 - 3
Termination Benefits	-	-

### *Other Employees*

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

<b>Remuneration \$000</b>	<b>2019 FTE Number</b>	<b>2018 FTE Number</b>
110 - 120	-	-
100 - 110	-	-
	<u>-</u>	<u>-</u>

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

## 17. 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.

## 18. Commitments

### (a) Capital Commitments

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

(a) \$157,943 contract for Special Needs Bathroom Upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$142,148 has been received of which \$142,588 has been spent on the project to date.

(Capital commitments at 31 December 2018: \$52,179)

### (b) Operating Commitments

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

## 19. 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.

## 20. 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	791	21,921	29,771
Receivables	12,062	11,532	11,532
Total Financial assets measured at amortised cost	<u>12,853</u>	<u>33,453</u>	<u>41,303</u>

### Financial liabilities measured at amortised cost

Payables	23,910	34,887	34,887
Finance Leases	19,603	25,151	25,151
Total Financial Liabilities Measured at Amortised Cost	<u>43,513</u>	<u>60,038</u>	<u>60,038</u>

## 21. 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 some 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the school's ability to undertake fund raising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.

## 22. 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

**23. Breach of Restriction of Borrowings**

During the year, the school breached clause 29 of Schedule 6 of The Education Act 1989 and the conditions specified in Regulation 12 of the Crown Entities (Financial Power) Regulations 2005.

**24. Failure to comply with Section 87 of the Education Act 1989**

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.