

RUNANGA SCHOOL

Annual Report For the year ended 31 December 2019

Ministry Number: 3495
Principal: Donna Hessell
School Address: McGowan Street Runanga 7803
School Phone: 03 762 7873
School Email: office@runanga.school.nz

Members of the Board of Trustees

Name	Ceased
Trudy Foorde	May-19
Angela Crook	May-19
Andrew Crook	May-19
Jax Crestani	
Nic Rodgers	
Brendon Rodgers	
Victor Given	
Charise Green	
Patricia Blair	
Donna Hessell - Principal	

The term finishes, except for the principal, in May 2022.

Accountant / Service Provider:

Geoff Gillam Consultants

Runanga School Table of Contents

Page	
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expenses
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Cashflow Statement
6	Statement of Accounting Policies
10	Notes and Disclosures
17	Independent Auditor's Report

Other Information

Analysis of Variance
Kiwisport

Runanga 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	624,892	610,484	574,986
Locally Raised Funds	3	12,876	5,500	17,746
Interest Earned		2,524	1,600	2,330
		<hr/>	<hr/>	<hr/>
		640,292	617,584	595,062
Expenses				
Locally Raised Funds	3	12,723	3,000	4,734
Learning Resources	4	405,118	386,900	359,419
Administration	5	64,898	60,570	59,897
Finance Costs		68	-	-
Property	6	161,514	165,022	148,297
Depreciation	7	20,055	26,700	21,895
Loss on Disposal of Property, Plant and Equipment		3,457	-	-
		<hr/>	<hr/>	<hr/>
		667,833	642,192	594,242
Net Surplus / (Deficit)		(27,541)	(24,608)	820
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(27,541)	(24,608)	820

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

Runanga School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>57,746</u>	<u>57,746</u>	<u>56,926</u>
Total comprehensive revenue and expense for the year	(27,541)	(24,608)	820
Owner transactions			
Contribution - Furniture and Equipment Grant	1,821	-	-
Equity at 31 December	<u>32,026</u>	<u>33,138</u>	<u>57,746</u>
Retained Earnings	32,026	33,138	57,746
Equity at 31 December 2019	<u>32,026</u>	<u>33,138</u>	<u>57,746</u>

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

Runanga 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	83,337	57,510	109,110
Accounts Receivable	9	19,023	18,000	17,210
Prepayments		344	500	894
Investments	10	57,775	57,000	55,894
		<u>160,479</u>	<u>133,010</u>	<u>183,108</u>
Current Liabilities				
GST Payable		3,283	3,500	7,722
Accounts Payable	12	26,285	32,000	33,474
Revenue Received in Advance	19	-	-	1,450
Provision for Cyclical Maintenance	13	60,750	60,000	-
Funds held for Capital Works Projects	14	55,922	-	52,664
Finance Lease Liability - Current Portion	15	376	-	1,380
		<u>146,616</u>	<u>95,500</u>	<u>96,690</u>
Working Capital Surplus or (Deficit)		13,863	37,510	86,418
Non-current Assets				
Property, Plant and Equipment	11	57,421	42,828	68,528
		<u>57,421</u>	<u>42,828</u>	<u>68,528</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	37,281	47,200	97,200
Finance Lease Liability	15	1,977	-	-
		<u>39,258</u>	<u>47,200</u>	<u>97,200</u>
Net Assets		<u><u>32,026</u></u>	<u><u>33,138</u></u>	<u><u>57,746</u></u>
Equity		<u><u>32,026</u></u>	<u><u>33,138</u></u>	<u><u>57,746</u></u>

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

Runanga School

Cash Flow Statement

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		204,514	180,860	181,395
Locally Raised Funds		12,876	5,500	17,746
Goods and Services Tax (net)		(4,439)	(4,222)	10,932
Payments to Employees		(128,458)	(86,545)	(104,558)
Payments to Suppliers		(103,120)	(81,021)	(70,168)
Interest Received		2,538	1,804	2,309
Funds Administered on Behalf of Third Parties		1,808	(64,490)	46,646
Net cash from / (to) the Operating Activities		(14,281)	(48,114)	84,302
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(9,790)	(1,000)	(19,119)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		(1,881)	(1,106)	(1,848)
Net cash from / (to) the Investing Activities		(11,671)	(2,106)	(20,967)
Cash flows from Financing Activities				
Contribution by the Ministry of Education - Furniture and Equipment		1,821	-	-
Finance Lease Payments		(1,642)	(1,380)	(2,580)
Net cash from Financing Activities		179	(1,380)	(2,580)
Net increase/(decrease) in cash and cash equivalents		(25,773)	(51,600)	60,755
Cash and cash equivalents at the beginning of the year	8	109,110	109,110	48,355
Cash and cash equivalents at the end of the year	8	83,337	57,510	109,110

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.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Runanga School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

Runanga 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 PBE Accounting Standards (PBE IPSAS) 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 24.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publically 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.

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.

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.

Donations

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 three months 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.

i) 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.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment. After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of securities.

j) 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:	Years
Building improvements – Crown	50
Furniture and equipment	5-15
Information and communication technology	3-5
Leased	3
Library resources	8

k) 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.

l) 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.

m) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees, should the School be unable to provide the services to which they relate.

n) 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).

o) 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 "financial assets measured at fair value through other comprehensive income" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, 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.

p) 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.

q) Budget Figures

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

r) 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	171,066	161,484	160,612
Teachers' salaries grants	305,289	325,000	286,810
Use of Land and Buildings grants	115,021	115,000	106,781
Other government grants	33,516	9,000	20,783
	<u>624,892</u>	<u>610,484</u>	<u>574,986</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<i>Revenue</i>			
Donations	3,346	2,800	14,915
Activities	9,513	2,700	2,627
Trading	17	-	204
	<u>12,876</u>	<u>5,500</u>	<u>17,746</u>
<i>Expenses</i>			
Activities	12,548	2,700	3,483
Trading	17	-	204
Fundraising (costs of raising funds)	158	300	1,047
	<u>12,723</u>	<u>3,000</u>	<u>4,734</u>
<i>Surplus for the year Locally raised funds</i>	<u>153</u>	<u>2,500</u>	<u>13,012</u>

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	15,072	15,200	10,881
Employee Benefits - Salaries	383,545	367,200	344,607
Staff Development	6,501	4,500	3,931
	<u>405,118</u>	<u>386,900</u>	<u>359,419</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,900	3,900	3,786
Board of Trustees Fees	3,655	3,240	2,861
Board of Trustees Expenses	4,550	5,510	3,028
Communication	3,511	3,100	3,590
Consumables	5,676	5,800	4,322
Operating Lease	1,124	1,400	1,713
Staff Expenses	5,578	5,400	6,263
Other	4,194	4,220	4,574
Employee Benefits - Salaries	32,710	28,000	29,760
	<u>64,898</u>	<u>60,570</u>	<u>59,897</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	2,576	3,000	1,302
Cyclical Maintenance Provision	831	10,000	1,002
Grounds	1,431	1,000	1,236
Heat, Light and Water	8,698	9,350	10,527
Rates	1,084	1,200	1,058
Repairs and Maintenance	13,834	8,672	9,957
Use of Land and Buildings - Non-Integrated	115,021	115,000	106,781
Employee Benefits - Salaries	18,039	16,800	16,434
	<u>161,514</u>	<u>165,022</u>	<u>148,297</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	3,200	5,200	3,847
Furniture and Equipment	6,727	13,000	10,019
Information and Communication Technology	6,890	5,000	4,650
Plant	534	500	367
Leased Assets	289	-	-
Library Resources	2,415	3,000	3,012
	<u>20,055</u>	<u>26,700</u>	<u>21,895</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	30	30	30
Bank Current Account	73,283	47,480	81,369
Bank Call Account	10,024	10,000	27,711
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>83,337</u>	<u>57,510</u>	<u>109,110</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Debtors	-	-	-
Interest Accrued	190	-	204
Teacher Salaries Grant Receivable	18,833	18,000	17,006
	<u>19,023</u>	<u>18,000</u>	<u>17,210</u>
Receivables from Exchange Transactions	190	-	204
Receivables from Non-Exchange Transactions	18,833	18,000	17,006
	<u>19,023</u>	<u>18,000</u>	<u>17,210</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than 90 days and No Greater than One Year	57,775	57,000	55,894

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	17,936	-	-	-	(3,200)	14,736
Furniture and Equipment	18,440	1,878	(3,354)	-	(6,727)	10,237
Information and Communication Plant	20,187	7,912	(103)	-	(6,890)	21,106
Leased Assets	4,976	-	-	-	(534)	4,442
Library Resources	-	2,615	-	-	(289)	2,326
	6,989	-	-	-	(2,415)	4,574
Balance at 31 December 2019	68,528	12,405	(3,457)	-	(20,055)	57,421

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	92,939	(78,203)	14,736
Furniture and Equipment	162,085	(151,848)	10,237
Information and Communication Technology Plant	58,436	(37,330)	21,106
Leased Assets	5,372	(930)	4,442
Library Resources	2,615	(289)	2,326
	60,676	(56,102)	4,574
Balance at 31 December 2019	382,123	(324,702)	57,421

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	21,783	-	-	-	(3,847)	17,936
Furniture and Equipment	25,819	2,640	-	-	(10,019)	18,440
Information and Communication Plant	10,358	14,479	-	-	(4,650)	20,187
Leased Assets	3,343	2,000	-	-	(367)	4,976
Library Resources	10,001	-	-	-	(3,012)	6,989
Balance at 31 December 2018	71,304	19,119	-	-	(21,895)	68,528

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	92,939	(75,003)	17,936
Furniture and Equipment	244,658	(226,218)	18,440
Information and Communication Technology Plant	92,083	(71,896)	20,187
Leased Assets	5,372	(396)	4,976
Library Resources	60,676	(53,687)	6,989
Balance at 31 December 2018	495,728	(427,200)	68,528

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	3,360	10,000	12,923
Employee Benefits Payable - Salaries	18,833	18,000	17,006
Employee Benefits Payable - Leave Accrual	4,092	4,000	3,545
	<u>26,285</u>	<u>32,000</u>	<u>33,474</u>
Payables for Exchange Transactions	26,285	32,000	33,474
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>26,285</u>	<u>32,000</u>	<u>33,474</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	97,200	97,200	96,198
Increase to the Provision During the Year	831	10,000	1,002
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>98,031</u>	<u>107,200</u>	<u>97,200</u>
Cyclical Maintenance - Current	60,750	60,000	-
Cyclical Maintenance - Term	37,281	47,200	97,200
	<u>98,031</u>	<u>107,200</u>	<u>97,200</u>

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

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 \$	School Cost \$	Closing Balances \$
Radiators/Admin Roof	<i>in progress</i>	(1,084)	3,270	(1,645)	-	541
Drainage	<i>completed</i>	(5,476)	5,510	(34)	-	-
Multi Purpose Room	<i>in progress</i>	(3,816)	39,151	(20,545)	-	14,790
Roof	<i>completed</i>	8,091	6,146	(14,237)	-	-
Special Needs	<i>in progress</i>	-	42,015	(1,424)	-	40,591
Hardcourt & Drainage	<i>completed</i>	54,949	-	(54,949)	-	-
Totals		<u>52,664</u>	<u>96,092</u>	<u>(92,834)</u>	<u>-</u>	<u>55,922</u>
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	School Cost \$	Closing Balances \$
Radiators/Admin Roof	<i>in progress</i>	47	-	(1,131)	-	(1,084)
Drainage	<i>in progress</i>	(2,750)	-	(2,726)	-	(5,476)
Multi Purpose Room	<i>in progress</i>	(1,295)	-	(2,521)	-	(3,816)
Roof	<i>in progress</i>	11,466	-	(3,375)	-	8,091
Hardcourt & Drainage	<i>in progress</i>	-	54,959	-	-	54,949
Totals		<u>7,468</u>	<u>54,959</u>	<u>(9,753)</u>	<u>-</u>	<u>52,664</u>

15. Finance Lease Liability

The School has entered into a finance lease agreements for a photocopier. Minimum lease payments payable:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	376	-	1,380
Later than One Year and no Later than Five Years	1,977	-	-
Later than Five Years	-	-	-
	<u>2,353</u>	<u>-</u>	<u>1,380</u>

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	3,655	2,861
Full-time equivalent members	0.08	0.08
<i>Leadership Team</i>		
Remuneration	102,129	100,951
Full-time equivalent members	1	1
Total key management personnel remuneration	<u>105,784</u>	<u>103,812</u>
Total full-time equivalent personnel	<u>1.08</u>	<u>1.08</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	100-110	
Benefits and Other Emoluments	1-5	1-5
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2018: nil).

18. 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	-	-

19. 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.

20. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board had no capital commitments.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board had no operating commitments.

(Operating commitments at 31 December 2018: nil)

21. 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.

22. 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	83,337	57,510	109,110
Receivables	19,023	18,000	17,210
Investments - Term Deposits	57,775	57,000	55,894
Total Cash and Receivables	160,135	132,510	182,214
Financial liabilities measured at amortised cost			
Payables	26,285	32,000	33,474
Borrowings - Loans	-	-	-
Finance Leases	2,353	-	1,380
Total Financial Liabilities Measured at Amortised Cost	28,638	32,000	34,854

23. Events After Balance Date

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

24. 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 10 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

25. Impact from COVID-19

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 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 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.