

WHAKAREWAREWA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	2081
Principal:	Hinei Taute
School Address:	63 Sala Street, Rotorua
School Postal Address:	P O Box 6014, Rotorua, 3043
School Phone:	07 348 3865
School Email:	admin@whakarewarewa.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Michele Hawe	Chairperson	Elected	Semi-retired	Jun 2022
Hinei Taute	Principal	ex Officio		
Lynette Walmsley	Parent Rep	Elected	Adult Tutor	Jun 2022
Ngarepo Eparaima	Parent Rep	Elected	Administrator TTA	Jun 2022
Sara Hona	Parent Rep	Elected	Student	Jun 2019
Arihi Harvey	Parent Rep	Elected	Teacher	Jun 2022
Kararaina Ngoungou	Parent Rep	Elected	Dental Therapist	Jun 2019
Janice Simeon	Parent Rep	Elected	Teacher	Jun 2022
Lisa Reweti	Staff Rep	Elected	Teacher	Jun 2019
Dallas Te Aonui	Staff Rep	Elected	Student	Jun 2022

Accountant / Service Provider: Education Services Ltd

WHAKAREWAREWA SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 12	Statement of Accounting Policies
13 - 21	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Whakarewarewa 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:

Whakarewarewa 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	1,341,369	868,487	1,015,024
Locally Raised Funds	3	118,155	63,610	88,735
Interest income		6,487	5,700	7,785
Gain on Sale of Property, Plant and Equipment		35	-	3,141
		<hr/>	<hr/>	<hr/>
		1,466,046	937,797	1,114,685
Expenses				
Locally Raised Funds	3	52,878	12,447	30,980
Learning Resources	4	848,839	505,962	584,229
Administration	5	105,133	100,452	99,694
Finance		603	300	318
Property	6	282,865	245,598	246,770
Depreciation	7	37,759	34,151	33,865
Loss on Disposal of Property, Plant and Equipment		568	-	-
Transport		17,379	15,550	15,395
		<hr/>	<hr/>	<hr/>
		1,346,024	914,460	1,011,251
Net Surplus / (Deficit) for the year		120,022	23,337	103,434
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		120,022	23,337	103,434

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

Whakarewarewa 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		558,561	534,859	453,440
Total comprehensive revenue and expense for the year		120,022	23,337	103,434
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,707	-	1,687
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	23	682,290	558,196	558,561
Retained Earnings		682,290	558,196	558,561
Equity at 31 December		682,290	558,196	558,561

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.

Whakarewarewa School

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	308,805	247,424	207,165
Accounts Receivable	9	53,450	34,781	41,171
GST Receivable		7,911	4,782	5,943
Prepayments		6,942	6,247	6,637
Inventories	10	3,929	13,891	5,473
Investments	11	112,673	16,574	109,542
		<hr/>	<hr/>	<hr/>
		493,710	323,699	375,931
Current Liabilities				
Accounts Payable	13	74,200	48,464	48,176
Revenue Received in Advance	14	4,291	1,370	11,709
Provision for Cyclical Maintenance	15	-	3,500	4,466
Finance Lease Liability - Current Portion	16	7,087	2,437	5,306
Funds held for Capital Works Projects	17	4,439	-	5,135
		<hr/>	<hr/>	<hr/>
		90,017	55,771	74,792
Working Capital Surplus/(Deficit)		403,693	267,928	301,139
Non-current Assets				
Investments (more than 12 months)	11	16,574	-	16,574
Property, Plant and Equipment	12	298,778	313,136	270,835
		<hr/>	<hr/>	<hr/>
		315,352	313,136	287,409
Non-current Liabilities				
Provision for Cyclical Maintenance	15	32,410	22,868	22,857
Finance Lease Liability	16	4,345	-	7,130
		<hr/>	<hr/>	<hr/>
		36,755	22,868	29,987
Net Assets		<hr/>	<hr/>	<hr/>
		682,290	558,196	558,561
Equity		<hr/>	<hr/>	<hr/>
		682,290	558,196	558,561

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

Whakarewarewa 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		417,923	320,470	325,651
Locally Raised Funds		110,872	65,060	104,046
Goods and Services Tax (net)		(1,968)	-	(1,161)
Payments to Employees		(193,716)	(179,993)	(150,761)
Payments to Suppliers		(177,153)	(40,853)	(112,649)
Interest Paid		(603)	(300)	(318)
Interest Received		7,404	5,700	6,868
Net cash from Operating Activities		162,759	170,084	171,676
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		35	-	3,141
Purchase of PPE (and Intangibles)		(55,351)	(66,856)	(51,104)
Purchase of Investments		(3,130)	-	(25,014)
Net cash from Investing Activities		(58,446)	(66,856)	(72,977)
Cash flows from Financing Activities				
Furniture and Equipment Grant		3,707	-	1,687
Finance Lease Payments		(5,684)	(6,804)	(5,870)
Painting contract payments		-	-	(2,167)
Funds Held for Capital Works Projects		(696)	-	(36,184)
Net cash from Financing Activities		(2,673)	(6,804)	(42,534)
Net increase/(decrease) in cash and cash equivalents		101,640	96,424	56,165
Cash and cash equivalents at the beginning of the year	8	207,165	151,000	151,000
Cash and cash equivalents at the end of the year	8	308,805	247,424	207,165

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..

Whakarewarewa School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Whakarewarewa 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 27.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

Cyclical Maintenance Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the 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:

Land	Nil
Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication	5 years
Motor Vehicles	5 years
Textbooks	5 years
Library Resources	12.5% DV

Leased assets are depreciated over the life of the lease.

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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the 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) Revenue Received in Advance

Revenue received in advance relates to fees received from students and 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 in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

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

r) Shared Funds

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

s) 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).

t) 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.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the 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.

v) Goods and Services Tax (GST)

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

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	326,854	304,570	288,704
Teachers' Salaries Grants	690,180	380,626	512,060
Use of Land and Buildings Grants	200,023	167,391	177,351
Resource Teachers Learning and Behaviour Grants	6,428	-	7,559
Other MoE Grants	103,948	15,900	29,350
Other Government Grants	13,936	-	-
	<u>1,341,369</u>	<u>868,487</u>	<u>1,015,024</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	860	500	581
Bequests & Grants	47,654	18,000	23,235
Activities	9,951	4,000	8,638
Trading	5,469	7,050	7,492
Fundraising	3,476	3,000	2,836
Other Revenue	50,745	31,060	45,953
	<u>118,155</u>	<u>63,610</u>	<u>88,735</u>
Expenses			
Activities	30,353	10,447	14,134
Trading	8,708	2,000	10,969
Fundraising (Costs of Raising Funds)	159	-	22
Other Locally Raised Funds Expenditure	13,658	-	5,855
	<u>52,878</u>	<u>12,447</u>	<u>30,980</u>
<i>Surplus for the year Locally raised funds</i>	<u>65,277</u>	<u>51,163</u>	<u>57,755</u>

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	19,699	28,080	14,981
Employee Benefits - Salaries	823,059	463,026	561,214
Staff Development	6,081	14,856	8,034
	<u>848,839</u>	<u>505,962</u>	<u>584,229</u>

5. Administration

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	4,065	3,947	3,947
Board of Trustees Fees	4,665	5,025	4,383
Board of Trustees Expenses	7,955	4,850	4,736
Communication	2,283	2,450	2,344
Consumables	4,201	3,250	3,292
Operating Lease	-	-	1,880
Other	5,845	6,570	7,115
Employee Benefits - Salaries	61,160	59,500	57,526
Insurance	8,176	8,000	7,631
Service Providers, Contractors and Consultancy	6,783	6,860	6,840
	<u>105,133</u>	<u>100,452</u>	<u>99,694</u>

6. Property

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	1,878	1,600	1,582
Cyclical Maintenance Expense	5,087	5,714	6,680
Grounds	6,108	6,000	5,818
Heat, Light and Water	14,587	12,500	13,286
Rates	4,977	4,500	4,093
Repairs and Maintenance	7,425	9,000	3,338
Use of Land and Buildings	200,023	167,391	177,351
Security	1,153	800	793
Employee Benefits - Salaries	32,457	38,093	32,677
Consultancy And Contract Services	9,170	-	1,152
	<u>282,865</u>	<u>245,598</u>	<u>246,770</u>

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

7. Depreciation

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	7,535	7,478	7,415
Furniture and Equipment	8,516	5,930	5,881
Information and Communication Technology	9,011	9,673	9,592
Motor Vehicles	5,564	5,611	5,564
Leased Assets	6,828	5,108	5,065
Library Resources	305	351	348
	<u>37,759</u>	<u>34,151</u>	<u>33,865</u>

8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	175	-	175
Bank Current Account	228,735	151,872	142,857
Bank Call Account	79,895	95,552	64,133
Cash equivalents for Cash Flow Statement	<u>308,805</u>	<u>247,424</u>	<u>207,165</u>

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

Of the \$308,805 Cash and Cash Equivalents, \$4,439 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	667	4,998	1,802
Banking Staffing Underuse	1,131	6,233	6,875
Interest Receivable	-	-	917
Teacher Salaries Grant Receivable	51,652	23,550	31,577
	<u>53,450</u>	<u>34,781</u>	<u>41,171</u>
Receivables from Exchange Transactions	667	4,998	2,719
Receivables from Non-Exchange Transactions	52,783	29,783	38,452
	<u>53,450</u>	<u>34,781</u>	<u>41,171</u>

10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	-	805	266
Uniforms	3,929	13,086	5,207
	<u>3,929</u>	<u>13,891</u>	<u>5,473</u>

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	112,673	16,574	109,542
Shares	16,574	-	16,574
Total Investments	<u>129,247</u>	<u>16,574</u>	<u>126,116</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	15,000	-	-	-	-	15,000
Building Improvements	163,215	12,218	-	-	(7,535)	167,898
Furniture and Equipment	46,391	33,231	-	-	(8,516)	71,105
Information and Communication Tech	25,203	14,910	-	-	(9,011)	31,102
Motor Vehicles	5,930	-	-	-	(5,564)	366
Leased Assets	12,658	5,911	(568)	-	(6,828)	11,174
Library Resources	2,439	-	-	-	(305)	2,133
Balance at 31 December 2019	270,836	66,270	(568)	-	(37,759)	298,778

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	15,000	-	15,000
Building Improvements	367,893	(199,995)	167,898
Furniture and Equipment	232,858	(161,753)	71,105
Information and Communication	85,331	(54,229)	31,102
Motor Vehicles	43,426	(43,060)	366
Textbooks	1,180	(1,180)	-
Leased Assets	26,921	(15,747)	11,174
Library Resources	43,682	(41,549)	2,133
Balance at 31 December 2019	816,291	(517,513)	298,778

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	15,000	-	-	-	-	15,000
Building Improvements	166,278	4,350	-	-	(7,415)	163,214
Furniture and Equipment	18,028	34,244	-	-	(5,881)	46,391
Information and Communication Tech	21,673	13,122	-	-	(9,592)	25,203
Motor Vehicles	11,495	-	-	-	(5,564)	5,930
Leased Assets	14,215	3,508	-	-	(5,065)	12,658
Library Resources	2,787	-	-	-	(348)	2,439
Balance at 31 December 2018	249,476	55,224	-	-	(33,865)	270,835

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	15,000	-	15,000
Building Improvements	355,675	(192,461)	163,214
Furniture and Equipment	219,324	(172,933)	46,391
Information and Communication	71,371	(46,168)	25,203
Motor Vehicles	43,426	(37,496)	5,930
Textbooks	1,180	(1,180)	-
Leased Assets	20,164	(7,506)	12,658
Library Resources	43,682	(41,243)	2,439
Balance at 31 December 2018	769,822	(498,987)	270,835

13. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	9,216	6,376	4,144
Accruals	4,065	6,108	3,947
Capital Accruals for PPE items	5,620	-	613
Employee Entitlements - Salaries	51,652	23,550	31,577
Employee Entitlements - Leave Accrual	3,647	12,430	7,895
	<u>74,200</u>	<u>48,464</u>	<u>48,176</u>
Payables for Exchange Transactions	74,201	48,464	48,176
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>74,201</u>	<u>48,464</u>	<u>48,176</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Fees in Advance	4,291	1,370	209
Income in Advance	-	-	11,500
	<u>4,291</u>	<u>1,370</u>	<u>11,709</u>

15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	27,323	20,654	20,643
Increase to the Provision During the Year	5,956	5,714	6,680
Adjustment to the Provision	(869)	-	-
Provision at the End of the Year	<u>32,410</u>	<u>26,368</u>	<u>27,323</u>
Cyclical Maintenance - Current	-	3,500	4,466
Cyclical Maintenance - Term	32,410	22,868	22,857
	<u>32,410</u>	<u>26,368</u>	<u>27,323</u>

16. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	7,087	2,437	5,306
Later than One Year and no Later than Five Years	4,345	-	7,130
	<u>11,432</u>	<u>2,437</u>	<u>12,436</u>

17. Funds Held (Owed) 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 Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Pool & B Block Refurbishment	<i>in progress</i>	5,135	-	696	-	4,439
Totals		<u>5,135</u>	<u>-</u>	<u>696</u>	<u>-</u>	<u>4,439</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	4,439
Funds Due from the Ministry of Education	-
	<u>4,439</u>

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Rationalisation Plan	<i>completed</i>	44,823	(44,823)	-	-	-
Pool & B Block Refurbishment	<i>in progress</i>	(4,314)	9,823	374	-	5,135
Totals		<u>40,509</u>	<u>(35,000)</u>	<u>374</u>	<u>-</u>	<u>5,135</u>

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,665	4,383
Full-time equivalent members	-	0.11
<i>Leadership Team</i>		
Remuneration	322,892	290,692
Full-time equivalent members	3.00	3.04
Total key management personnel remuneration	<u>327,557</u>	<u>295,075</u>
Total full-time equivalent personnel	<u>3.00</u>	<u>3.15</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	130 - 140	130 - 140
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
100 - 110	-	-
	<u>0.00</u>	<u>0.00</u>

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

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

(a) operating lease of laptops;

	2019 Actual \$	2018 Actual \$
No later than One Year	-	1,001
Later than One Year and No Later than Five Years	-	4,118
Later than Five Years	-	-
	<u>-</u>	<u>5,119</u>

23. Managing Capital

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

24. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	308,805	247,424	207,165
Receivables	53,450	34,781	41,171
Investments - Term Deposits	129,247	16,574	126,116
Total Financial assets measured at amortised cost	<u>491,502</u>	<u>298,779</u>	<u>374,452</u>

Financial liabilities measured at amortised cost

Payables	74,200	48,464	48,176
Borrowings - Loans	-	-	-
Finance Leases	11,432	2,437	12,436
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>85,632</u>	<u>50,901</u>	<u>60,612</u>

25. Events After Balance Date

On 11 March 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 reopened on 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.

26. Comparatives

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

27. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 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 9 Investments:

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

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

28. Breach of Law - Statutory Reporting

The Board was unable to file the financial statements of the Kura by 31 May 2020 as required by section 87 of the Education Act 1989 because the Approved Auditor was unable to complete the required audit procedures by the 31 May 2020 due to resource constraints that arose during and subsequent to the lock down arising from the Covid 19 pandemic.