

# MT COOK SCHOOL (WELLINGTON)

Annual Report - For the year ended 31 December 2019

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# Mt Cook School (Wellington)

## 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.

Joanna Hendy  
Full Name of Board Chairperson

Liam Carran  
Full Name of Principal

J Hendy  
Signature of Board Chairperson

LC  
Signature of Principal

29 May 2020  
Date:

29.5.20  
Date:

**Mt Cook School (Wellington)**  
**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	3,154,822	2,937,447	3,066,880
Locally Raised Funds	3	140,770	101,440	139,205
Interest income		6,054	4,000	7,026
		<u>3,301,646</u>	<u>3,042,887</u>	<u>3,213,111</u>
<b>Expenses</b>				
Locally Raised Funds	3	105,304	65,650	89,617
Learning Resources	4	1,960,780	1,789,765	1,877,172
Administration	5	129,669	117,657	124,468
Finance		2,463	1,800	2,330
Property	6	1,093,841	1,033,910	1,087,395
Depreciation	7	44,683	38,973	44,268
		<u>3,336,740</u>	<u>3,047,755</u>	<u>3,225,250</u>
<b>Net Surplus / (Deficit) for the year</b>		(35,094)	(4,868)	(12,139)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(35,094)</u>	<u>(4,868)</u>	<u>(12,139)</u>

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

**Mt Cook School (Wellington)**  
**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>		307,458	327,873	315,725
Total comprehensive revenue and expense for the year		(35,094)	(4,868)	(12,139)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		19,828	-	3,872
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	23	<u>292,192</u>	<u>323,005</u>	<u>307,458</u>
Retained Earnings		292,192	323,005	307,458
<b>Equity at 31 December</b>		<u>292,192</u>	<u>323,005</u>	<u>307,458</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.

**Mt Cook School (Wellington)**  
**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	221,535	198,397	238,256
Accounts Receivable	9	101,228	103,618	111,979
GST Receivable		10,634	5,661	8,832
Prepayments		5,596	6,845	2,596
Inventories	10	267	286	270
Investments	11	72,262	-	-
		<u>411,522</u>	<u>314,807</u>	<u>361,933</u>
<b>Current Liabilities</b>				
Accounts Payable	13	149,671	123,909	143,419
Provision for Cyclical Maintenance	14	-	-	49,774
Finance Lease Liability - Current Portion	15	12,648	-	11,549
Funds held in Trust	16	18,328	16,586	19,809
		<u>180,647</u>	<u>140,495</u>	<u>224,551</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>230,875</b>	<b>174,312</b>	<b>137,382</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	165,890	148,694	184,606
		<u>165,890</u>	<u>148,694</u>	<u>184,606</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	87,350	1	-
Finance Lease Liability	15	17,223	-	14,530
		<u>104,573</u>	<u>1</u>	<u>14,530</u>
<b>Net Assets</b>		<u><u>292,192</u></u>	<u><u>323,005</u></u>	<u><u>307,458</u></u>
<b>Equity</b>		<u><u>292,192</u></u>	<u><u>323,005</u></u>	<u><u>307,458</u></u>

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

**Mt Cook School (Wellington)**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		508,064	459,127	528,593
Locally Raised Funds		140,770	8,050	139,435
Goods and Services Tax (net)		(1,802)	-	(3,171)
Payments to Employees		(262,793)	(220,651)	(305,629)
Payments to Suppliers		(335,220)	(51,417)	(322,591)
Cyclical Maintenance Payments in the year		-	(56,885)	-
Interest Paid		(2,463)	(1,800)	(2,330)
Interest Received		6,074	4,000	7,226
Net cash from Operating Activities		52,630	140,424	41,533
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(8,858)	(28,690)	(43,146)
Purchase of Investments		(72,262)	-	-
Proceeds from Sale of Investments		-	-	150,000
Net cash from Investing Activities		(81,120)	(28,690)	106,854
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		19,828	-	3,872
Finance Lease Payments		(7,876)	(13,478)	(5,674)
Painting contract payments		-	-	(11,104)
Funds Administered on Behalf of Third Parties		(183)	-	2,634
Net cash from Financing Activities		11,769	(13,478)	(10,272)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(16,721)</b>	<b>98,256</b>	<b>138,115</b>
Cash and cash equivalents at the beginning of the year	8	238,256	100,141	100,141
<b>Cash and cash equivalents at the end of the year</b>	8	<b>221,535</b>	<b>198,397</b>	<b>238,256</b>

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

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

# **Mt Cook School (Wellington)**

## **Notes to the Financial Statements**

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

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

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

Mt Cook School (Wellington) (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 12.

#### ***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 14.

### ***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 \$250 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:

Building Improvements	20 years
Furniture and Equipment	10 years
Information and Communication	5 years
Library Resources	8 years

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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	403,388	393,127	389,684
Teachers' Salaries Grants	1,697,781	1,564,143	1,635,363
Use of Land and Buildings Grants	943,410	908,499	925,838
Resource Teachers Learning and Behaviour Grants	2,944	-	-
Other MoE Grants	105,831	71,678	97,367
Other Government Grants	1,468	-	18,628
	<u>3,154,822</u>	<u>2,937,447</u>	<u>3,066,880</u>

## 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	3,655	3,000	7,170
Bequests & Grants	3,000	-	2,000
Activities	115,356	97,940	118,021
Trading	278	-	38
Fundraising	18,481	500	11,976
	<u>140,770</u>	<u>101,440</u>	<u>139,205</u>
<b>Expenses</b>			
Activities	92,549	65,650	84,614
Trading	480	-	128
Fundraising (Costs of Raising Funds)	12,275	-	4,573
Other Locally Raised Funds Expenditure	-	-	302
	<u>105,304</u>	<u>65,650</u>	<u>89,617</u>
<i>Surplus for the year Locally raised funds</i>	<u>35,466</u>	<u>35,790</u>	<u>49,588</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	45,534	43,702	52,315
Library Resources	1,794	2,350	1,684
Employee Benefits - Salaries	1,892,819	1,715,413	1,810,543
Staff Development	19,871	27,700	12,259
Text Books	762	600	371
	<u>1,960,780</u>	<u>1,789,765</u>	<u>1,877,172</u>

## 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,676	5,676	5,339
Board of Trustees Fees	2,235	3,000	2,220
Board of Trustees Expenses	3,222	3,900	4,431
Communication	5,400	5,200	7,125
Consumables	13,556	12,200	17,359
Operating Lease	1,051	-	3,155
Other	14,903	12,800	10,786
Employee Benefits - Salaries	66,060	59,381	58,660
Insurance	4,869	4,000	3,458
Service Providers, Contractors and Consultancy	12,697	11,500	11,935
	<u>129,669</u>	<u>117,657</u>	<u>124,468</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,480	12,300	11,071
Cyclical Maintenance Expense	37,576	7,111	7,110
Grounds	2,450	4,300	5,062
Heat, Light and Water	19,400	15,100	17,948
Rates	3,229	3,000	3,102
Repairs and Maintenance	21,308	20,600	24,672
Use of Land and Buildings	943,410	908,499	925,838
Security	5,480	8,000	7,494
Employee Benefits - Salaries	1,629	10,000	43,419
Contractors And Consultants	52,879	45,000	41,679
	<u>1,093,841</u>	<u>1,033,910</u>	<u>1,087,395</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	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	5,188	4,567	5,188
Furniture and Equipment	13,668	12,317	13,989
Information and Communication Technology	9,953	9,817	11,151
Leased Assets	13,722	10,155	11,535
Library Resources	2,152	2,117	2,405
	<u>44,683</u>	<u>38,973</u>	<u>44,268</u>

### 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	-	200
Bank Current Account	84,516	198,397	33,726
Bank Call Account	30,858	-	30,722
Short-term Bank Deposits	105,961	-	173,608
Cash equivalents for Cash Flow Statement	<u>221,535</u>	<u>198,397</u>	<u>238,256</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 \$
Receivables	-	230	-
Interest Receivable	848	1,068	868
Teacher Salaries Grant Receivable	100,380	102,320	111,111
	<u>101,228</u>	<u>103,618</u>	<u>111,979</u>
Receivables from Exchange Transactions	848	1,298	868
Receivables from Non-Exchange Transactions	100,380	102,320	111,111
	<u>101,228</u>	<u>103,618</u>	<u>111,979</u>

### 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	267	286	270
	<u>267</u>	<u>286</u>	<u>270</u>

### 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	72,262	-	-
Total Investments	<u>72,262</u>	<u>-</u>	<u>-</u>



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	54,100	-	-	-	(5,188)	48,912
Furniture and Equipment	73,148	2,953	-	-	(13,668)	62,433
Information and Communication	25,982	4,244	-	-	(9,953)	20,273
Leased Assets	23,741	17,141	-	-	(13,722)	27,160
Library Resources	7,635	1,629	-	-	(2,152)	7,112
<b>Balance at 31 December 2019</b>	<b>184,606</b>	<b>25,967</b>	<b>-</b>	<b>-</b>	<b>(44,683)</b>	<b>165,890</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	115,515	(66,603)	48,912
Furniture and Equipment	239,949	(177,516)	62,433
Information and Communication	142,429	(122,156)	20,273
Leased Assets	41,380	(14,220)	27,160
Library Resources	67,894	(60,782)	7,112
<b>Balance at 31 December 2019</b>	<b>607,167</b>	<b>(441,277)</b>	<b>165,890</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	59,289	-	-	-	(5,188)	54,100
Furniture and Equipment	58,030	31,439	-	-	(13,989)	75,480
Information and Communication Tech	26,801	8,001	-	-	(11,151)	23,650
Leased Assets	12,944	22,550	(218)	-	(11,535)	23,741
Library Resources	8,224	1,815	-	-	(2,405)	7,635
<b>Balance at 31 December 2018</b>	<b>165,288</b>	<b>63,805</b>	<b>(218)</b>	<b>-</b>	<b>(44,268)</b>	<b>184,606</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	115,515	(61,415)	54,100
Furniture and Equipment	239,546	(164,066)	75,480
Information and Communication	135,635	(111,985)	23,650
Leased Assets	61,774	(38,033)	23,741
Library Resources	66,264	(58,629)	7,635
<b>Balance at 31 December 2018</b>	<b>618,734</b>	<b>(434,128)</b>	<b>184,606</b>

### 13. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	41,895	11,860	23,579
Accruals	4,276	5,570	5,511
Capital Accruals for PPE items	-	-	32
Employee Entitlements - Salaries	100,380	102,320	111,111
Employee Entitlements - Leave Accrual	3,120	4,159	3,186
	<u>149,671</u>	<u>123,909</u>	<u>143,419</u>
Payables for Exchange Transactions	149,671	123,909	143,419
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>149,671</u>	<u>123,909</u>	<u>143,419</u>

The carrying value of payables approximates their fair value.

### 14. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	49,774	(7,110)	42,664
Increase to the Provision During the Year	37,576	7,111	7,110
Provision at the End of the Year	<u>87,350</u>	<u>1</u>	<u>49,774</u>
Cyclical Maintenance - Current	-	-	49,774
Cyclical Maintenance - Term	87,350	1	-
	<u>87,350</u>	<u>1</u>	<u>49,774</u>

### 15. 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 (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	13,472	-	12,708
Later than One Year and no Later than Five Years	17,734	-	15,865
	<u>31,206</u>	<u>-</u>	<u>28,573</u>

## 16. Funds held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	18,328	16,586	19,809
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>18,328</u>	<u>16,586</u>	<u>19,809</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

## 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 \$
Totals		-	-	-	-	-
<b>Represented by:</b>						
Funds Held on Behalf of the Ministry of Education						-
Funds Due from the Ministry of Education						-
						<u>-</u>
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
GSE Fence & Gate Improvements <i>completed</i>		-	9,734	9,734	-	-
Totals		-	9,734	9,734	-	-

## 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.

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<i>Board Members</i>		
Remuneration	2,235	2,220
Full-time equivalent members	0.08	0.11
<i>Leadership Team</i>		
Remuneration	485,645	538,291
Full-time equivalent members	5.00	6.00
Total key management personnel remuneration	<u>487,880</u>	<u>540,511</u>
Total full-time equivalent personnel	<u>5.08</u>	<u>6.11</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	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
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>
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:

	<b>2019 Actual</b>	<b>2018 Actual</b>
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

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

## 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	221,535	198,397	238,256
Receivables	101,228	103,618	111,979
Investments - Term Deposits	72,262	-	-
Total Financial assets measured at amortised cost	395,025	302,015	350,235

### Financial liabilities measured at amortised cost

Payables	149,671	123,909	143,419
Borrowings - Loans	-	-	-
Finance Leases	29,871	-	26,079
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	179,542	123,909	169,498

## **25. Events After Balance Date**

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

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

## **26. Comparatives**

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

## **27. Adoption of PBE IFRS 9 Financial Instruments**

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

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

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