

Chaucer School

Annual Report for the year ended 31 December 2018

Ministry Number:	1243
Principal:	Michael Fletcher
School Address:	2A Chaucer Place, Blockhouse Bay, Auckland 0600
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School Phone:	09 626 6699
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Service Provider:	Edtech Financial Services Ltd

Chaucer School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How position on Board gained	Occupation	Term expired/expires
Taituha Kingi	Chairperson	Elected 2016	Bank Manager	April 2019
Carol Tebay	Co Chairperson	Elected 2016	Teacher	April 2019
Frian Wadia	Parent Trustee	Elected 2016	ECE Teacher	April 2019
Christina Esau-Elu	Parent Trustee	Elected 2016	Student	April 2019
Jeff Morris	Co-opted Trustee	Co-opted August 2015	Businessman	April 2019
Darren Kalka	Parent Trustee	Selected March 2018	Auck Council Staff	April 2019
Kelly Simon	Staff Trustee	Elected March 2018	Teacher	April 2019
Michael Fletcher	Principal		Principal	

Chaucer School

Annual Report

For the year ended 31 December 2018

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 - 10	Statement of Accounting Policies
11 - 18	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Chaucer School
Statement of Responsibility
For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

TAI KINCHI

Full Name of Board Chairperson



Signature of Board Chairperson

28 May 2019

Date:

MICHAEL FLETCHER

Full Name of Principal



Signature of Principal

28-5-19

Date:

Chaucer School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,527,826	2,273,690	2,460,883
Locally Raised Funds	3	103,970	28,204	110,054
Interest Earned		14,975	8,000	14,643
International Students	4	-	-	2,087
		<u>2,646,771</u>	<u>2,309,894</u>	<u>2,587,667</u>
Expenses				
Locally Raised Funds	3	32,073	4,000	46,026
International Students	4	-	-	112
Learning Resources	5	1,281,828	1,064,466	1,388,784
Administration	6	121,593	114,770	129,318
Finance Costs		893	-	772
Property	7	1,085,161	1,080,158	1,090,513
Depreciation	8	62,355	30,000	49,477
Loss on Disposal of Property, Plant and Equipment		2,188	-	42
		<u>2,586,091</u>	<u>2,293,394</u>	<u>2,705,044</u>
Net Surplus / (Deficit) for the year		60,680	16,500	(117,377)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>60,680</u>	<u>16,500</u>	<u>(117,377)</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Chaucer School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	574,230	574,230	691,607
Total comprehensive revenue and expense for the year	60,680	16,500	(117,377)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	6,311	-	-
Equity at 31 December	641,221	590,730	574,230
Retained Earnings	641,221	590,730	574,230
Equity at 31 December	641,221	590,730	574,230

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Chaucer School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	347,807	45,868	18,344
Accounts Receivable	10	64,695	81,300	84,782
GST Receivable		-	4,000	3,926
Prepayments		5,454	3,100	3,037
Inventories	11	888	1,000	1,035
Investments	12	391,999	385,000	380,016
		<u>810,843</u>	<u>520,268</u>	<u>491,140</u>
Current Liabilities				
GST Payable		33,103	-	-
Accounts Payable	14	75,311	100,100	97,178
Revenue Received in Advance	15	2,140	3,000	3,626
Provision for Cyclical Maintenance	16	81,000	81,000	72,900
Finance Lease Liability - Current Portion	17	7,098	3,320	3,801
Funds Held for Capital Works Projects	18	226,369	-	-
		<u>425,021</u>	<u>187,420</u>	<u>177,505</u>
Working Capital Surplus/(Deficit)		<u>385,822</u>	<u>332,848</u>	<u>313,635</u>
Non-current Assets				
Property, Plant and Equipment	13	304,468	300,101	300,101
		<u>304,468</u>	<u>300,101</u>	<u>300,101</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	41,967	41,967	35,933
Finance Lease Liability	17	7,102	252	3,573
		<u>49,069</u>	<u>42,219</u>	<u>39,506</u>
Net Assets		<u><u>641,221</u></u>	<u><u>590,730</u></u>	<u><u>574,230</u></u>
Equity		<u><u>641,221</u></u>	<u><u>590,730</u></u>	<u><u>574,230</u></u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Chaucer School

Statement of Cash Flows

For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		487,729	418,432	499,685
Locally Raised Funds		105,517	29,704	114,887
International Students		-	-	2,087
Goods and Services Tax (net)		37,029	(3,900)	(3,897)
Payments to Employees		(308,901)	(248,044)	(409,059)
Payments to Suppliers		(166,708)	(136,358)	(202,617)
Interest Paid		(893)	-	(772)
Interest Received		13,928	7,600	14,370
Net cash from / (to) the Operating Activities		167,701	67,434	14,684
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(56,939)	(160,404)	(145,032)
Purchase of Investments		(11,983)	-	(20,438)
Proceeds from Sale of Investments		-	(85,000)	-
Net cash from / (to) the Investing Activities		(68,922)	(245,404)	(165,470)
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,311	-	-
Finance Lease Payments		(1,996)	(1,730)	(5,383)
Funds Held for Capital Works Projects		226,369	-	-
Net cash from / (to) Financing Activities		230,684	(1,730)	(5,383)
Net increase/(decrease) in cash and cash equivalents		329,463	(179,700)	(156,169)
Cash and cash equivalents at the beginning of the year	9	18,344	225,568	174,513
Cash and cash equivalents at the end of the year	9	347,807	45,868	18,344

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 omitted.

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

Chaucer School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

Chaucer 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.

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 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".

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 13.

Chaucer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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.

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.

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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

Accounts Receivable

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.

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.

Investments

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.

The School has met the requirements under Schedule 6 Paragraph 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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:

Buildings	35 years
Furniture and equipment	10-15 years
Information and communication technology	4-10 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 are 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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Revenue Received in Advance

Revenue received in advance relates to funds received from the social club 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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).

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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

2 Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	367,613	346,511	344,554
Teachers' salaries grants	1,078,145	900,000	1,065,332
Use of Land and Buildings grants	964,267	955,258	955,258
Other MoE Grants	95,955	71,921	95,739
Other government grants	21,846	-	-
	<u>2,527,826</u>	<u>2,273,690</u>	<u>2,460,883</u>

3 Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	53,777	4,500	41,799
Fundraising	7,818	4,000	8,123
Trading	7,357	-	8,583
Activities	35,018	19,704	51,549
	<u>103,970</u>	<u>28,204</u>	<u>110,054</u>
Expenses			
Activities	24,828	4,000	30,508
Trading	7,245	-	7,395
Fundraising costs	-	-	8,123
	<u>32,073</u>	<u>4,000</u>	<u>46,026</u>
	<u>71,897</u>	<u>24,204</u>	<u>64,028</u>

Surplus/ (Deficit) for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	0	0	0
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	-	-	2,087
Expenses			
International student levy	-	-	112
	<u>-</u>	<u>-</u>	<u>112</u>
	<u>-</u>	<u>-</u>	<u>1,975</u>

Surplus/ (Deficit) for the year International Students

Chaucer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

5 Learning Resources

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Curricular	14,853	20,172	21,135
Information and communication technology	7,922	9,500	9,777
Library resources	217	250	186
Employee benefits - salaries	1,251,836	1,024,544	1,340,992
Staff development	7,000	10,000	16,694
	<u>1,281,828</u>	<u>1,064,466</u>	<u>1,388,784</u>

6 Administration

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Audit Fee	5,482	5,600	6,020
Board of Trustees Fees	4,632	4,860	3,650
Board of Trustees Expenses	8,734	9,960	10,941
Communication	2,721	3,000	2,935
Consumables	10,491	11,500	13,840
Other	3,194	4,550	5,987
Employee Benefits - Salaries	79,664	70,500	78,863
Insurance	2,137	-	2,462
Service Providers, Contractors and Consultancy	4,538	4,800	4,620
	<u>121,593</u>	<u>114,770</u>	<u>129,318</u>

7 Property

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Caretaking and Cleaning Consumables	7,598	9,400	8,422
Consultancy and Contract Services	-	-	2,115
Cyclical Maintenance Expense	14,134	8,000	14,133
Grounds	2,407	2,900	2,554
Heat, Light and Water	15,819	19,500	19,266
Repairs and Maintenance	16,115	21,600	21,949
Use of Land and Buildings	964,267	955,258	955,258
Security	8,253	8,000	8,708
Employee Benefits - Salaries	56,568	55,500	58,108
	<u>1,085,161</u>	<u>1,080,158</u>	<u>1,090,513</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.

8 Depreciation

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Buildings	2,418	1,466	2,418
Furniture and Equipment	28,108	11,929	19,674
Information and Communication Technology	24,851	13,395	22,091
Leased Assets	5,672	2,128	3,510
Library Resources	1,306	1,082	1,784
	<u>62,355</u>	<u>30,000</u>	<u>49,477</u>

Chaucer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

9 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	339,294	45,368	17,837
Bank Call Account	8,513	500	507
Cash and cash equivalents for Cash Flow Statement	347,807	45,868	18,344

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

Of the \$347,807 Cash and Cash Equivalents, \$226,369 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

10 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	1,782	4,500	4,815
Receivables from the Ministry of Education	-	-	2,891
Interest Receivable	2,766	1,800	1,719
Bank Staffing Underuse	-	-	3,693
Teacher Salaries Grant Receivable	60,147	75,000	71,664
	64,695	81,300	84,782
Receivables from Exchange Transactions	4,548	6,300	6,534
Receivables from Non-Exchange Transactions	60,147	75,000	78,248
	64,695	81,300	84,782

11 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	486	600	641
School Uniforms	402	400	394
	888	1,000	1,035

12 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset	391,999	385,000	380,016
Short-term Bank Deposits	391,999	385,000	380,016

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	42,769	-	-	-	(2,418)	40,351
Furniture and equipment	175,569	54,941	-	-	(28,108)	202,402
Information and communication technology	62,418	1,848	-	-	(24,851)	39,415
Leased assets	6,857	11,971	-	-	(5,672)	13,156
Library resources	12,488	150	(2,188)	-	(1,306)	9,144
Balance at 31 December 2018	300,101	68,910	(2,188)	-	(62,355)	304,468

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	84,551	(44,200)	40,351
Furniture and equipment	512,164	(309,762)	202,402
Information and communication technology	152,255	(112,840)	39,415
Leased assets	23,280	(10,124)	13,156
Library resources	48,310	(39,166)	9,144
Balance at 31 December 2018	820,560	(516,092)	304,468

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$23,280 (2017: \$11,309).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Buildings	45,187	-	-	-	(2,418)	42,769
Furniture and equipment	93,258	101,985	-	-	(19,674)	175,569
Information and communication technology	41,462	43,047	-	-	(22,091)	62,418
Leased assets	7,697	2,670	-	-	(3,510)	6,857
Library resources	12,093	2,220	(41)	-	(1,784)	12,488
Balance at 31 December 2017	199,697	149,922	(41)	-	(49,477)	300,101

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Buildings	84,551	(41,782)	42,769
Furniture and equipment	457,224	(281,655)	175,569
Information and communication technology	150,407	(87,989)	62,418
Leased assets	11,309	(4,452)	6,857
Library resources	58,390	(45,902)	12,488
Balance at 31 December 2017	761,881	(461,780)	300,101

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

14 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	2,699	14,100	14,053
Accruals	5,482	6,000	5,500
Employee Entitlements - salaries	62,511	75,000	73,006
Employee Entitlements - leave accrual	4,619	5,000	4,619
	<u>75,311</u>	<u>100,100</u>	<u>97,178</u>
Payables for Exchange Transactions	75,311	100,100	97,178
	<u>75,311</u>	<u>100,100</u>	<u>97,178</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	2,140	3,000	3,626
	<u>2,140</u>	<u>3,000</u>	<u>3,626</u>

16 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	108,833	108,833	94,700
Increase to the Provision During the Year	14,134	8,000	14,133
Use of the Provision During the Year	-	6,134	-
Provision at the End of the Year	<u>122,967</u>	<u>122,967</u>	<u>108,833</u>
Cyclical Maintenance - Current	81,000	81,000	72,900
Cyclical Maintenance - Term	41,967	41,967	35,933
	<u>122,967</u>	<u>122,967</u>	<u>108,833</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment.
Minimum lease payments payable (includes interest portion):

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	8,065	-	2,697
Later than One Year and no Later than Five Years	7,673	-	5,302
	<u>15,738</u>	<u>-</u>	<u>7,999</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

18 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:

				BOT Contribution/ (Write-off to R&M)	
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Middle School Upgrade	<i>In progress</i>	(2,891)	237,674	8,414	226,369
Totals		(2,891)	237,674	8,414	226,369

Represented by:

Funds Held on Behalf of the Ministry of Education

226,369

226,369

				BOT Contribution/ (Write-off to R&M)	
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Middle School Upgrade	<i>in progress</i>	-	28,584	31,475	(2,891)
10 Year Property Plan	<i>completed</i>	-	5,550	7,665	-
Totals		-	34,134	39,140	(2,891)

24 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

25 Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	4,632	3,650
Full-time equivalent members	0.19	0.08
<i>Leadership Team</i>		
Remuneration	308,877	307,999
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	313,509	311,649
Total full-time equivalent personnel	3.19	3.08

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100-110	1	1
	1	1

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

26 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

27 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

28 Commitments

(a) Capital Commitments

The board has entered into a contract with Wilkran Construction (2014) Limited in relation to the middle school build project amounting to \$353,183 commencing on 29 November 2018. (2017: nil).

(Capital commitments as at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has no operating lease commitments. (2017: \$2,003)

29 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.

30 Financial Instruments

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	347,807	45,868	18,344
Receivables	64,695	81,300	84,782
Investments - Term Deposits	391,999	385,000	380,016
Total Loans and Receivables	804,501	512,168	483,142
Financial liabilities measured at amortised cost			
Payables	75,311	100,100	97,178
Finance Leases	14,200	3,572	7,374
Total Financial Liabilities Measured at Amortised Cost	89,511	103,672	104,552

31 Events After Balance Date

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

32 Comparatives

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CHAUCER SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Chaucer School (the School). The Auditor-General has appointed me, Sungesh Singh using the staff and resources of UHY Haines Norton (Auckland) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance Reporting, Kiwisport Funding Report and the Members of the Board of Trustees, but does not include the financial statements, and our auditor's report thereon.

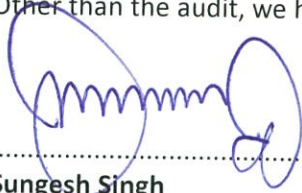
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



.....
Sungesh Singh

UHY Haines Norton (Auckland) Limited
On behalf of the Auditor-General
Auckland, New Zealand

Analysis of Variance Reporting



School Name:	Chaucer	School Number: 1243
Strategic Aim:	Chaucer students to be empowered, confident learners. This to be achieved through a focus on: Student led learning; Collaboration; Respect.	
Annual Aim:	To increase the number of students independently modelling our Chaucer Values.	
Target:	All year 6 students independently model our Chaucer Values.	
Baseline Data:	Our four Chaucer Values (Respect; Responsibility; Safety; 100% effort) are well embedded. Behaviour incidents (minor & serious) have been reducing over time.	

Tātaritanga raraunga

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ol style="list-style-type: none"> 1. A schoolwide skills development programme, linked to our Chaucer Values, was taught in every class. 2. A termly focus on one of the four Chaucer Values+an aspect of that value was implemented across the school. 3. Student leaders actively involved in induction meetings for new students & their families. This included covering & modelling the Chaucer Values. 4. Chaucer Values Achievement (CVA's - student designed) awarded by staff & student leaders to students displaying our Chaucer Values 5. Stories shared at whole school assembly, focusing 	<ul style="list-style-type: none"> - The schoolwide termly focus on one of the values sharpened the focus, supported a common language and deepened the understanding around the particular aspects of our Chaucer Values. - Relievers were asked, 'How respectful, /10, were the students to each other and to you today?'. Anecdotal data = Majority of relievers reported scores 8-10. - A sample of year 6 students were filmed mid year, responses to the questions, 'How well do you think you model our Chaucer Values?' & 'Which Chaucer Value is your strongest?' - All year 6 students were surveyed at the end of the year re their progress in independently modelling our Chaucer Values. They reported high levels of 'living in a breathing' the values both in and out of school. 	<p>Consistent, regular positive reinforcement of our four Chaucer Values is school wide. The values are explicitly taught and also integrated into e.g. the performing arts programme, whole school assembly stories, communications with parents & whanau.</p> <p>From the first induction visit, new students and their families are introduced to the Chaucer Values by the student leaders and principal. This supports the process of being 'Chaucerised'! i.e. being welcomed into the Chaucer Family and immersed in the values and expectations of our school.</p>	<ul style="list-style-type: none"> - Extend the expectation to include our year 5 students. - Investigate the extent of students living the Chaucer Values 24/7 i.e. are they a different person at school and at home? - Identify excellent practice both within our own school and at other schools within our Kahui Ako. <p>Share ideas and reflections with, and learn from, the other 8 schools.</p>

Tātaritanga raraunga

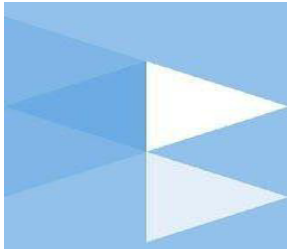
<p>on the particular term's Chaucer Values theme.</p> <ol style="list-style-type: none"> Expectation that everyone is treated with same high level of respect, including relievers. Student led learning approach implemented in classes giving increased ownership to students. 'Flipped classroom' approach operating in the yr 5/6 classes, supporting 24/7 learning. Whole school fitness, Mon - Thurs. 	<p>- All students had the opportunity to be active first thing in the morning due to the whole school fitness sessions.</p> <p>- Behaviour incidents (minor and major) have been in decline over time). Due to this the lunchtime reflection room was no longer required.</p>	
<p>Planning for next year:</p>		
<ul style="list-style-type: none"> - Student leaders to lead the induction of new students and their families. - Target extended to include expectation that all year 5 students also independently model our Chaucer Values. - Student led learning [SLL] approach to continue to be implemented in classes. Teachers to utilise self-reflection rubric to gauge the progress of their practice in this area and the SLL self reflection rubric for students to be shared, and used, in the middle school. - 'Chaucer Family - Meet the teacher', Day 1 of term 1 continues – parents & whanau book a slot to meet with their child's new teacher. Purpose: Build whanaungatanga, strengthen the learning partnership between home and school. Contributes positively to wellbeing of students. - Flipped classrooms approach continues in senior classrooms - Online tools (including the Seesaw app) further utilised to strengthen collaborative relationships with all parents, including expectations around our Chaucer Values. 		



MINISTRY OF EDUCATION

Te Tariāwhiri o te Mātauranga

Tātaritanga raraunga





Empowering confident learners

Kiwisport Report – 2018

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2018, the school received total Kiwisport funding of \$2773.80 (excluding GST). The funding was spent on facilitated coaching sessions for Futsal (years 1-6). It was also utilised for inter school sports events including: Year 5/6 Cricket; Year 5/6 T-Ball; Year 3/4 T-Ball; Cross-Country; Rugby League; Football; Winter Field Day (4 codes on one day- netball, soccer, hockey, rugby); Basketball; Tag; Athletics. These sessions were facilitated/organised by Sport Waitakere. These programmes ensured that all classes, for Years 1-6, benefited from the funding.