

Chaucer School

Annual Report for the year ended 31 December 2019

Ministry Number:	1243
Principal:	Michael Fletcher
School Address:	2A Chaucer Place, Blockhouse Bay, Auckland 0600
School Postal Address:	2A Chaucer Place, Blockhouse Bay, Auckland 0600
School Phone:	09 626 6699
School Email:	admin@chaucer.school.nz
Service Provider:	Edtech Financial Services Ltd

Chaucer School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Term expired/expires
Michael Fletcher	Principal		
Taituha Kingi	Parent Trustee	Re-Elected June 2019	April 2022
Carol Tebay	Co Chairperson	Elected June 2016	April 2019
Christina Esau-Elu	Parent Trustee	Elected June 2016	April 2019
Jeff Morris	Co-opted Trustee	Co-opted August 2015	April 2019
Frían Wadia	Parent Trustee	Re-Elected June 2019	April 2022
Emma Robertson	Parent Trustee	Elected June 2019	April 2022
Philip Sneddon	Parent Trustee	Elected June 2019	April 2022
Monique Yandall	Parent Trustee	Elected June 2019	April 2022
Kelly Simon	Parent Trustee	Re-Elected June 2019	April 2022
Darren Kalka	Parent Trustee	Re-Elected June 2019	April 2022

Chaucer School

Annual Report

For the year ended 31 December 2019

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Chaucer School
Statement of Responsibility
For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

T. Kingi
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

3-7-20
Date:

MICHAEL FLETCHER
Full Name of Principal

[Signature]
Signature of Principal

3-7-20
Date:

Chaucer School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,641,548	2,267,955	2,527,826
Locally Raised Funds	3	110,634	38,349	103,970
Interest Income		13,776	8,000	14,975
International Students	4	6,122	-	-
		<hr/> 2,772,080	<hr/> 2,314,304	<hr/> 2,646,771
Expenses				
Locally Raised Funds	3	41,141	8,000	32,073
International Students	4	5,534	-	-
Learning Resources	5	1,450,757	1,060,417	1,281,828
Administration	6	139,958	122,010	121,593
Finance		1,176	-	893
Property	7	1,052,380	1,086,517	1,085,161
Depreciation	8	70,882	30,000	62,355
Loss on Disposal of Property, Plant and Equipment		409	-	2,188
		<hr/> 2,762,237	<hr/> 2,306,944	<hr/> 2,586,091
Net Surplus / (Deficit) for the year		9,843	7,360	60,680
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> 9,843	<hr/> 7,360	<hr/> 60,680

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

Chaucer School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		641,221	641,221	574,230
Total comprehensive revenue and expense for the year		9,843	7,360	60,680
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	6,311
Equity at 31 December	24	651,064	648,581	641,221
Retained Earnings		651,064	648,581	641,221
Equity at 31 December		651,064	648,581	641,221

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.

Chaucer School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	33,856	69,697	347,807
Accounts Receivable	10	112,845	69,500	64,695
GST Receivable		2,266	-	-
Prepayments		3,174	5,500	5,454
Inventories	11	588	850	888
Investments	12	246,926	400,000	391,999
		<u>399,655</u>	<u>545,547</u>	<u>810,843</u>
Current Liabilities				
GST Payable		-	3,000	33,103
Accounts Payable	14	133,743	78,000	75,311
Revenue Received in Advance	15	-	2,000	2,140
Provision for Cyclical Maintenance	16	-	88,333	81,000
Finance Lease Liability - Current Portion	17	9,784	4,361	7,098
Funds Held for Capital Works Projects	18	-	-	226,369
		<u>143,527</u>	<u>175,694</u>	<u>425,021</u>
Working Capital Surplus/(Deficit)		<u>256,128</u>	<u>369,853</u>	<u>385,822</u>
Non-current Assets				
Property, Plant and Equipment	13	368,247	307,968	304,468
Capital Works in Progress		153,065	-	-
		<u>521,312</u>	<u>307,968</u>	<u>304,468</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	115,974	26,500	41,967
Finance Lease Liability	17	10,402	2,740	7,102
		<u>126,376</u>	<u>29,240</u>	<u>49,069</u>
Net Assets		<u>651,064</u>	<u>648,581</u>	<u>641,221</u>
Equity	24	<u>651,064</u>	<u>648,581</u>	<u>641,221</u>

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

Chaucer School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		479,052	403,688	487,729
Locally Raised Funds		109,276	38,491	105,517
International Students		6,122	-	-
Goods and Services Tax (net)		(35,369)	(30,103)	37,029
Payments to Employees		(343,625)	(261,433)	(308,901)
Payments to Suppliers		(185,706)	(161,550)	(166,708)
Interest Paid		(1,176)	-	(893)
Interest Received		15,296	7,766	13,928
Net cash from Operating Activities		43,870	(3,141)	167,701
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(273,258)	(56,780)	(56,939)
Purchase of Investments		145,073	-	(11,983)
Proceeds from Sale of Investments		-	(8,001)	-
Net cash from Investing Activities		(128,185)	(64,781)	(68,922)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	6,311
Finance Lease Payments		(3,267)	16,181	(1,996)
Funds Held for Capital Works Projects		(226,369)	(226,369)	226,369
Net cash from Financing Activities		(229,636)	(210,188)	230,684
Net increase/(decrease) in cash and cash equivalents		(313,951)	(278,110)	329,463
Cash and cash equivalents at the beginning of the year	9	347,807	347,807	18,344
Cash and cash equivalents at the end of the year	9	33,856	69,697	347,807

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.

Chaucer School

Notes to the Financial Statements

For the year ended 31 December 2019

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 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 13.

Chaucer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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 carry forward 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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

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 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.

The School has met the requirements under Schedule 6 Section 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 2019

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	10-40 years
Furniture and equipment	10-15 years
Information and communication technology	4-10 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	4 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 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.

Chaucer School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	374,940	346,288	367,613
Teachers' Salaries Grants	1,170,091	900,000	1,078,145
Use of Land and Buildings Grants	952,032	964,267	964,267
Other MoE Grants	120,532	57,400	95,955
Other Government Grants	23,953	-	21,846
	<u>2,641,548</u>	<u>2,267,955</u>	<u>2,527,826</u>

3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	58,582	5,500	53,777
Activities	40,164	27,849	35,018
Trading	7,517	-	7,357
Fundraising	4,371	5,000	7,818
	<u>110,634</u>	<u>38,349</u>	<u>103,970</u>
Expenses			
Activities	33,099	8,000	24,828
Trading	7,652	-	7,245
Fundraising (Costs of Raising Funds)	390	-	-
	<u>41,141</u>	<u>8,000</u>	<u>32,073</u>
	<u>69,493</u>	<u>30,349</u>	<u>71,897</u>

Surplus/ (Deficit) for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	2	0	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	6,122	-	-
Expenses			
Employee Benefit - Salaries	-	-	-
Other Expenses	5,534	-	-
	<u>5,534</u>	<u>-</u>	<u>-</u>
	<u>588</u>	<u>-</u>	<u>-</u>

Surplus/ (Deficit) for the year International Students

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	29,264	19,617	14,853
Information and Communication Technology	5,318	9,500	7,922
Library Resources	45	250	217
Employee Benefits - Salaries	1,406,334	1,024,050	1,251,836
Staff Development	9,796	7,000	7,000
	<u>1,450,757</u>	<u>1,060,417</u>	<u>1,281,828</u>

6 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,646	6,000	5,482
Board of Trustees Fees	4,129	4,000	4,632
Board of Trustees Expenses	16,569	12,360	8,734
Communication	2,406	3,000	2,721
Consumables	13,875	11,500	10,491
Other	4,587	4,550	3,194
Employee Benefits - Salaries	85,797	75,600	79,664
Insurance	2,137	-	2,137
Service Providers, Contractors and Consultancy	4,812	5,000	4,538
	<u>139,958</u>	<u>122,010</u>	<u>121,593</u>

7 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	10,842	9,400	7,598
Cyclical Maintenance Expense	(6,993)	8,000	14,134
Grounds	41	250	2,407
Heat, Light and Water	15,707	19,500	15,819
Repairs and Maintenance	10,601	17,600	16,115
Use of Land and Buildings	952,032	964,267	964,267
Security	7,748	8,000	8,253
Employee Benefits - Salaries	62,402	59,500	56,568
	<u>1,052,380</u>	<u>1,086,517</u>	<u>1,085,161</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	2,418	1,163	2,418
Furniture and Equipment	33,367	13,524	28,108
Information and Communication Technology	26,182	11,956	24,851
Leased Assets	7,698	2,729	5,672
Library Resources	1,217	628	1,306
	<u>70,882</u>	<u>30,000</u>	<u>62,355</u>

9 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	33,856	69,697	339,294
Bank Call Account	-	-	8,513
Cash and cash equivalents for Cash Flow Statement	<u>33,856</u>	<u>69,697</u>	<u>347,807</u>

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

10 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	1,500	1,782
Receivables from the Ministry of Education	35,749	-	-
Interest Receivable	1,246	3,000	2,766
Teacher Salaries Grant Receivable	75,850	65,000	60,147
	<u>112,845</u>	<u>69,500</u>	<u>64,695</u>
Receivables from Exchange Transactions	1,246	4,500	4,548
Receivables from Non-Exchange Transactions	111,599	65,000	60,147
	<u>112,845</u>	<u>69,500</u>	<u>64,695</u>

11 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	412	450	486
School Uniforms	176	400	402
	<u>588</u>	<u>850</u>	<u>888</u>

12 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	246,926	400,000	391,999
Total Investments	<u>246,926</u>	<u>400,000</u>	<u>391,999</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	40,351	-	-	-	(2,418)	37,933
Furniture and Equipment	197,892	85,927	-	-	(33,367)	250,452
Information and Communication Technology	43,925	34,265	-	-	(26,182)	52,008
Leased Assets	13,156	13,878	-	-	(7,698)	19,336
Library Resources	9,144	1,000	(409)	-	(1,217)	8,518
Balance at 31 December 2019	304,468	135,070	(409)	-	(70,882)	368,247

The net carrying value of equipment held under a finance lease is \$19,336 (2018: \$13,156).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	84,551	(46,618)	37,933
Furniture and Equipment	592,632	(342,180)	250,452
Information and Communication Technology	191,980	(139,972)	52,008
Leased Assets	37,157	(17,821)	19,336
Library Resources	47,150	(38,632)	8,518
Balance at 31 December 2019	953,470	(585,223)	368,247

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	42,769	-	-	-	(2,418)	40,351
Furniture and Equipment	171,059	54,941	-	-	(28,108)	197,892
Information and Communication Technology	66,928	1,848	-	-	(24,851)	43,925
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

The net carrying value of equipment held under a finance lease is \$13,156 (2017: \$6,857).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	84,551	(44,200)	40,351
Furniture and Equipment	506,704	(308,812)	197,892
Information and Communication Technology	157,715	(113,790)	43,925
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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

14 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	4,447	2,700	2,699
Accruals	5,646	5,600	5,482
Banking Staffing Overuse	40,767	-	-
Employee Entitlements - Salaries	78,264	65,000	62,511
Employee Entitlements - Leave Accrual	4,619	4,700	4,619
	<u>133,743</u>	<u>78,000</u>	<u>75,311</u>
Payables for Exchange Transactions	133,743	78,000	75,311
	<u>133,743</u>	<u>78,000</u>	<u>75,311</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	-	2,000	2,140
	<u>-</u>	<u>2,000</u>	<u>2,140</u>

16 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	122,967	122,967	108,833
Increase/(decrease) to the Provision During the Year	(6,993)	8,000	14,134
Use of the Provision During the Year	-	(16,134)	-
Provision at the End of the Year	<u>115,974</u>	<u>114,833</u>	<u>122,967</u>
Cyclical Maintenance - Current	-	88,333	81,000
Cyclical Maintenance - Term	<u>115,974</u>	<u>26,500</u>	<u>41,967</u>
	<u>115,974</u>	<u>114,833</u>	<u>122,967</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for computer equipment and photocopiers.

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	11,212	-	8,065
Later than One Year and no Later than Five Years	<u>11,057</u>	<u>-</u>	<u>7,673</u>
	<u>22,270</u>	<u>-</u>	<u>15,738</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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)	Closing Balances
	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	\$
Middle School Upgrade	<i>In progress</i>	226,369	73,254	439,023	(103,651)
Totals		226,369	73,254	439,023	(103,651)

Represented by:

Funds Due from the Ministry of Education

35,749

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

19 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 2019

20 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,129	4,632
Full-time equivalent members	0.10	0.19
<i>Leadership Team</i>		
Remuneration	412,153	308,877
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	416,282	313,509
Total full-time equivalent personnel	4.10	3.19

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	125-130	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	2019 FTE Number	2018 FTE Number
100-110	1	1
	1	1

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

21 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 2019

22 Contingencies

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

(Contingent liabilities and assets as 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.

23 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

24 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

25 Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	33,856	69,697	347,807
Receivables	112,845	69,500	64,695
Investments - Term Deposits	246,926	400,000	391,999
Total Financial assets measured at amortised cost	393,627	539,197	804,501
Financial liabilities measured at amortised cost			
Payables	133,743	78,000	75,311
Finance Leases	20,186	7,101	14,200
Total Financial Liabilities Measured at Amortised Cost	153,929	85,101	89,511

26 Events After Balance Date

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.

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 10 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 12 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

28 Comparatives

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

29 Failure to comply with section 87C of the Education Act 1989

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