

PROSPECT SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1447
Principal: Gay Turner
School Address: Rosier Road, Glen Eden
School Postal Address: Rosier Road, Glen Eden
School Phone: 09 818 5219
School Email: admin@prospect.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires
Brenda Hill	Chair Person	Elected	Retired	June 2022
Gay Turner	Principal ex Officio	Appointed		
Pania Andrews	Parent Rep	Elected	Truancy Officer	June 2022
Adrianna Morrison	Parent Rep	Elected	Cleaner	June 2022
Tash Taneao	Parent Rep	Elected	Home maker	June 2022
Crystal Lorigan	Parent Rep	Elected	Sales rep	June 2022
Sofia Wolf	Staff Rep	Elected		June 2022

Accountant / Service Provider: Top Class Financial Management Services

PROSPECT SCHOOL

Financial Statements - For the year ended 31 December 2019

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Prospect 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.

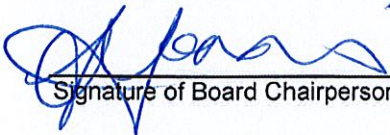
The School's 2019 financial statements are authorised for issue by the Board.

Adrianna MORRISON

Full Name of Board Chairperson

GAY TURNER

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

18/05/2020

Date:

18.5.20

Date:

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Accountant / Service Provider: Top Class Financial Management Services

Prospect School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	3,383,098	2,830,524	3,269,310
Locally Raised Funds	3	67,730	35,980	38,698
Interest Earned		14,625	11,500	14,885
		<u>3,465,453</u>	<u>2,878,004</u>	<u>3,322,893</u>
Expenses				
Locally Raised Funds	3	51,209	26,200	35,171
Learning Resources	4	2,024,217	1,623,371	1,900,520
Administration	5	138,435	146,236	141,365
Finance		5,237	5,000	8,124
Property	6	999,815	1,006,093	985,326
Depreciation	7	107,200	150,000	107,395
Loss on Disposal of Property, Plant and Equipment		10,804	-	28,368
		<u>3,336,917</u>	<u>2,956,900</u>	<u>3,206,269</u>
Net Surplus / (Deficit) for the year		128,536	(78,896)	116,624
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>128,536</u>	<u>(78,896)</u>	<u>116,624</u>

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

Prospect School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	1,395,724	1,395,724	1,279,100
Total comprehensive revenue and expense for the year	128,536	(78,896)	116,624
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
Equity at 31 December	24 1,524,260	1,316,828	1,395,724
Retained Earnings	1,524,260	1,316,828	1,395,724
Reserves	-	-	-
Equity at 31 December	1,524,260	1,316,828	1,395,724

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.

Prospect School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	962,143	597,050	472,018
Accounts Receivable	9	111,741	107,884	200,656
GST Receivable		-	18,611	18,611
Prepayments		12,748	31,793	31,793
Inventories	10	3,510	3,445	3,445
Investments	11	461,588	456,075	447,075
		<u>1,551,730</u>	<u>1,214,858</u>	<u>1,173,598</u>
Current Liabilities				
GST Payable		40,055	-	-
Accounts Payable	13	141,680	165,126	164,790
Borrowings - Due in one year	14	5,073	-	-
Revenue Received in Advance	15	-	2,010	2,010
Provision for Cyclical Maintenance	16	19,147	73,000	66,261
Finance Lease Liability - Current Portion	17	28,911	25,600	24,166
Funds held for Capital Works Projects	18	286,291	-	-
		<u>521,157</u>	<u>265,736</u>	<u>257,227</u>
Working Capital Surplus/(Deficit)		1,030,573	949,122	916,371
Non-current Assets				
Property, Plant and Equipment	12	594,906	431,333	559,333
		<u>594,906</u>	<u>431,333</u>	<u>559,333</u>
Non-current Liabilities				
Borrowings	14	20,292	-	-
Provision for Cyclical Maintenance	16	68,817	58,000	55,922
Finance Lease Liability	17	12,110	5,627	24,058
		<u>101,219</u>	<u>63,627</u>	<u>79,980</u>
Net Assets		<u><u>1,524,260</u></u>	<u><u>1,316,828</u></u>	<u><u>1,395,724</u></u>
Equity	28	<u><u>1,524,260</u></u>	<u><u>1,316,828</u></u>	<u><u>1,395,724</u></u>

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

Prospect 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		952,074	830,524	833,340
Locally Raised Funds		65,614	35,981	50,321
Goods and Services Tax (net)		58,663	-	(7,172)
Payments to Employees		(353,136)	(438,146)	(363,674)
Payments to Suppliers		(346,630)	(333,418)	(318,590)
Cyclical Maintenance Payments in the year		(42,957)	(21,183)	-
Interest Paid		(5,237)	(5,000)	(8,124)
Interest Received		14,566	11,500	14,286
Net cash from / (to) the Operating Activities		342,957	80,256	200,387
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	1,512
Purchase of PPE (and Intangibles)		(136,381)	(22,000)	(181,087)
Purchase of Investments		(14,513)	(9,000)	(13,678)
Net cash from / (to) the Investing Activities		(150,894)	(31,000)	(193,253)
Cash flows from Financing Activities				
Loans Received/Repayment of Loans		25,365	-	-
Finance Lease Payments		(13,595)	(16,997)	(12,125)
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		286,291	92,772	-
Net cash from Financing Activities		298,061	75,775	(12,125)
Net increase/(decrease) in cash and cash equivalents		490,125	125,033	(4,991)
Cash and cash equivalents at the beginning of the year	8	472,018	472,017	477,008
Cash and cash equivalents at the end of the year	8	962,143	597,050	472,017

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.

Prospect School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

Prospect School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 28.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates and Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

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.

j) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

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

Depreciation

Property, plant and equipment 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:

Building improvements to Crown Owned Assets	10–60 years
Furniture and equipment	2–20 years
Information and communication technology	2–20 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

k) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from other income 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.

n) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

o) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

p) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding Notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) Services received in-kind

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

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	729,702	701,884	790,656
Teachers' salaries grants	1,720,534	1,200,000	1,554,550
Use of Land and Buildings grants	803,262	800,000	796,101
Other MoE Grants	129,600	128,640	128,003
	3,383,098	2,830,524	3,269,310

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	5,493	5,000	2,504
Fundraising	35,904	10,880	11,241
Trading	11,134	6,800	10,180
Activities	15,199	13,300	14,773
	67,730	35,980	38,698
Expenses			
Activities	22,247	16,300	16,412
Trading	17,219	8,600	16,408
Fundraising (costs of raising funds)	11,743	1,300	2,351
	51,209	26,200	35,171
<i>Surplus for the year Locally raised funds</i>	16,521	9,780	3,527

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	29,868	45,650	33,425
Equipment repairs	-	-	770
Information and communication technology	7,495	12,400	6,018
Library resources	1,936	1,650	1,725
Employee benefits - salaries	1,903,630	1,486,871	1,778,785
Resource/attached teacher costs	2,844	4,800	3,963
Staff development	78,444	72,000	75,834
	2,024,217	1,623,371	1,900,520

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,690	5,690	5,524
Board of Trustees Fees	2,770	4,000	2,825
Board of Trustees Expenses	3,595	7,200	2,498
Communication	6,211	6,400	6,155
Consumables	14,102	15,650	15,491
Operating Lease	-	-	1,241
Other	12,224	20,900	11,223
Employee Benefits - Salaries	76,199	67,525	74,478
Insurance	8,644	9,871	9,555
Service Providers, Contractors and Consultancy	9,000	9,000	12,375
	<u>138,435</u>	<u>146,236</u>	<u>141,365</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	11,647	10,600	11,966
Cyclical Maintenance Expense	8,738	30,000	16,211
Grounds	7,942	10,900	13,255
Heat, Light and Water	37,653	27,000	30,049
Rates	96	2,800	88
Repairs and Maintenance	28,746	38,043	32,837
Use of Land and Buildings	803,262	800,000	796,101
Security	5,660	3,000	3,463
Employee Benefits - Salaries	96,071	83,750	81,356
	<u>999,815</u>	<u>1,006,093</u>	<u>985,326</u>

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

7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings	9,379	13,124	9,454
Furniture and Equipment	58,250	81,507	49,071
Information and Communication Technology	19,173	26,828	28,571
Leased Assets	17,749	24,835	18,056
Library Resources	2,649	3,706	2,243
	<u>107,200</u>	<u>150,000</u>	<u>107,395</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	300	300	300
Bank Current Account	909,935	544,894	419,862
Bank Call Account	51,908	51,856	51,856
Cash equivalents and bank overdraft for Cash Flow Statement	<u>962,143</u>	<u>597,050</u>	<u>472,018</u>

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

Of the \$962,143 Cash and Cash Equivalents, \$286,291 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.

Of the \$962,143 Cash and Cash Equivalents, \$25,365 pertains to borrowings as at 31 December 2019. This amount is to be used for the purpose of upgrading school lighting as specified in the loan agreement discussed in Note 14.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	706	600	600
Receivables from the Ministry of Education	-	-	92,772
Interest Receivable	5,763	5,704	5,704
Teacher Salaries Grant Receivable	105,272	101,580	101,580
	<u>111,741</u>	<u>107,884</u>	<u>200,656</u>
Receivables from Exchange Transactions	6,469	6,304	6,304
Receivables from Non-Exchange Transactions	105,272	101,580	194,352
	<u>111,741</u>	<u>107,884</u>	<u>200,656</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	3,510	3,445	3,445
	<u>3,510</u>	<u>3,445</u>	<u>3,445</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	461,588	456,075	447,075

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	54,169	53,057	-	-	(9,379)	97,847
Furniture and Equipment	363,307	68,737	(985)	-	(58,250)	372,809
Information and Communication Technology	74,048	6,733	(6,785)	-	(19,173)	54,823
Leased Assets	52,106	19,563	(3,033)	-	(17,749)	50,887
Library Resources	15,703	5,504	(18)	-	(2,649)	18,540
Balance at 31 December 2019	559,333	153,594	(10,821)	-	(107,200)	594,906

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	351,967	(254,121)	97,846
Furniture and Equipment	750,326	(377,516)	372,810
Information and Communication Technology	186,293	(131,470)	54,823
Leased Assets	83,323	(32,436)	50,887
Library Resources	56,036	(37,496)	18,540
Balance at 31 December 2019	1,427,945	(833,039)	594,906

The net carrying value of equipment held under a finance lease is \$50,887 (2018: \$52,106)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	63,622	-	-	-	(9,454)	54,168
Furniture and Equipment	260,902	154,255	(2,778)	-	(49,071)	363,308
Information and Communication Technology	80,803	24,375	(2,559)	-	(28,571)	74,048
Leased Assets	20,468	54,170	(4,476)	-	(18,056)	52,106
Library Resources	34,042	2,457	(18,553)	-	(2,243)	15,703
Balance at 31 December 2018	459,837	235,257	(28,366)	-	(107,395)	559,333

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	298,911	(244,742)	54,169
Furniture and Equipment	699,233	(335,926)	363,307
Information and Communication Technology	228,908	(154,860)	74,048
Leased Assets	76,931	(24,825)	52,106
Library Resources	50,590	(34,887)	15,703
Balance at 31 December 2018	1,354,573	(795,240)	559,333

13 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	10,823	39,896	39,896
Accruals	6,960	7,255	6,919
Employee Entitlements - salaries	120,072	115,235	115,235
Employee Entitlements - leave accrual	3,825	2,740	2,740
	<u>141,680</u>	<u>165,126</u>	<u>164,790</u>
 Payables for Exchange Transactions	 141,680	 165,126	 164,790
	<u>141,680</u>	<u>165,126</u>	<u>164,790</u>

The carrying value of payables approximates their fair value.

14. Borrowings

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Due in One Year	5,073	-	-
Due Beyond One Year	20,292	-	-
	<u>25,365</u>	<u>-</u>	<u>-</u>

The school has borrowings at 31 December 2019 of \$25,365 (31 December 2018 \$0). This loan is from Energy Efficiency and Conservation Authority for the purpose of upgrading school lighting. The loan is unsecured, interest is 0% per annum and the loan is payable in equal instalments of \$1,268 per quarter over 5 years.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	-	2,010	2,010
	<u>-</u>	<u>2,010</u>	<u>2,010</u>

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	122,183	122,183	105,972
Increase to the Provision During the Year	8,738	8,817	16,211
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(42,957)	-	-
 Provision at the End of the Year	 <u>87,964</u>	 <u>131,000</u>	 <u>122,183</u>
 Cyclical Maintenance - Current	 19,147	 73,000	 66,261
Cyclical Maintenance - Term	68,817	58,000	55,922
	<u>87,964</u>	<u>131,000</u>	<u>122,183</u>

17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	32,058	25,600	29,084
Later than One Year and no Later than Five Years	13,032	5,627	25,967
Later than Five Years	-	-	-
	<u>45,090</u>	<u>31,227</u>	<u>55,051</u>

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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
ILE Block 2, 3, 7	<i>in progress</i>	-	-	(39,771)	39,771	-
5YA Upgrade fire alarm & Security	<i>in progress</i>	-	287,371	(1,080)	-	286,291
Totals		<u>-</u>	<u>287,371</u>	<u>(40,851)</u>	<u>39,771</u>	<u>286,291</u>
Represented by:						
Funds Held on Behalf of the Ministry of Education						286,291
Funds Due from the Ministry of Education						-
						<u>286,291</u>

As at 31 December 2019 the Board has not entered into contract agreements for capital works. The projects have been approved by the Ministry.

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
5 YA Alterations to Block 3	<i>completed</i>	-	7,691	(7,691)	-	-
ILE Block 2, 3, 7	<i>in progress</i>	-	6,750	(6,750)	-	-
Upgrade LPG Compond	<i>completed</i>	-	10,331	(10,331)	-	-
Totals		<u>-</u>	<u>24,772</u>	<u>(24,772)</u>	<u>-</u>	<u>-</u>

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.

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	2,770	2,825
Full-time equivalent members	0.10	0.16
<i>Leadership Team</i>		
Remuneration	410,948	296,568
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	413,718	299,393
Total full-time equivalent personnel	4.10	3.16

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
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	1 - 5	1 - 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
110-120	1	-
100-110	-	-
	1.00	0.00

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

21. Compensation and Other Benefits Upon Leaving

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

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

22. Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, 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 2019, a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

During 2019 the School entered into a contract with Construction Management Group to upgrade ILE Block 7 and Fire & Security. The cost of this contract is a total of \$439,385 GST exclusive. So far the School has received \$287,371 from the Ministry of Education, and spent \$40,851.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board have no Operating Lease contracts.

(Operating commitments 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.

25. Financial Instruments

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

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	962,143	597,050	472,018
Receivables	111,741	107,884	200,656
Investments - Term Deposits	461,588	456,075	447,075
Total Loans and Receivables	<u>1,535,472</u>	<u>1,161,009</u>	<u>1,119,749</u>

Financial liabilities measured at amortised cost

Payables	141,680	165,126	164,790
Borrowings - Loans	25,365	-	-
Finance Leases	41,021	31,227	48,224
Total Financial Liabilities Measured at Amortised Cost	<u>208,066</u>	<u>196,353</u>	<u>213,014</u>

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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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

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

27. Comparatives

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

28. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables:

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

- Note 11 Investments:

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

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