

KARORI NORMAL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 2874

Address: Donald Street Karori Wellington

Phone: 04 476 7209

Members of the Board of Trustees

Name	Occupation	How position on Board gained	Term expires
Kay Webster	Anglican Priest	Re-elected April 2013	May-19
Julia Forsyth	CEO	Elected November 2014	May-19
Conrad Kelly	Principal	Appointed March 2011	May-19
Glenn Stevenson	Banker	Elected April 2013	May-19
Carol Pilcher	Deputy Principal	Elected April 2016	May-19
Clayton Willocks	Army Officer	Elected April 2016	May-19
Bronwyn Barberel	Loyalty Marketing Manager	Elected April 2016	May-19
Blair Wightman	Auditor	Co-opted August 2017	May-19

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KARORI NORMAL SCHOOL

Annual Report - For the year ended 31 December 2018

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Karori Normal 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.

Bronwyn Barberel
Full Name of Board Chairperson

Conrad Kelly
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

31.5.19
Date:

31/5/19
Date:

Karori Normal School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,946,793	4,896,007	5,122,780
Locally Raised Funds	3	525,513	279,500	451,082
Interest Received		3,263	4,000	5,804
Gain on Sale of Property, Plant and Equipment		-	-	-
		<u>5,475,569</u>	<u>5,179,507</u>	<u>5,579,666</u>
Expenses				
Locally Raised Funds	3	194,288	65,000	128,263
Learning Resources	4	3,522,340	3,494,959	3,828,366
Administration	5	300,550	282,087	234,407
Finance Costs		2,115	-	3,484
Property	6	1,182,278	1,154,177	1,037,298
Depreciation	7	142,103	140,000	140,432
Loss on Disposal of Property, Plant and Equipment		-	-	-
		<u>5,343,674</u>	<u>5,136,223</u>	<u>5,372,250</u>
Net Surplus / (Deficit)		131,895	43,284	207,416
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>131,895</u></u>	<u><u>43,284</u></u>	<u><u>207,416</u></u>

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

Karori Normal School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	1,336,980	1,336,980	1,071,937
Total comprehensive revenue and expense for the year	131,895	43,284	207,416
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	57,627
Equity at 31 December	1,468,875	1,380,264	1,336,980
Retained Earnings	1,468,875	1,380,264	1,336,980
Reserves			
Equity at 31 December	1,468,875	1,380,264	1,336,980

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

Karori Normal School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	433,030	399,797	391,210
Accounts Receivable	9	223,208	223,208	189,076
GST Receivable		29,834	10,000	8,609
Inventories	10	582	800	825
		<u>686,654</u>	<u>633,805</u>	<u>589,720</u>
Current Liabilities				
Accounts Payable	12	263,202	223,208	279,514
Revenue Received in Advance	13	-	-	25,000
Finance Lease Liability - Current Portion	14	12,479	15,000	20,323
Provision for Cyclical Maintenance - Current Portion	15	26,667	26,000	26,250
Funds Held for Capital Works Projects	16	(32,301)	-	(25,912)
		<u>270,047</u>	<u>264,208</u>	<u>325,175</u>
Working Capital Surplus/(Deficit)		416,607	369,597	264,545
Non-current Assets				
Property, Plant and Equipment	11	1,140,907	1,100,000	1,151,894
		<u>1,140,907</u>	<u>1,100,000</u>	<u>1,151,894</u>
Non-current Liabilities				
Finance Lease Liability	14	1,472	-	10,376
Provision for Cyclical Maintenance	15	87,167	89,333	69,083
		<u>88,639</u>	<u>89,333</u>	<u>79,459</u>
Net Assets		<u>1,468,875</u>	<u>1,380,264</u>	<u>1,336,980</u>
Equity		<u>1,468,875</u>	<u>1,380,264</u>	<u>1,336,980</u>

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

Karori Normal School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,019,410	1,008,347	1,116,934
Locally Raised Funds		500,514	385,355	451,082
Goods and Services Tax (net)		(21,225)	-	17,298
Payments to Employees		(541,879)	(474,690)	(573,592)
Payments to Suppliers		(761,894)	(603,540)	(659,446)
Cyclical Maintenance Payments in the year				(357)
Interest Paid		(2,115)	-	(3,484)
Interest Received		3,263	4,000	8,320
Net cash from / (to) the Operating Activities		196,074	319,472	356,755
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	5,000
Purchase of PPE (and Intangibles)		(141,796)	(330,000)	(301,642)
Purchase of Investments		-	-	376,969
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(141,796)	(330,000)	80,327
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	57,627
Finance Lease Payments		(16,748)	15,000	(16,660)
Funds Held for Capital Works Projects				(295,619)
Funds Administered on Behalf of Third Parties		(6,389)	-	-
New Finance Leases		10,679	-	-
Net cash from Financing Activities		(12,458)	15,000	(254,652)
Net increase/(decrease) in cash and cash equivalents		41,820	4,472	182,430
Cash and cash equivalents at the beginning of the year	8	391,210	395,325	208,782
Cash and cash equivalents at the end of the year	8	433,030	399,797	391,212

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.

Karori Normal School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Karori Normal 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 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.

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 11.

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 14.

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.

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 Christian Schools' Trust. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 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.

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:

Building Improvements to Crown Owned assets	33–40 years
Furniture and equipment	3–20 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	per term of lease
Library resources	12.5% Diminishing value

l) 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 assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

m) 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.

n) 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.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and other funds received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) 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).

r) 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.

s) Budget Figures

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

t) 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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	980,784	948,347	994,821
Teachers' salaries grants	3,033,048	3,033,048	3,209,850
Use of Land and Buildings Grants	854,612	854,612	810,569
Resource teachers learning and behaviour grants	64,370	60,000	73,496
Other MoE Grants	13,979	-	34,044
	<u>4,946,793</u>	<u>4,896,007</u>	<u>5,122,780</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	189,625	192,500	204,090
Fundraising	90,532	65,000	101,675
Other revenue	15,157	22,000	20,353
Trading	39,912	-	7
Activities	190,287	-	124,957
	<u>525,513</u>	<u>279,500</u>	<u>451,082</u>
Expenses			
Fundraising	9,833	65,000	14,562
Activities	184,455	-	113,701
Trading	-	-	-
	<u>194,288</u>	<u>65,000</u>	<u>128,263</u>
<i>Surplus for the year Locally raised funds</i>	<u>331,225</u>	<u>214,500</u>	<u>322,819</u>

4 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	94,173	92,081	77,266
Information and communication technology	84,685	91,795	83,308
Library resources	16,579	6,120	7,839
Employee benefits - salaries	3,303,981	3,279,238	3,604,744
Staff development	22,922	25,725	55,209
	<u>3,522,340</u>	<u>3,494,959</u>	<u>3,828,366</u>

5 Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	5,871	5,700	5,700
Board of Trustees Fees	5,445	4,500	5,275
Board of Trustees Expenses	1,473	1,500	657
Communication	15,012	16,500	16,494
Consumables	2,367	3,280	2,458
Operating Lease	322	11,500	3,940
Other	36,216	30,230	20,654
Employee Benefits - Salaries	225,031	200,500	170,187
Insurance	7,735	7,177	7,744
Service Providers, Contractors and Consultancy	1,078	1,200	1,298
	<u>300,550</u>	<u>282,087</u>	<u>234,407</u>

6 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	111,035	109,000	117,191
Consultancy and Contract Services	18,048	5,600	5,588
Cyclical Maintenance Provision	18,501	20,000	(59,797)
Grounds	4,212	2,300	3,576
Heat, Light and Water	51,966	54,000	52,758
Rates	3,651	3,565	3,561
Repairs and Maintenance	65,517	45,100	45,846
Use of Land and Buildings - Non Integrated	854,612	854,612	810,569
Other	9,271	12,000	10,000
Employee Benefits - Salaries	45,465	48,000	48,006
	<u>1,182,278</u>	<u>1,154,177</u>	<u>1,037,298</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 of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings - School	22,235	17,000	16,150
Furniture and Equipment	59,639	60,000	61,271
Info and Comm Technology	27,070	28,000	28,275
Leased Assets	18,054	18,000	17,586
Library Resources	15,105	17,000	17,150
	<u>142,103</u>	<u>140,000</u>	<u>140,432</u>

8 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	324	-	324
Bank Current Account	381,779	399,797	192,731
Bank Call Account	50,927	-	198,155
Short-term Bank Deposits	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	433,030	399,797	391,210

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

9 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	-	-	-
Interest Receivable	-	-	-
Teacher Salaries Grant Receivable	223,208	223,208	189,076
	223,208	223,208	189,076
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	223,208	223,208	189,076
	223,208	223,208	189,076

10 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	582	800	825
	582	800	825

11 Property, Plant and Equipment

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	670,975	-	-	-	(22,235)	648,740
Furniture and Equipment	272,955	109,967	-	-	(59,639)	323,283
Info and Comm Technology	58,805	18,536	-	-	(27,070)	50,271
Leased Assets	29,111	1,822	-	-	(18,054)	12,879
Library Resources	120,048	11,491	(10,700)	-	(15,105)	105,734
Balance at 31 December 2018	1,151,894	141,816	(10,700)	-	(142,103)	1,140,907

Accumulated Depreciation

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	868,256	(219,517)	648,739
Furniture and Equipment	1,092,929	(769,645)	323,284
Info and Comm Technology	490,377	(440,106)	50,271
Leased Assets	43,028	(30,149)	12,879
Library Resources	364,434	(258,700)	105,734
Balance at 31 December 2018	2,859,024	(1,718,117)	1,140,907

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	443,710	-	-	-	(16,150)	427,560
Building Improvements	-	243,415	-	-	-	243,415
Furniture and Equipment	292,572	41,654	-	-	(61,271)	272,955
Information and Communication	79,870	7,210	-	-	(28,275)	58,805
Leased Assets	40,765	5,932	-	-	(17,586)	29,111
Library Resources	132,833	9,205	(4,840)	-	(17,150)	120,048
Balance at 31 December 2017	989,750	307,416	(4,840)	-	(140,432)	1,151,894

Accumulated Depreciation

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	624,842	(197,282)	427,560
Building Improvements	243,415	-	243,415
Furniture and Equipment	1,145,062	(872,107)	272,955
Information and Communication	481,513	(422,708)	58,805
Textbooks	2,707	(2,707)	-
Leased Assets	53,707	(24,596)	29,111
Library Resources	384,590	(264,542)	120,048
Balance at 31 December 2017	2,935,836	(1,783,942)	1,151,894

12 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	20,350	-	-
Accruals	13,334	-	43,957
Banking staffing overuse	-	-	39,722
Employee Entitlements - salaries	223,208	223,208	189,076
Employee Entitlements - leave accrual	6,310	-	6,759
	263,202	223,208	279,514
Payables for Exchange Transactions	39,994	-	279,514
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	223,208	223,208	-
	263,202	223,208	279,514

The carrying value of payables approximates their fair value.

13 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	-	-	25,000
	-	-	25,000

14 Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and photocopiers. Minimum lease payments

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	12,479	15,000	22,966
Later than One Year and no Later than Five Years	1,472	-	11,295
Later than Five Years	-	-	-
	<u>13,951</u>	<u>15,000</u>	<u>34,261</u>

15 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	95,333	95,333	155,487
Increase to the Provision During the Year	18,501	20,000	(59,797)
Adjustment to the Provision	-	-	(357)
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>113,834</u>	<u>115,333</u>	<u>95,333</u>
Cyclical Maintenance - Current	26,667	26,000	26,250
Cyclical Maintenance - Term	87,167	89,333	69,083
	<u>113,834</u>	<u>115,333</u>	<u>95,333</u>

16 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:

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Old Admin Block Upgrade <i>in progress</i>	(2,775)	-	29,479	-	(32,254)
Block 1 & 3 Refurbishment <i>completed</i>	(34,312)	51,299	18,178	1,191	-
Drainage Project Katherine Mansie <i>in progress</i>	11,175	-	11,222	-	(47)
Totals	<u>(25,912)</u>	<u>51,299</u>	<u>58,879</u>	<u>1,191</u>	<u>(32,301)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

(32,301)
32,301

2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Old Admin Block Upgrade <i>in progress</i>	-	-	-	2,775	(2,775)
Block G Replace Aluminium Doors <i>completed</i>	14,468	-	14,468	-	-
Block 1 & 3 Refurbishment <i>in progress</i>	255,239	73,651	363,192	-	(34,312)
Drainage Project Katherine Mansie <i>in progress</i>	-	13,500	2,325	-	11,175
Totals	<u>269,707</u>	<u>87,151</u>	<u>379,985</u>	<u>2,775</u>	<u>(25,912)</u>

17 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.

18 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	2017
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	5,445	5,275
Full-time equivalent members	0.20	0.36
<i>Leadership Team</i>		
Remuneration	373,483	366,453
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>378,928</u>	<u>371,728</u>
Total full-time equivalent personnel	<u>3.20</u>	<u>3.36</u>

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

Principal

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

	2018	2017
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	140-150
Benefits and Other Emoluments	10-20	10-20
Termination Benefits	-	-

Other Employees

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

Remuneration	2018	2017
\$000	FTE Number	FTE Number
110-120	1.00	2.00
100-110	1.00	0.00
	<u>2.00</u>	<u>2.00</u>

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

19 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:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

20 Contingencies

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

21 Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2017: \$771,410)

(b) Operating Commitments

As at 31 December 2018 the Board has entered no contracts:

	Actual \$	Actual \$
No later than One Year	-	918
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	918

The comparative figures have been amended to reflect the impact of the reclassification of operating leases as finance leases.

22 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.

23 Financial Instruments

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

Loans and receivables

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash and Cash Equivalents	433,030	399,797	391,210
Receivables	223,208	223,208	189,076
Investments - Term Deposits	-	-	-
Total Cash and Receivables	656,238	623,005	580,286

Financial liabilities measured at amortised cost

Payables	263,202	223,208	279,514
Finance Leases	13,951	15,000	30,699
Total Financial Liabilities Measured at Amortised Cost	277,153	238,208	310,213

24 Events After Balance Date

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