

KARORI NORMAL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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
Helena Court	Strategy Lead MSD	Elected June 2019	Jun-22
Simon Johnson	Lawyer	Elected June 2019	Jun-22
Conrad Kelly	Principal	Appointed March 2011	
Nicole Rex	Funding Advisor NZ on Air	Elected June 2019	Jun-22
Bronwyn Barberel	Loyalty Marketing Manager	Re elected June 2019	Jun-22
Blair Wightman	Auditor	Elected June 2019	Jun-22
Kay Webster	Anglican Priest	Re-elected April 2013	May-19
Julia Forsyth	CEO	Elected November 2014	May-19
Glenn Stevenson	Banker	Elected April 2013	May-19
Carol Pilcher	Deputy Principal	Elected April 2016	May-19
Gemma Bryant		Elected June 2019	Dec-19
Clayton Willocks	Army Officer	Elected April 2016	May-19

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KARORI NORMAL SCHOOL

Annual Report - For the year ended 31 December 2019

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Karori Normal 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.

Bronwyn Hilary
Full Name of Board Chairperson
Jane Barber

[Signature]
Signature of Board Chairperson

29/5/20
Date:

Garret Michael Kelly
Full Name of Principal

[Signature]
Signature of Principal

29/5/20
Date:

Karori Normal 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	5,163,451	5,103,744	4,946,792
Locally Raised Funds	3	433,105	267,200	525,514
Interest Received		3,343	6,000	3,263
		<u>5,599,899</u>	<u>5,376,944</u>	<u>5,475,569</u>
Expenses				
Locally Raised Funds	3	142,778	6,500	194,288
Learning Resources	4	3,944,025	3,889,201	3,522,340
Administration	5	262,050	265,207	300,550
Finance Costs		3,048	-	2,115
Property	6	998,507	983,760	1,182,277
Depreciation	7	145,655	140,000	142,104
Loss on Disposal of Property, Plant and Equipment		2,853	-	-
		<u>5,498,917</u>	<u>5,284,669</u>	<u>5,343,674</u>
Net Surplus / (Deficit)		100,982	92,276	131,895
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>100,982</u>	<u>92,276</u>	<u>131,895</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 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>1,468,875</u>	<u>1,468,875</u>	<u>1,336,980</u>
Total comprehensive revenue and expense for the year	100,982	92,276	131,895
Capital Contributions from the Ministry of Education			
Equity at 31 December	<u>1,569,857</u>	<u>1,561,151</u>	<u>1,468,875</u>
Retained Earnings	1,569,857	1,561,151	1,468,875
Reserves			
Equity at 31 December	<u>1,569,857</u>	<u>1,561,151</u>	<u>1,468,875</u>

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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	282,926	332,385	433,030
Accounts Receivable	9	253,411	251,796	223,208
GST Receivable		25,978	20,000	29,834
Inventories	10	574	600	582
Investments	11	240,000	240,000	-
		<u>802,889</u>	<u>844,781</u>	<u>686,654</u>
Current Liabilities				
Accounts Payable	13	300,780	251,796	263,202
Finance Lease Liability - Current Portion	14	19,023	19,000	12,479
Provision for Cyclical Maintenance - Current Portion	15	70,833	70,000	26,667
Funds Held for Capital Works Projects	16	(54,969)	-	(32,301)
		<u>335,667</u>	<u>340,796</u>	<u>270,047</u>
Working Capital Surplus/(Deficit)		467,222	503,985	416,607
Non-current Assets				
Property, Plant and Equipment	12	1,166,987	1,150,000	1,140,907
		<u>1,166,987</u>	<u>1,150,000</u>	<u>1,140,907</u>
Non-current Liabilities				
Finance Lease Liability	14	29,935	29,000	1,472
Provision for Cyclical Maintenance	15	34,417	63,834	87,167
		<u>64,352</u>	<u>92,834</u>	<u>88,639</u>
Net Assets		<u>1,569,857</u>	<u>1,561,151</u>	<u>1,468,875</u>
Equity		<u>1,569,857</u>	<u>1,561,151</u>	<u>1,468,875</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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		1,076,209	1,016,503	1,019,410
Locally Raised Funds		431,725	355,811	500,514
Goods and Services Tax (net)		3,856	(10,000)	(21,225)
Payments to Employees		(516,555)	(476,080)	(541,879)
Payments to Suppliers		(743,149)	(562,646)	(761,894)
Cyclical Maintenance Payments in the year				
Interest Paid		(3,048)	-	(2,115)
Interest Received		3,108	6,000	3,263
Net cash from / (to) the Operating Activities		252,146	329,588	196,074
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(2,853)	-	-
Purchase of PPE (and Intangibles)		(154,582)	(190,000)	(141,796)
Purchase of Investments		(240,000)	(240,000)	-
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(397,435)	(430,000)	(141,796)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		35,007	33,000	(16,748)
Funds Held for Capital Works Projects				
Funds Administered on Behalf of Third Parties		(22,668)	-	(6,389)
New Finance Leases		(17,154)	-	10,679
Net cash from Financing Activities		(4,815)	33,000	(12,458)
Net increase/(decrease) in cash and cash equivalents		(150,104)	(67,412)	41,820
Cash and cash equivalents at the beginning of the year	8	433,030	399,797	391,210
Cash and cash equivalents at the end of the year	8	282,926	332,385	433,030

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 2019

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 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".

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 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 land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	947,939	967,503	980,784
Teachers' salaries grants	3,402,046	3,402,046	3,033,048
Use of Land and Buildings Grants	685,195	685,195	854,612
Resource teachers learning and behaviour grants	-	-	64,370
Other MoE Grants	128,270	49,000	13,979
	<u>5,163,451</u>	<u>5,103,744</u>	<u>4,946,792</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	183,841	191,700	189,625
Fundraising	123,338	54,500	90,532
Other revenue	13,339	21,000	15,157
Trading	108	-	39,912
Activities	112,479	-	190,287
	<u>433,105</u>	<u>267,200</u>	<u>525,514</u>
Expenses			
Fundraising	35,238	8,500	9,833
Activities	107,540	-	184,455
	<u>142,778</u>	<u>6,500</u>	<u>194,288</u>
<i>Surplus for the year Locally raised funds</i>	<u>290,327</u>	<u>260,700</u>	<u>331,226</u>

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	109,379	104,280	94,173
Information and communication technology	96,326	95,175	84,685
Library resources	5,023	6,120	16,579
Employee benefits - salaries	3,700,946	3,658,126	3,303,981
Staff development	32,351	25,500	22,922
	<u>3,944,025</u>	<u>3,889,201</u>	<u>3,522,340</u>

5 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,047	5,870	5,871
Board of Trustees Fees	5,225	5,000	5,445
Board of Trustees Expenses	6,915	1,250	1,473
Communication	14,680	16,500	15,012
Consumables	518	1,900	2,367
Operating Lease	-	-	322
Other	49,320	47,910	36,216
Employee Benefits - Salaries	170,376	178,000	225,031
Insurance	7,096	7,577	7,735
Service Providers, Contractors and Consultancy	1,873	1,200	1,078
	<u>262,050</u>	<u>265,207</u>	<u>300,550</u>

6 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	123,562	111,000	111,035
Consultancy and Contract Services	8,180	7,500	18,048
Cyclical Maintenance Provision	10,718	20,000	18,501
Grounds	5,487	2,500	4,212
Heat, Light and Water	44,150	51,000	51,966
Rates	2,673	3,565	3,651
Repairs and Maintenance	58,852	51,000	65,517
Use of Land and Buildings - Non Integrated	685,195	685,195	854,612
Other	10,076	10,000	9,271
Employee Benefits - Salaries	49,615	42,000	45,465
	<u>998,507</u>	<u>983,760</u>	<u>1,182,277</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	22,235	17,000	22,235
Furniture and Equipment	59,551	60,000	59,639
Info and Comm Technology	27,484	28,000	27,070
Leased Assets	21,393	18,000	18,054
Library Resources	14,992	17,000	15,105
	<u>145,655</u>	<u>140,000</u>	<u>142,104</u>

8 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	324	-	324
Bank Current Account	183,960	232,385	381,779
Bank Call Account	48,642	50,000	50,927
Short-term Bank Deposits	50,000	50,000	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>282,926</u>	<u>332,385</u>	<u>433,030</u>

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

9 Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,380	-	-
Interest Receivable	235	-	-
Teacher Salaries Grant Receivable	<u>251,796</u>	<u>251,796</u>	<u>223,208</u>
	<u>253,411</u>	<u>251,796</u>	<u>223,208</u>
Receivables from Exchange Transactions	1,615	-	-
Receivables from Non-Exchange Transactions	<u>251,796</u>	<u>251,796</u>	<u>223,208</u>
	<u>253,411</u>	<u>251,796</u>	<u>223,208</u>

10 Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	574	600	582
	<u>574</u>	<u>600</u>	<u>582</u>

11 Investments

The School's investment activities are classified as follows:

	2019	2019	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	240,000	240,000	-
Non-current Asset			
Long-term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

12 Property, Plant and Equipment

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	648,739	-	-	-	(22,235)	626,504
Furniture and Equipment	323,284	70,672	-	-	(59,551)	334,405
Info and Comm Technology	50,271	30,401	-	-	(27,484)	53,188
Leased Assets	12,879	56,462	-	-	(21,393)	47,948
Library Resources	105,734	17,053	(2,853)	-	(14,992)	104,942
Balance at 31 December 2019	1,140,907	174,588	(2,853)	-	(145,655)	1,166,987

Accumulated Depreciation

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
2019	\$	\$	\$
Buildings	868,256	(241,753)	626,503
Furniture and Equipment	1,163,601	(829,195)	334,406
Info and Comm Technology	520,778	(467,590)	53,188
Leased Assets	60,182	(12,234)	47,948
Library Resources	372,708	(267,766)	104,942
Balance at 31 December 2019	2,985,525	(1,818,538)	1,166,987

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	670,975	-	-	-	(22,235)	648,739
Furniture and Equipment	272,955	109,967	-	-	(59,639)	323,284
Information and Communication	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 2017	1,151,894	141,816	(10,700)	-	(142,104)	1,140,907

Accumulated Depreciation

	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value
2018	\$	\$	\$
Buildings	868,256	(219,517)	648,739
Furniture and Equipment	1,092,929	(769,645)	323,284
Information and Communication	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

13 Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating creditors	28,265	-	20,350
Accruals	12,074	-	13,334
Employee Entitlements - salaries	251,796	251,796	223,208
Employee Entitlements - leave accrual	8,645	-	6,310
	<u>300,780</u>	<u>251,796</u>	<u>263,202</u>
Payables for Exchange Transactions	48,984		39,994
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-		
Payables for Non-exchange Transactions - Other	251,796	251,796	223,208
	<u>300,780</u>	<u>251,796</u>	<u>263,202</u>

The carrying value of payables approximates their fair value.

14 Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
No Later than One Year	19,023	19,000	12,479
Later than One Year and no Later than Five Years	29,935	29,000	1,472
Later than Five Years	-	-	-
	<u>48,958</u>	<u>48,000</u>	<u>13,951</u>

15 Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	113,834	113,834	95,333
Increase to the Provision During the Year	10,718	20,000	18,501
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(19,301)	-	-
Provision at the End of the Year	<u>105,250</u>	<u>133,834</u>	<u>113,834</u>
Cyclical Maintenance - Current	70,833	70,000	26,667
Cyclical Maintenance - Term	34,417	63,834	87,167
	<u>105,250</u>	<u>133,834</u>	<u>113,834</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:

		2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Old Admin Block Upgrade	<i>completed</i>		(32,254)	33,177	3,615	(2,692)	-
Block 1 & 3 Upgrade	<i>in progress</i>		-	91,109	117,323		(26,214)
Drainage Project Katherine Mansie	<i>completed</i>		(47)	47			-
Block E, H & 2 Heating	<i>in progress</i>			51,124	51,124		-
Playground Upgrade	<i>in progress</i>				28,755		(28,755)
Totals			(32,301)	175,457	200,817	(2,692)	(54,969)

Represented by:

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

(54,969)
54,969

		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>in progress</i>		(34,312)	51,299	18,178	1,191	-
Drainage Project Katherine Mansie	<i>in progress</i>		11,175		11,222	-	(47)
Totals			(25,912)	51,299	58,879	1,191	(32,301)

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,225	5,445
Full-time equivalent members	0.34	0.20
<i>Leadership Team</i>		
Remuneration	412,965	373,483
Full-time equivalent members	3.00	4.00
Total key management personnel remuneration	418,190	378,928
Total full-time equivalent personnel	3.34	4.20

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	150-160	150-160
Benefits and Other Emoluments	20-30	10-20
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	4	1
110-120	-	1
120-130	1	-
	5	2

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:

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

20 Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, 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 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2018: Nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered no contracts:

	Actual \$	Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>-</u>

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	282,926	332,385	433,030
Receivables	253,411	251,796	223,208
Investments - Term Deposits	240,000	240,000	-
Total Cash and Receivables	<u>776,337</u>	<u>824,181</u>	<u>656,238</u>

Financial liabilities measured at amortised cost

Payables	300,780	251,796	263,202
Finance Leases	48,958	48,000	13,951
Total Financial Liabilities Measured at Amortised Cost	<u>349,738</u>	<u>299,796</u>	<u>277,153</u>

24 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 until 18 May 2020.

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. 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 affects 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 fundraising events in the community may be compromised,
- a reduction in collected donations or other contributions from parents may be incurred,
- costs already incurred arranging future fundraising events and other events may not be recoverable.