

TAURANGA SPECIAL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1762

Principal: Barrie Wickens

School Address: 39 Eighteenth Ave, Tauranga

School Postal Address: 39 Eighteenth Ave, Tauranga South, Tauranga 3112

School Phone: (07) 578 4424

School Email: office@taurangspecialschool.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Kay Matthews	Chair Person	Elected	Property Developer/ Teacher	2022
Barrie Wickens	Principal		Principal	Permanent
Sally Holbrook	Parent Rep	Elected	Legal Secretary	May-19
Shane Oxenham	Parent Rep	Elected	Accountant	2022
Malcolm Poppe	Parent Rep	Elected	Home Carer	2022
Tahila Rikihana	Parent Rep	Elected	Admin & Communication	2022
Daisy Togo	Parent Rep	Elected	Trade Sales Manager	2022
Deb Hudson	Staff Rep	Elected	Deputy Principal	May-19
Barbara Turley	BOT Secretary	Elected	Board Secretary	Permanent
Sandra Peters	Parent Rep	Elected	Bank Officer	2022

Accountant / Service Provider:

Ingham Mora Chartered Accountants

TAURANGA SPECIAL SCHOOL

Annual Report - For the year ended 31 December 2019

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Tauranga Special 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.

Kay Sylvia Matthews

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

09/03/2021

Date:

Barrie Glen Wickers

Full Name of Principal

[Signature]

Signature of Principal

09/03/2021

Date:

Tauranga Special 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	4,638,997	4,158,487	4,438,592
Locally Raised Funds	3	192,261	50,100	115,063
Interest income		3,829	2,000	1,360
Other Revenue		3,086	-	2,585
		<u>4,838,173</u>	<u>4,210,587</u>	<u>4,557,600</u>
Expenses				
Locally Raised Funds	3	28,776	15,100	16,053
Learning Resources	4	3,559,591	3,640,300	3,562,961
Administration	5	258,725	251,910	192,784
Finance		2,986	4,800	2,722
Property	6	525,843	152,034	482,088
Depreciation	7	136,046	1	130,848
Loss on Disposal of Property, Plant and Equipment		-	-	2,034
		<u>4,511,969</u>	<u>4,064,145</u>	<u>4,389,491</u>
Net Surplus / (Deficit) for the year		<u>326,205</u>	<u>146,442</u>	<u>168,109</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>326,205</u>	<u>146,442</u>	<u>168,109</u>

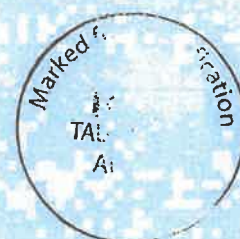
The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



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

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>870,452</u>	<u>-</u>	<u>702,342</u>
Total comprehensive revenue and expense for the year		326,205	146,442	168,109
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	19	<u>1,196,656</u>	<u>146,442</u>	<u>870,452</u>
Retained Earnings		1,196,656	146,442	870,452
Reserves				
Equity at 31 December		<u>1,196,656</u>	<u>146,442</u>	<u>870,452</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.



Tauranga Special 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	582,974	-	364,520
Accounts Receivable	9	228,230	-	151,067
GST Receivable		20,401	-	13,282
Prepayments		34,385	-	8,169
		<u>865,990</u>	<u>-</u>	<u>537,038</u>
Current Liabilities				
Accounts Payable	11	181,474	-	188,945
Finance Lease Liability - Current Portion	13	23,415	-	31,733
		<u>204,889</u>	<u>-</u>	<u>220,677</u>
Working Capital Surplus/(Deficit)		<u>661,101</u>	<u>-</u>	<u>316,361</u>
Non-current Assets				
Property, Plant and Equipment	10	593,465	-	612,000
		<u>593,465</u>	<u>-</u>	<u>612,000</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	12	12,214	-	12,214
Finance Lease Liability	13	45,695	-	45,695
		<u>57,909</u>	<u>-</u>	<u>57,909</u>
Net Assets		<u>1,196,656</u>	<u>-</u>	<u>870,452</u>
Equity	19	<u>1,196,656</u>	<u>146,442</u>	<u>870,452</u>

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



Tauranga Special School
Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		1,980,394	2,058,487	1,888,634
Locally Raised Funds		200,750	50,100	89,887
Goods and Services Tax (net)		(7,119)	-	3,958
Payments to Employees		(163,354)	(377,300)	(161,340)
Payments to Suppliers		(1,667,363)	(1,571,264)	(1,522,895)
Cyclical Maintenance Payments in the year		-	(10,780)	-
Interest Paid		(2,886)	(4,800)	-
Interest Received		3,961	2,000	1,192
Net cash from Operating Activities		344,282	146,443	299,436
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(107,353)	-	(67,450)
Proceeds from Sale of Investments		-	-	32,838
Net cash from Investing Activities		(107,353)	-	(34,611)
Cash flows from Financing Activities				
Finance Lease Payments		(18,476)	-	(35,584)
Net cash from Financing Activities		(18,476)	-	(35,584)
Net increase/(decrease) in cash and cash equivalents		218,453	146,443	229,241
Cash and cash equivalents at the beginning of the year	8	364,521	-	135,279
Cash and cash equivalents at the end of the year	8	582,974	146,443	364,521

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



**Tauranga Special School
Notes to the Financial Statements
For the year ended 31 December 2019**

1. Statement of Accounting Policies

a) Reporting Entity

Tauranga Special 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 22.

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 14.

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.

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) 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

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 uncollectability) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction



for transaction costs the school may incur on sale or other disposal.

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 \$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.

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	10-75 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as

k) Impairment of property, plant, and equipment and intangible assets

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 and intangible 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.

l) 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.

m) 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.

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.

n) Revenue Received In Advance

Revenue received in advance relates to fees received from (international, hostel students and grants 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.

q) 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 and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) 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.

v) 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.

w) Budget Figures

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

x) 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	396,715	397,973	405,245
Teachers' Salaries Grants	2,270,274	2,100,000	2,206,860
Use of Land and Buildings Grants	388,329	-	359,541
Other MoE Grants	1,583,679	1,660,514	1,466,845
	<u>4,638,997</u>	<u>4,158,487</u>	<u>4,438,592</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	66,108	4,500	63,296
Bequests & Grants	50,834	-	-
Activities	68,450	25,300	30,902
Fundraising	6,872	20,300	20,865
	<u>192,261</u>	<u>50,100</u>	<u>115,063</u>
Expenses			
Activities	21,650	11,000	11,419
Fundraising (Costs of Raising Funds)	7,126	4,100	4,634
	<u>28,776</u>	<u>15,100</u>	<u>16,053</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>163,485</u>	<u>35,000</u>	<u>99,010</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	25,346	26,800	28,648
Information and Communication Technology	25,839	27,400	27,417
Employee Benefits - Salaries	2,192,482	2,320,200	2,210,184
Resource/attached teacher costs	39,391	1,256,700	124,064
Resource/attached teacher costs - salaries	1,265,575	-	1,166,872
Staff Development	10,958	9,200	5,776
	<u>3,559,591</u>	<u>3,640,300</u>	<u>3,562,961</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,833	5,000	4,749
Board of Trustees Fees	3,180	4,600	4,400
Board of Trustees Expenses	20,707	11,960	13,928
Communication	5,701	5,500	5,380
Consumables	6,694	5,500	(23,663)
Operating Lease	27,714	37,700	7,079
Other	21,698	13,550	16,073
Employee Benefits - Salaries	136,325	137,100	134,125
Insurance	10,087	8,000	7,753
Service Providers, Contractors and Consultancy	21,785	23,000	22,960
	<u>259,725</u>	<u>251,910</u>	<u>192,784</u>



6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	36,549	41,600	41,682
Cyclical Maintenance Provision	-	10,780	5,268
Grounds	45	100	88
Heat, Light and Water	26,039	40,374	27,265
Rates	3,863	3,200	3,185
Repairs and Maintenance	49,350	32,780	24,763
Use of Land and Buildings	388,329	-	359,541
Security	822	3,200	1,241
Employee Benefits - Salaries	20,846	20,000	19,076
	<u>525,843</u>	<u>152,034</u>	<u>482,088</u>

7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	-	-	-
Building Improvements - Crown	18,464	1	18,313
Furniture and Equipment	22,334	-	26,700
Information and Communication Technology	23,556	-	29,476
Motor Vehicles	32,893	-	26,669
Leased Assets	27,264	-	19,776
Other Assets	11,535	-	9,915
	<u>136,046</u>	<u>1</u>	<u>130,849</u>

8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	419	-	419
Bank Current Account	128,559	-	315,971
Bank Call Account	453,998	-	48,129
Cash and cash equivalents for Cash Flow Statement	<u>582,974</u>	<u>-</u>	<u>364,520</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	-	-	5,402
Receivables from the Ministry of Education	-	-	-
Interest Receivable	38	-	168
Banking Staffing Underuse	82,674	-	-
Teacher Salaries Grant Receivable	145,520	-	145,497
	<u>228,230</u>	<u>-</u>	<u>151,067</u>
Receivables from Exchange Transactions	36	-	5,570
Receivables from Non-Exchange Transactions	228,194	-	145,497
	<u>228,230</u>	<u>-</u>	<u>151,067</u>



10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	193,526	5,650	-	-	(18,464)	181,712
Furniture and Equipment	118,909	5,712	-	-	(22,334)	102,287
Information and Communication	41,583	7,702	-	-	(23,556)	25,729
Motor Vehicles	111,660	52,174	-	-	(32,893)	130,941
Leased Assets	73,254	10,159	-	-	(27,264)	56,149
Other Assets	73,067	35,115	-	-	(11,535)	96,647
Balance at 31 December 2019	612,000	117,512	-	-	(136,046)	593,465

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	248,578	(66,866)	181,712
Furniture and Equipment	359,222	(256,935)	102,287
Information and Communication	228,661	(202,931)	25,729
Motor Vehicles	335,511	(204,570)	130,941
Leased Assets	108,955	(52,806)	56,149
Library Resources	7,170	(7,170)	-
Other Assets	212,450	(115,803)	96,647
Balance at 31 December 2019	1,500,546	(907,082)	593,465

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	211,407	639	(208)	-	(18,313)	193,526
Furniture and Equipment	135,249	10,360	-	-	(26,700)	118,909
Information and Communication	70,495	564	-	-	(29,476)	41,583
Technology	59,851	78,478	-	-	(26,669)	111,660
Motor Vehicles	98,766	80,915	(85,951)	-	(19,776)	73,254
Leased Assets	81,016	3,692	(1,726)	-	(9,915)	73,067
Other Assets	-	-	-	-	-	-
Balance at 31 December 2018	656,785	174,649	(88,584)	-	(130,849)	612,000

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	241,929	(48,403)	193,526
Furniture and Equipment	353,510	(234,601)	118,909
Information and Communication Technology	220,959	(179,375)	41,583
Motor Vehicles	283,337	(171,677)	111,660
Leased Assets	98,796	(25,542)	73,254
Library Resources	7,170	(7,170)	-
Other Assets	185,915	(112,848)	73,067
Balance at 31 December 2018	1,391,815	(779,615)	612,000

11. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
Operating Creditors	13,462	-	19,657
Accruals	9,480	-	9,480
Employee Entitlements - Salaries	145,520	-	145,497
Employee Entitlements - Leave Accrual	13,011	-	14,311
	181,474	-	188,945
Payables for Exchange Transactions	181,474	-	188,945
	181,474	-	188,945

The carrying value of payables approximates their fair value.



12. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	12,214	12,214	6,948
Increase/ (decrease) to the Provision During the Year	(12,214)	10,780	5,268
Provision at the End of the Year	-	22,994	12,214
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	12,214	-	12,214
	12,214	-	12,214

13. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	37,263	-	24,551
Later than One Year and no Later than Five Years	48,038	-	52,877
Later than Five Years	-	-	-
	85,291	-	77,428

14. 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.

15. 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 \$
Board Members		
Remuneration	3,400	3,410
Full-time equivalent members	0.31	0.46
Leadership Team		
Remuneration	439,896	420,609
Full-time equivalent members	4	4
Total key management personnel remuneration	443,298	424,019
Total full-time equivalent personnel	4.31	4.46

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:	140-160	140-150
Salary and Other Payments	3-4	3-4
Benefits and Other Emoluments		



Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	1.00	0.00
	1.00	0.00

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

16. 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	Nil	Nil

17. 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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

18. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2018: \$Nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of a EFTPOS Machine;

	2019 Actual	2018 Actual
No later than One Year	\$ 6,419	\$ 6,419
Later than One Year and No Later than Five Years	4,814	11,232
Later than Five Years	-	-
	11,232	17,651

19. 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.



20. 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 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	582,974	-	364,520
Receivables	228,230	-	151,067
Total Financial assets measured at amortised cost	811,204	-	515,587

Financial liabilities measured at amortised cost

Payables	181,474	-	188,945
Finance Leases	69,111	-	77,428
Total Financial Liabilities Measured at Amortised Cost	250,584	-	266,372

21. 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.

22. 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. 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 8 Cash and Cash Equivalents:

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.

23. Breach of Legislation

Under Section 87C1 of the Education Act 1989, the Board of Trustees is required to forward audited financial statements to the Ministry of Education by 31 May 2020. This deadline was not met due to COVID-19 as noted in note 21.

