

TITAHI BAY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	3045
Principal:	Kerry Delaney
School Address:	Kura Street, Titahi Bay, Porirua
School Postal Address:	PO Box 50441, Porirua, PORIRUA, 5240
School Phone:	04 236 8399
School Email:	office@titahibay.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Kerry Delaney	Principal	ex Officio
Lynette Renouf	Parent Rep	Elected
Gaby Wesley- Smith	Parent Rep	Elected
Ria Tomoana	Parent Rep	Elected
Scott Hemsley	Parent Rep	Elected
Sarah Campbell	Parent Rep	Elected
Anna McGavin	Parent Rep	Co-opted
Leanne Parsons	Parent Rep	Co-opted
Sharon Thompson	Staff Rep	Elected
Jodene Gooch	Other	Appointed

Accountant / Service Provider: Education Services Ltd

TITAHI BAY SCHOOL

Annual Report - For the year ended 31 December 2018

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Titahi Bay 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.

Sarah Campbell

Full Name of Board Chairperson

Kery Delaney

Full Name of Principal

Sarah Campbell

Signature of Board Chairperson

K Delaney

Signature of Principal

31.5.2019

Date:

31.5.2019

Date:

Titahi Bay School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,935,709	2,726,907	3,027,862
Locally Raised Funds	3	113,246	75,000	155,719
Interest Earned		23,932	12,000	24,477
		<u>3,072,887</u>	<u>2,813,907</u>	<u>3,208,058</u>
Expenses				
Locally Raised Funds	3	20,251	-	50,336
Learning Resources	4	2,183,248	2,075,293	2,141,482
Administration	5	129,660	123,520	119,832
Finance Costs		3,517	100	690
Property	6	552,699	524,451	552,639
Depreciation	7	134,606	110,000	126,940
Loss on Disposal of Property, Plant and Equipment		-	-	7,422
		<u>3,023,981</u>	<u>2,833,364</u>	<u>2,999,341</u>
Net Surplus / (Deficit)		48,906	(19,457)	208,717
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>48,906</u>	<u>(19,457)</u>	<u>208,717</u>

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

Titahi Bay 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	<u>1,392,686</u>	<u>1,170,440</u>	<u>1,170,456</u>
Total comprehensive revenue and expense for the year	48,906	(19,457)	208,717
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	13,513
Equity at 31 December	<u>1,441,592</u>	<u>1,150,983</u>	<u>1,392,686</u>
Retained Earnings	1,441,592	1,150,983	1,392,686
Equity at 31 December	<u>1,441,592</u>	<u>1,150,983</u>	<u>1,392,686</u>

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

Titahi Bay School
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	508,622	79,803	623,348
Accounts Receivable	9	158,185	106,289	157,722
GST Receivable		11,386	18,567	40,351
Prepayments		1,726	-	1,864
Inventories	10	666	950	812
Investments	11	297,760	408,494	287,780
		<u>978,345</u>	<u>614,103</u>	<u>1,111,877</u>
Current Liabilities				
Accounts Payable	13	165,798	136,975	247,156
Provision for Cyclical Maintenance	14	99,000	27,300	99,000
Finance Lease Liability - Current Portion	15	15,628	7,678	11,853
Funds held in Trust	16	17,736	2,654	8,863
Funds held for Capital Works Projects	17	5,700	-	93,401
		<u>303,862</u>	<u>174,607</u>	<u>460,273</u>
Working Capital Surplus/(Deficit)		674,483	439,496	651,604
Non-current Assets				
Property, Plant and Equipment	12	787,222	738,175	769,911
		<u>787,222</u>	<u>738,175</u>	<u>769,911</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	7,000	-	6,000
Finance Lease Liability	15	13,113	26,688	22,829
		<u>20,113</u>	<u>26,688</u>	<u>28,829</u>
Net Assets		<u>1,441,592</u>	<u>1,150,983</u>	<u>1,392,686</u>
Equity		<u>1,441,592</u>	<u>1,150,983</u>	<u>1,392,686</u>

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

Titahi Bay School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		790,864	677,268	791,374
Locally Raised Funds		113,246	75,000	158,510
Goods and Services Tax (net)		28,965	-	(20,965)
Payments to Employees		(393,925)	(351,700)	(314,024)
Payments to Suppliers		(347,021)	(378,647)	(348,987)
Cyclical Maintenance Payments in the year		-	(10,000)	-
Interest Paid		(3,517)	(100)	(690)
Interest Received		24,412	12,000	22,019
Net cash from / (to) the Operating Activities		213,024	23,821	287,237
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(142,621)	(110,000)	(166,556)
Purchase of Investments		(9,980)	-	-
Proceeds from Sale of Investments		-	100,000	230,298
Net cash from / (to) the Investing Activities		(152,601)	(10,000)	63,742
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	13,513
Finance Lease Payments		(8,437)	-	(870)
Funds Administered on Behalf of Third Parties		8,873	-	3,542
Funds Held for Capital Works Projects		(175,585)	-	190,202
Net cash from Financing Activities		(175,149)	-	206,387
Net increase/(decrease) in cash and cash equivalents		(114,726)	13,821	557,366
Cash and cash equivalents at the beginning of the year	8	623,348	65,982	65,982
Cash and cash equivalents at the end of the year	8	508,622	79,803	623,348

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.

Titahi Bay School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Titahi Bay 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.

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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 15.

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

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

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

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment 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 \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

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 are depreciated over their estimated useful lives on a straight line 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	20 years
Furniture and Equipment	10 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

o) 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.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from 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 are recognised at the amount borrowed. 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 the balance date.

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	615,354	587,268	605,641
Teachers' salaries grants	1,780,537	1,686,293	1,841,364
Use of Land and Buildings grants	392,985	363,346	392,834
Resource teachers learning and behaviour grants	2,738	-	-
Other MoE Grants	128,138	90,000	173,812
Other government grants	15,957	-	14,211
	<u>2,935,709</u>	<u>2,726,907</u>	<u>3,027,862</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	20,750	21,000	24,399
Bequests & Grants	32,243	20,000	42,621
Activities	45,698	23,000	74,226
Trading	1,839	-	2,791
Fundraising	12,716	11,000	11,682
	<u>113,246</u>	<u>75,000</u>	<u>155,719</u>
Expenses			
Activities	16,854	-	45,879
Trading	1,377	-	2,144
Fundraising costs	2,020	-	2,313
	<u>20,251</u>	<u>-</u>	<u>50,336</u>
<i>Surplus for the year Locally raised funds</i>	<u>92,995</u>	<u>75,000</u>	<u>105,383</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	114,913	102,950	94,058
Library resources	28,654	29,250	30,669
Employee benefits - salaries	2,013,179	1,909,493	1,986,123
Staff development	26,502	33,600	30,632
	<u>2,183,248</u>	<u>2,075,293</u>	<u>2,141,482</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Audit Fee	6,277	6,500	5,919
Board of Trustees Fees	3,750	5,000	3,655
Board of Trustees Expenses	9,439	5,200	5,289
Communication	7,169	5,220	5,713
Consumables	2,744	7,500	4,542
Operating Lease	1,263	2,000	1,890
Other	11,237	11,100	10,893
Employee Benefits - Salaries	66,140	62,500	64,746
Insurance	6,641	2,500	2,485
Service Providers, Contractors and Consultancy	15,000	16,000	14,700
	<u>129,660</u>	<u>123,520</u>	<u>119,832</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	8,632	8,250	9,074
Cyclical Maintenance Expense	1,000	14,355	1,055
Grounds	7,066	6,900	7,257
Heat, Light and Water	25,561	23,800	24,646
Rates	3,237	3,500	3,350
Repairs and Maintenance	42,951	37,200	48,015
Use of Land and Buildings	392,985	363,346	392,834
Security	739	1,100	824
Employee Benefits - Salaries	70,528	66,000	65,584
	<u>552,699</u>	<u>524,451</u>	<u>552,639</u>

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

7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Building Improvements	25,196	22,488	25,951
Furniture and Equipment	50,851	40,388	46,608
Information and Communication Technology	39,667	34,237	39,510
Leased Assets	15,038	9,410	10,859
Library Resources	3,854	3,477	4,012
	<u>134,606</u>	<u>110,000</u>	<u>126,940</u>

8. Cash and Cash Equivalents

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
ASB 776-00	90,400	78,119	57,977
ASB 776-50	2,228	1,684	2,224
Short-term Bank Deposits	415,994	-	563,147
Cash equivalents for Cash Flow Statement	<u>508,622</u>	<u>79,803</u>	<u>623,348</u>

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

Of the \$508,622 Cash and Cash Equivalents, \$14,050 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	938	5,291	1,567
Receivables from the Ministry of Education	26,865	-	38,935
Interest Receivable	1,978	3,316	2,458
Teacher Salaries Grant Receivable	128,404	97,682	114,762
	<u>158,185</u>	<u>106,289</u>	<u>157,722</u>
Receivables from Exchange Transactions	2,916	8,607	4,025
Receivables from Non-Exchange Transactions	155,269	97,682	153,697
	<u>158,185</u>	<u>106,289</u>	<u>157,722</u>

10. Inventories

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Stationery	666	950	812
	<u>666</u>	<u>950</u>	<u>812</u>

11. Investments

The School's investment activities are classified as follows:

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	297,760	408,494	287,780

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	348,375	3,526	-	-	(25,196)	326,705
Furniture and Equipment	286,032	59,113	-	-	(50,851)	294,294
Information and Communication Techni	85,568	79,479	-	-	(39,667)	125,380
Leased Assets	35,391	8,015	-	-	(15,038)	28,368
Library Resources	14,545	1,785	-	-	(3,854)	12,475
Balance at 31 December 2018	769,911	151,918	-	-	(134,606)	787,222

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	589,972	(263,267)	326,705
Furniture and Equipment	606,498	(312,204)	294,294
Information and Communication	384,215	(258,835)	125,380
Leased Assets	62,894	(34,526)	28,368
Library Resources	59,064	(46,589)	12,475
Balance at 31 December 2018	1,702,643	(915,421)	787,222

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	380,416	260	(6,351)	-	(25,951)	348,375
Furniture and Equipment	226,878	106,246	(484)	-	(46,608)	286,032
Information and Communication Techni	82,776	42,889	(587)	-	(39,510)	85,568
Leased Assets	33,450	12,800	-	-	(10,859)	35,391
Library Resources	14,655	3,902	-	-	(4,012)	14,545
Balance at 31 December 2017	738,175	166,097	(7,422)	-	(126,940)	769,911

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	586,447	(238,072)	348,375
Furniture and Equipment	547,385	(261,353)	286,032
Information and Communication	304,735	(219,167)	85,568
Leased Assets	54,879	(19,488)	35,391
Library Resources	57,279	(42,734)	14,545
Balance at 31 December 2017	1,550,725	(780,814)	769,911

13. Accounts Payable

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating creditors	22,217	27,029	121,018
Accruals	6,188	6,807	5,919
Capital accruals for PPE items	1,284	-	-
Employee Entitlements - salaries	128,404	97,682	114,762
Employee Entitlements - leave accrual	7,705	5,457	5,457
	<u>165,798</u>	<u>136,975</u>	<u>247,156</u>
Payables for Exchange Transactions	165,798	136,975	247,156
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>165,798</u>	<u>136,975</u>	<u>247,156</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	105,000	12,945	103,945
Increase to the Provision During the Year	1,000	14,355	1,055
Provision at the End of the Year	<u>106,000</u>	<u>27,300</u>	<u>105,000</u>
Cyclical Maintenance - Current	99,000	27,300	99,000
Cyclical Maintenance - Term	7,000	-	6,000
	<u>106,000</u>	<u>27,300</u>	<u>105,000</u>

15. Finance Lease Liability

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

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	16,545	7,678	14,562
Later than One Year and no Later than Five Years	13,410	26,688	24,863
	<u>29,955</u>	<u>34,366</u>	<u>39,425</u>

16. Funds held in Trust

	2018	2018 Budget (Unaudited)	2017
	Actual	Actual	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	17,736	2,654	8,863
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>17,736</u>	<u>2,654</u>	<u>8,863</u>

These funds are held where the school is acting as an agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

17. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

		BOT Contribution/ (Write-off to R&M)				
2018		Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$	
Refurbishment Classroom 12 & 13	<i>in progress</i>	93,401	135,152	234,703	(6,150)	
Boiler	<i>completed</i>	-	14,330	14,330	-	
Drain	<i>in progress</i>	-	24,050	10,000	14,050	
Warm water toilets	<i>completed</i>	-	5,830	5,830	-	
Deck	<i>in progress</i>	-	-	2,200	(2,200)	
Totals		<u>93,401</u>	<u>179,362</u>	<u>267,063</u>	<u>5,700</u>	

Represented by:

Funds Held on Behalf of the Ministry of Education	14,050
Funds Due from the Ministry of Education	(8,350)
	<u>5,700</u>

		BOT Contribution/ (Write-off to R&M)				
2017		Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$	
Special Needs Mod - Fencing & Gates	<i>completed</i>	(8,317)	8,758	441	-	
Refurbishment Classroom 12 & 13	<i>in progress</i>	(1,622)	237,474	142,451	93,401	
Totals		<u>(9,939)</u>	<u>246,232</u>	<u>142,892</u>	<u>93,401</u>	

18. 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.

19. 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 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,750	3,655
Full-time equivalent members	0.27	0.34
<i>Leadership Team</i>		
Remuneration	410,708	414,465
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	414,458	418,120
Total full-time equivalent personnel	4.27	4.34

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 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	140-150
Benefits and Other Emoluments	3 - 4	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

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

20. 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	-	-

21. 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.

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2018 (Operating commitments at 31 December 2017: nil).

23. 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.

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	508,622	79,803	623,348
Receivables	158,185	106,289	157,722
Investments - Term Deposits	297,760	408,494	287,780
Total Loans and Receivables	<u>964,567</u>	<u>594,586</u>	<u>1,068,850</u>

Financial liabilities measured at amortised cost

Payables	165,798	136,975	247,156
Borrowings - Loans	-	-	-
Finance Leases	28,741	34,366	34,682
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>194,539</u>	<u>171,341</u>	<u>281,838</u>

25. Events After Balance Date

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

26. Comparatives

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