

# KURATAU SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

<b>Ministry Number:</b>	1785
<b>Principal:</b>	Craig MacGregor
<b>School Address:</b>	S H 41, Turangi
<b>School Postal Address:</b>	S H 41, Kuratau, Turangi, 3381
<b>School Phone:</b>	07 386 5801
<b>School Email:</b>	ksadmin@kuratau.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>
Mabel Flight	Chair Person	Elected
Craig McGregor	Principal	ex Officio
Christine Bayler	Parent Rep	Co-opted
Lorraine Kerr	Parent Rep	Elected
Sasch Wells	Parent Rep	Elected
Stephen Fletcher	Parent Rep	Elected
Reece Neill	Parent Rep	Elected
Bronwyn Hunt	Staff Rep	Elected

<b>Accountant / Service Provider:</b>	Education Services Ltd
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# KURATAU SCHOOL

Annual Report - For the year ended 31 December 2018

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# Kuratau 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.

\_\_\_\_\_  
Full Name of Board Chairperson

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Board Chairperson

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**Kuratau School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	812,184	695,138	716,445
Locally Raised Funds	3	91,785	56,200	94,255
Interest Earned		464	-	202
		<hr/>	<hr/>	<hr/>
		904,433	751,338	810,902
<b>Expenses</b>				
Locally Raised Funds	3	64,348	41,605	70,835
Learning Resources	4	538,986	458,318	467,081
Administration	5	54,361	59,529	54,599
Finance Costs		424	300	283
Property	6	181,303	174,975	204,506
Depreciation	7	22,025	14,600	17,411
Loss on Disposal of Property, Plant and Equipment		357	-	-
		<hr/>	<hr/>	<hr/>
		861,804	749,327	814,715
<b>Net Surplus / (Deficit)</b>		42,629	2,011	(3,813)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		42,629	2,011	(3,813)

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

**Kuratau School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual <b>2018</b> \$	Budget (Unaudited) <b>2018</b> \$	Actual <b>2017</b> \$
<b>Balance at 1 January</b>	165,932	181,825	161,564
Total comprehensive revenue and expense for the year	42,629	2,011	(3,813)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	4,251
School Network Upgrade Project	-	-	3,930
<b>Equity at 31 December</b>	<b>208,561</b>	<b>183,836</b>	<b>165,932</b>
Retained Earnings	208,561	183,836	165,932
<b>Equity at 31 December</b>	<b>208,561</b>	<b>183,836</b>	<b>165,932</b>

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

**Kuratau School**  
**Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	189,396	75,434	122,878
Accounts Receivable	9	32,215	20,203	30,581
GST Receivable		6,753	2,968	6,312
Prepayments		4,472	3,159	4,163
Inventories	10	-	120	-
		<hr/>	<hr/>	<hr/>
		232,836	101,884	163,934
<b>Current Liabilities</b>				
Accounts Payable	12	76,901	30,836	46,622
Revenue Received in Advance	13	1,684	6,179	4,312
Provision for Cyclical Maintenance	14	38,505	14,016	38,700
Finance Lease Liability - Current Portion	15	7,037	877	1,832
Funds held for Capital Works Projects	16	7,698	-	11,217
		<hr/>	<hr/>	<hr/>
		131,825	51,908	102,683
<b>Working Capital Surplus/(Deficit)</b>		101,011	49,976	61,251
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	150,187	134,678	142,181
		<hr/>	<hr/>	<hr/>
		150,187	134,678	142,181
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	26,666	-	34,800
Finance Lease Liability	15	15,971	818	2,700
		<hr/>	<hr/>	<hr/>
		42,637	818	37,500
<b>Net Assets</b>		<hr/>	<hr/>	<hr/>
		208,561	183,836	165,932
<b>Equity</b>		<hr/>	<hr/>	<hr/>
		208,561	183,836	165,932

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

**Kuratau School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		238,057	209,095	213,915
Locally Raised Funds		89,157	45,200	95,632
Goods and Services Tax (net)		(441)	-	(3,344)
Payments to Employees		(109,479)	(98,500)	(103,529)
Payments to Suppliers		(129,065)	(127,553)	(157,408)
Cyclical Maintenance Payments in the year		(17,632)	(51,550)	-
Interest Paid		(424)	(300)	(283)
Interest Received		464	-	202
Net cash from / (to) the Operating Activities		<u>70,637</u>	<u>(23,608)</u>	<u>45,185</u>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(6,499)	(5,400)	(14,326)
Net cash from / (to) the Investing Activities		<u>(6,499)</u>	<u>(5,400)</u>	<u>(14,326)</u>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	4,251
Finance Lease Payments		(3,937)	-	(538)
Funds Held for Capital Works Projects		6,317	-	(16,136)
Net cash from Financing Activities		<u>2,380</u>	<u>-</u>	<u>(12,423)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><u>66,518</u></u>	<u><u>(29,008)</u></u>	<u><u>18,436</u></u>
Cash and cash equivalents at the beginning of the year	8	122,878	104,442	104,442
<b>Cash and cash equivalents at the end of the year</b>	8	<u><u>189,396</u></u>	<u><u>75,434</u></u>	<u><u>122,878</u></u>

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.

# Kuratau School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2018

#### **a) Reporting Entity**

Kuratau 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 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 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 \$500 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:

Land	Nil
Building Improvements	5-18 Years
Furniture and Equipment	5-15 Years
Information and Communication	5 Years
Library Resources	8 Years DV

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. It's 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	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	225,808	209,095	202,828
Teachers' salaries grants	458,086	380,968	385,412
Use of Land and Buildings grants	117,392	105,075	112,298
Resource teachers learning and behaviour grants	261	-	-
Other MoE Grants	10,637	-	15,907
	<u>812,184</u>	<u>695,138</u>	<u>716,445</u>

## 3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	2,302	1,200	4,853
Bequests & Grants	-	-	9,567
Activities	74,669	33,000	53,422
Trading	2,456	-	1,912
Fundraising	5,822	11,000	17,388
School House	6,536	11,000	7,113
	<u>91,785</u>	<u>56,200</u>	<u>94,255</u>
<b>Expenses</b>			
Activities	61,986	39,000	59,109
Trading	229	-	5,384
Fundraising costs	-	-	3,513
School House	2,133	2,605	2,829
	<u>64,348</u>	<u>41,605</u>	<u>70,835</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,437</u>	<u>14,595</u>	<u>23,420</u>

## 4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	18,149	23,000	19,977
Library resources	1,884	1,250	3,686
Employee benefits - salaries	514,752	428,468	440,272
Staff development	4,201	5,600	3,146
	<u>538,986</u>	<u>458,318</u>	<u>467,081</u>

## 5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,950	3,500	3,400
Board of Trustees Fees	3,535	3,000	3,345
Board of Trustees Expenses	1,860	1,900	1,410
Communication	1,851	2,700	1,848
Consumables	5,752	12,268	9,058
Operating Lease	-	1,200	340
Other	6,062	5,426	2,730
Employee Benefits - Salaries	21,818	20,100	23,340
Insurance	3,533	4,053	3,128
Service Providers, Contractors and Consultancy	6,000	5,382	6,000
	<u>54,361</u>	<u>59,529</u>	<u>54,599</u>

## 6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,021	3,200	3,419
Cyclical Maintenance Expense	9,303	15,000	32,867
Grounds	10,043	9,800	8,576
Heat, Light and Water	9,288	9,100	9,384
Repairs and Maintenance	482	1,600	791
Use of Land and Buildings	117,392	105,075	112,298
Security	157	300	7
Employee Benefits - Salaries	31,617	30,900	28,106
Consultancy & Contract Services	-	-	9,058
	<u>181,303</u>	<u>174,975</u>	<u>204,506</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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	4,108	3,445	4,108
Furniture and Equipment	5,481	4,564	5,442
Information and Communication Technology	5,920	4,695	5,599
Leased Assets	5,604	1,124	1,341
Library Resources	912	772	921
	<u>22,025</u>	<u>14,600</u>	<u>17,411</u>

## 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
ANZ Bank A/c	106,020	75,434	58,464
Business Premium Call A/C	44,495	-	12,632
Bike A/c 55454-17	16,948	-	1,277
ANZ Bank - School House A/c	14,469	-	24,219
ANZ Bank - Ski Squad A/c	2,677	-	843
ANZ Bank - Fundraising A/C	5,133	-	25,123
ANZ Bank - Debit Card A/C	(346)	-	320
Cash equivalents and bank overdraft for Cash Flow Statement	<u>189,396</u>	<u>75,434</u>	<u>122,878</u>

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

Of the \$189,396 Cash and Cash Equivalents, \$11,217 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	-	229	-
Receivables from the Ministry of Education	-	-	3,245
Teacher Salaries Grant Receivable	32,215	19,974	27,336
	<u>32,215</u>	<u>20,203</u>	<u>30,581</u>
Receivables from Exchange Transactions	-	229	-
Receivables from Non-Exchange Transactions	32,215	19,974	30,581
	<u>32,215</u>	<u>20,203</u>	<u>30,581</u>

## 10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	-	120	-
	<u>-</u>	<u>120</u>	<u>-</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Land	10,000	-	-	-	-	<b>10,000</b>
Building Improvements	67,901	-	(357)	-	(4,108)	<b>63,436</b>
Furniture and Equipment	34,376	3,767	-	-	(5,481)	<b>32,663</b>
Information and Communication Tech	18,956	2,047	-	-	(5,920)	<b>15,082</b>
Leased Assets	4,326	23,890	-	-	(5,604)	<b>22,611</b>
Library Resources	6,622	685	-	-	(912)	<b>6,395</b>
<b>Balance at 31 December 2018</b>	<b>142,181</b>	<b>30,389</b>	<b>(357)</b>	<b>-</b>	<b>(22,025)</b>	<b>150,187</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Land	10,000	-	<b>10,000</b>
Building Improvements	133,777	(70,341)	<b>63,436</b>
Furniture and Equipment	125,065	(92,402)	<b>32,663</b>
Information and Communication	62,244	(47,162)	<b>15,082</b>
Leased Assets	29,557	(6,946)	<b>22,611</b>
Library Resources	34,077	(27,682)	<b>6,395</b>
<b>Balance at 31 December 2018</b>	<b>394,720</b>	<b>(244,533)</b>	<b>150,187</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2017</b>						
Land	10,000	-	-	-	-	<b>10,000</b>
Building Improvements	72,009	-	-	-	(4,108)	<b>67,901</b>
Furniture and Equipment	30,752	9,066	-	-	(5,442)	<b>34,376</b>
Information and Communication Tech	19,642	4,912	-	-	(5,599)	<b>18,956</b>
Leased Assets	2,868	2,799	-	-	(1,341)	<b>4,326</b>
Library Resources	7,195	348	-	-	(921)	<b>6,622</b>
<b>Balance at 31 December 2017</b>	<b>142,466</b>	<b>17,125</b>	<b>-</b>	<b>-</b>	<b>(17,411)</b>	<b>142,181</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2017</b>			
Land	10,000	-	<b>10,000</b>
Building Improvements	134,947	(67,046)	<b>67,901</b>
Furniture and Equipment	123,564	(89,188)	<b>34,376</b>
Information and Communication	60,197	(41,241)	<b>18,956</b>
Leased Assets	5,667	(1,341)	<b>4,326</b>
Library Resources	33,392	(26,770)	<b>6,622</b>
<b>Balance at 31 December 2017</b>	<b>367,767</b>	<b>(225,586)</b>	<b>142,181</b>

## 12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	37,709	4,659	13,478
Accruals	3,950	3,795	3,400
Employee Entitlements - salaries	32,215	19,974	27,336
Employee Entitlements - leave accrual	3,027	2,408	2,408
	<u>76,901</u>	<u>30,836</u>	<u>46,622</u>
Payables for Exchange Transactions	76,901	30,836	46,622
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>76,901</u>	<u>30,836</u>	<u>46,622</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Income in Advance	1,684	6,179	4,312
	<u>1,684</u>	<u>6,179</u>	<u>4,312</u>

## 14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	73,500	(984)	44,558
Increase to the Provision During the Year	9,303	15,000	32,867
Use of the Provision During the Year	(17,632)	-	(3,925)
Provision at the End of the Year	<u>65,171</u>	<u>14,016</u>	<u>73,500</u>
Cyclical Maintenance - Current	38,505	14,016	38,700
Cyclical Maintenance - Term	26,666	-	34,800
	<u>65,171</u>	<u>14,016</u>	<u>73,500</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 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	7,037	877	1,832
Later than One Year and no Later than Five Years	15,971	818	2,700
	<u>23,008</u>	<u>1,695</u>	<u>4,532</u>

## 16. 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 \$
Interior Refurb - Block A	<i>in progress</i>	9,231	-	-	-	9,231
Wall Linings And Floor Coverings	<i>in progress</i>	999	-	-	-	999
Re-Roofing Project	<i>in progress</i>	987	-	-	-	987
Conversion Block B to Library	<i>in progress</i>	-	25,656	29,175	-	(3,519)
Totals		11,217	25,656	29,175	-	7,698

### Represented by:

Funds Held on Behalf of the Ministry of Education	11,217
Funds Due from the Ministry of Education	(3,519)
	<u>7,698</u>

					BOT Contribution/ (Write-off to R&M)	
2017		Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Interior Refurb - Block A	<i>in progress</i>	9,231	-	-	-	9,231
Wall Linings And Floor Coverings	<i>in progress</i>	999	-	-	-	999
Re-Roofing Project	<i>in progress</i>	17,123	(1,818)	14,318	-	987
Totals		27,353	(1,818)	14,318	-	11,217

## 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.

	<b>2018 Actual \$</b>	<b>2017 Actual \$</b>
<i>Board Members</i>		
Remuneration	3,535	3,345
Full-time equivalent members	0.15	0.14
<i>Leadership Team</i>		
Remuneration	205,459	111,932
Full-time equivalent members	2.00	1.50
Total key management personnel remuneration	<u>208,994</u>	<u>115,277</u>
Total full-time equivalent personnel	<u>2.15</u>	<u>1.64</u>

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

### Principal

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

	<b>2018 Actual \$000</b>	<b>2017 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110 - 120
Benefits and Other Emoluments	2 - 3	3 - 4
Termination Benefits	-	-

### Other Employees

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

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

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

## 19. Compensation and Other Benefits Upon Leaving

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

	<b>2018 Actual</b>	<b>2017 Actual</b>
Total	-	-
Number of People	-	-

## 20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

### Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

## 21. Commitments

### (a) Capital Commitments

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

### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of laptops;

No later than One Year

Later than One Year and No Later than Five Years

Later than Five Years

	2018 Actual \$	2017 Actual \$
	-	885
	-	-
	-	-
	<u>-</u>	<u>885</u>

## 22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

### 23. Financial Instruments

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

#### Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	189,396	75,434	122,878
Receivables	32,215	20,203	30,581
Investments - Term Deposits	-	-	-
Total Loans and Receivables	<u>221,611</u>	<u>95,637</u>	<u>153,459</u>

#### Financial liabilities measured at amortised cost

Payables	76,901	30,836	46,622
Borrowings - Loans	-	-	-
Finance Leases	23,008	1,695	4,532
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>99,909</u>	<u>32,531</u>	<u>51,154</u>

### 24. Events After Balance Date

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

### 25. Comparatives

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