

ONEWHEREO AREA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number: 108

Principal: Simon Craggs

School Address: Hall Road, Tuakau

School Postal Address: Hall Road, Onewhero, RD 2, Tuakau

School Phone: 09 232 8866

School Email: office@onewhero.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Rosemarie Costar	Chair Person	Elected	Jun-19
Simon Craggs	Principal	ex Officio	Current
Stewart Foote	Parent Rep	Elected	Jun-19
Tina Klay	Parent Rep	Co-opted	Jun-19
Rima Taua	Maori Rep	Co-opted	Aug-21
Rereokeroa Shaw	Maori Rep	Co-opted	Aug-21
Jo McIntosh	Risk Management & H&S Rep	Co-opted	Aug-20
Aaron Reese	Parent Rep	Elected	Nov-20
Jonelle Hewitt	Parent Rep	Elected	Nov-20
Natalie Smith	Parent Rep	Elected	Nov-20
Elliot Lancaster	Student Rep	Elected	Sep-19
Rebecca Bills	Staff Rep	Elected	Jun-19

Accountant / Service Provider: Anna Rutherford - S.A.J. Services Ltd

ONEWHEREO AREA SCHOOL

Annual Report - For the year ended 31 December 2018

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Onewhero Area 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.

Aaron Reese
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

24/5/2019
Date:

Simon Craggs
Full Name of Principal

[Signature]
Signature of Principal

24/5/2019
Date:

Onewhero Area School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,825,216	4,535,025	4,774,812
Locally Raised Funds	3	461,512	231,450	496,754
Interest Earned		3,203	2,500	3,018
International Students	4	64,642	43,000	43,109
		<hr/> 5,354,573	<hr/> 4,811,975	<hr/> 5,317,693
Expenses				
Locally Raised Funds	3	239,573	13,600	312,427
International Students	4	51,637	23,000	17,763
Learning Resources	5	3,567,253	3,472,338	3,463,352
Administration	6	238,583	238,888	304,017
Finance		5,887	-	6,597
Property	7	948,208	943,172	1,129,315
Depreciation	8	121,937	120,000	110,546
		<hr/> 5,173,078	<hr/> 4,810,998	<hr/> 5,344,017
Net Surplus / (Deficit) for the year		181,495	977	(26,324)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> 181,495	<hr/> 977	<hr/> (26,324)

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

Onewhero Area 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	983,571	983,571	1,009,895
Total comprehensive revenue and expense for the year	181,495	977	(26,324)
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	1,165,066	984,548	983,571
Retained Earnings	1,165,066	984,548	983,571
Reserves	-	-	-
Equity at 31 December	1,165,066	984,548	983,571

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

Onewhero Area School

Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	9	355,356	304,452	198,600
Accounts Receivable	10	267,075	240,000	258,135
GST Receivable		18,826	10,000	9,166
Prepayments		3,647	8,000	6,017
Inventories	11	21,200	15,000	13,202
Investments	12	31,120	35,000	30,089
		<u>697,224</u>	<u>612,452</u>	<u>515,209</u>
Current Liabilities				
Accounts Payable	14	387,542	266,000	245,242
Revenue Received in Advance	15	25,573	18,000	15,147
Provision for Cyclical Maintenance	16	35,389	245,000	56,462
Painting Contract Liability - Current Portion	17	-	-	19,281
Finance Lease Liability - Current Portion	18	30,854	28,018	39,533
Funds held in Trust	19	7,050	-	-
Funds held for Capital Works Projects	20	51,378	50,000	-
		<u>537,786</u>	<u>607,018</u>	<u>375,665</u>
Working Capital Surplus/(Deficit)		159,438	5,434	139,544
Non-current Assets				
Property, Plant and Equipment	13	1,080,594	988,234	1,065,338
		<u>1,080,594</u>	<u>988,234</u>	<u>1,065,338</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	61,124	-	184,172
Finance Lease Liability	18	13,842	9,120	37,139
		<u>74,966</u>	<u>9,120</u>	<u>221,311</u>
Net Assets		<u>1,165,066</u>	<u>984,548</u>	<u>983,571</u>
Equity		<u>1,165,066</u>	<u>984,548</u>	<u>983,571</u>

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

Onewhero Area 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		1,169,354	1,082,304	1,120,938
Locally Raised Funds		457,690	159,367	415,815
Hostel		-	-	-
International Students		76,775	43,000	43,041
Goods and Services Tax (net)		(9,660)	11,269	12,103
Payments to Employees		(613,904)	(504,147)	(594,268)
Payments to Suppliers		(780,444)	(678,901)	(909,946)
Cyclical Maintenance Payments in the year		(9,302)	17,634	
Interest Paid		(5,887)	-	(6,597)
Interest Received		3,186	2,506	3,018
Net cash from / (to) the Operating Activities		287,808	133,032	84,104
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(8,783)	-
Purchase of PPE (and Intangibles)		(128,299)	(51,065)	(75,273)
Purchase of Investments		(1,031)	(5,788)	(877)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(129,330)	(65,636)	(76,150)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(40,869)	(16,362)	(29,053)
Painting contract payments		(19,281)	(39,315)	(20,034)
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		7,050	-	-
Funds Held for Capital Works Projects		51,378	50,000	-
Net cash from Financing Activities		(1,722)	(5,677)	(49,087)
Net increase/(decrease) in cash and cash equivalents		156,756	61,719	(41,133)
Cash and cash equivalents at the beginning of the year	9	198,600	242,733	239,733
Cash and cash equivalents at the end of the year	9	355,356	304,452	198,600

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.

Onewhero Area School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Onewhero Area 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 IFRS 9 Financial Instruments

The School has early adopted PBE IFRS 9 Financial Instruments from the year ended 31 December 2018 (although not mandatory until periods beginning on or after 1 January 2022). This accounting standard introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting. The Board of Trustees is of the view that there is no material impact to the recognition or measurement of financial instruments and disclosure of the school's financial assets and liabilities for the current period and each prior period presented.

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 13.

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 18.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	50 years
Furniture and equipment	15 years
Information and communication technology	3 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

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 international student groups and grants 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) 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).

s) 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.

t) 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.

u) Budget Figures

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

v) 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 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	1,011,019	970,000	956,770
Teachers' salaries grants	2,948,110	2,859,950	2,969,113
Use of Land and Buildings grants	730,460	565,000	682,653
Resource teachers learning and behaviour grants	1,476	11,363	981
Other MoE Grants	68,872	33,352	100,644
Other government grants	65,279	95,360	64,651
	4,825,216	4,535,025	4,774,812

3. Locally Raised Funds

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

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	88,862	14,000	24,916
Activities	240,802	105,450	251,503
Trading	54,331	11,500	80,701
Fundraising	11,977	20,000	10,960
Other Revenue	65,540	80,500	128,674
	461,512	231,450	496,754
Expenses			
Activities	189,588	7,600	205,343
Trading	44,024	6,000	99,340
Fundraising costs	5,961	-	7,744
	239,573	13,600	312,427
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	221,939	217,850	184,327

4. International Student Revenue and Expenses

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	Number	Number	Number
International Student Roll	0	0	0
	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
International student fees	64,642	43,000	43,109
Expenses			
Employee Benefit - Salaries	19,071	15,000	11,097
Other Expenses	32,566	8,000	6,666
	51,637	23,000	17,763
<i>Surplus/ (Deficit) for the year International Students'</i>	13,005	20,000	25,346

5. Learning Resources

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	199,465	271,730	181,408
Equipment repairs	8,784	-	3,101
Information and communication technology	30,213	64,000	30,126
Library resources	-	-	2,537
Employee benefits - salaries	3,301,402	3,103,908	3,224,370
Staff development	27,389	32,700	21,810
	3,567,253	3,472,338	3,463,352

6. Administration

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	5,526	4,800	5,365
Board of Trustees Fees	5,240	6,800	5,680
Board of Trustees Expenses	16,491	35,938	53,429
Communication	12,373	9,000	12,775
Consumables	16,438	5,300	15,577
Operating Lease	13,410	10,250	48,580
Other	19,667	59,900	18,098
Employee Benefits - Salaries	127,639	87,400	127,630
Insurance	13,176	13,000	10,155
Service Providers, Contractors and Consultancy	8,623	6,500	6,728
	238,583	238,888	304,017

7. Property

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	17,378	20,000	21,572
Consultancy and Contract Services	2,224	3,500	3,000
Cyclical Maintenance Expense	(134,819)	39,500	60,905
Grounds	42,114	17,500	44,114
Heat, Light and Water	46,447	45,000	44,434
Rates	924	-	-
Repairs and Maintenance	91,026	92,300	105,995
Use of Land and Buildings	730,460	565,000	682,653
Employee Benefits - Salaries	152,454	160,372	166,642
	948,208	943,172	1,129,315

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.

8. Depreciation

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	18,991	18,690	18,991
Furniture and Equipment	28,749	22,086	31,496
Information and Communication Technology	22,444	28,292	19,923
Motor Vehicles	8,924	8,783	5,833
Leased Assets	40,549	39,905	30,935
Library Resources	2,280	2,244	3,368
	<u>121,937</u>	<u>120,000</u>	<u>110,546</u>

9. Cash and Cash Equivalents

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	136,579	54,452	-
Bank Call Account	218,777	250,000	210,965
Short-term Bank Deposits	-	-	-
Bank Overdraft	-	-	(12,365)
Cash and cash equivalents for Cash Flow Statement	<u>355,356</u>	<u>304,452</u>	<u>198,600</u>

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

Of the \$386,476 Cash and Cash Equivalents, \$51,379 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.

Of the \$386,476 Cash and Cash Equivalents, \$20,005 of unspent grant funding is held by the School (Calf Club). This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10. Accounts Receivable

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	54,183	60,000	52,068
Receivables from the Ministry of Education	8,355	-	32,510
Interest Receivable	23	-	6
Teacher Salaries Grant Receivable	204,514	180,000	173,551
	<u>267,075</u>	<u>240,000</u>	<u>258,135</u>
Receivables from Exchange Transactions	54,206	60,000	52,074
Receivables from Non-Exchange Transactions	212,869	180,000	206,061
	<u>267,075</u>	<u>240,000</u>	<u>258,135</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	3,792	15,000	3,603
School Uniforms	17,408	-	9,599
	<u>21,200</u>	<u>15,000</u>	<u>13,202</u>

12. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	31,120	35,000	30,089
Non-current Asset			
Long-term Bank Deposits	-	-	-

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	838,437	-	-	-	(18,991)	819,446
Furniture and Equipment	89,341	10,125	-	-	(28,749)	70,717
Information and Communication Technology	36,755	12,948	-	-	(22,444)	27,259
Motor Vehicles	8,841	105,227	-	-	(8,924)	105,144
Leased Assets	73,725	8,893	-	-	(40,549)	42,069
Library Resources	18,239	-	-	-	(2,280)	15,959
Balance at 31 December 2018	<u>1,065,338</u>	<u>137,193</u>	<u>-</u>	<u>-</u>	<u>(121,937)</u>	<u>1,080,594</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	1,044,652	(225,206)	819,446
Furniture and Equipment	484,914	(414,197)	70,717
Information and Communication Technology	307,391	(280,133)	27,259
Motor Vehicles	164,051	(58,907)	105,144
Leased Assets	126,108	(84,039)	42,069
Library Resources	85,140	(69,181)	15,959
Balance at 31 December 2018	<u>2,212,256</u>	<u>(1,131,663)</u>	<u>1,080,594</u>

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	857,428	-	-	-	(18,991)	838,437
Furniture and Equipment	83,404	37,433	-	-	(31,496)	89,341
Information and Communication Technology	24,123	32,555	-	-	(19,923)	36,755
Motor Vehicles	10,152	4,522	-	-	(5,833)	8,841
Leased Assets	52,435	52,225	-	-	(30,935)	73,725
Library Resources	20,844	-	-	-	(2,605)	18,239
Balance at 31 December 2017	1,048,386	126,735	-	-	(109,783)	1,065,338

The net carrying value of equipment held under a finance lease is \$42,069 (2017: \$73,725)

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	1,044,652	(206,215)	838,437
Furniture and Equipment	474,790	(385,449)	89,341
Information and Communication Technology	294,443	(257,688)	36,755
Motor Vehicles	58,824	(49,983)	8,841
Leased Assets	117,215	(43,490)	73,725
Library Resources	85,140	(66,901)	18,239
Balance at 31 December 2017	2,075,064	(1,009,726)	1,065,338

14. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	140,741	70,000	66,773
Accruals	5,802	6,000	5,539
Employee Entitlements - salaries	233,846	180,000	163,114
Employee Entitlements - leave accrual	7,153	10,000	9,816
	387,542	266,000	245,242
Payables for Exchange Transactions	387,542	266,000	245,242
	387,542	266,000	245,242

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International Student Fees	12,065	-	(68)
Other	13,508	18,000	15,215
	<u>25,573</u>	<u>18,000</u>	<u>15,147</u>

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	240,634	240,634	187,866
Increase/ (decrease) to the Provision During the Year	(134,819)	39,500	60,905
Use of the Provision During the Year	(9,302)	(39,500)	(8,137)
Provision at the End of the Year	<u>96,513</u>	<u>240,634</u>	<u>240,634</u>
Cyclical Maintenance - Current	35,389	245,000	56,462
Cyclical Maintenance - Term	61,124	-	184,172
	<u>96,513</u>	<u>245,000</u>	<u>240,634</u>

17. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	-	-	19,281
Non Current Liability	-	-	-
	<u>-</u>	<u>-</u>	<u>19,281</u>

In 2004 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an fourteen year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 205 and 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$19,281. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. 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	33,524	39,533	45,057
Later than One Year and no Later than Five Years	14,487	37,139	39,541
Later than Five Years	-	-	-
	<u>48,011</u>	<u>76,672</u>	<u>84,598</u>

19. Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	7,050	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>7,050</u>	<u>-</u>	<u>-</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

20. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Block 1&10 Alarm Upgrade	<i>in progress</i>	-	9,900	10,517	-	(617)
Blocks 2,4,6 & 10 Roof	<i>in progress</i>	-	44,118	22,586	-	21,532
Blocks 2,6 & 10 Spouting	<i>in progress</i>	-	44,100	36,274	-	7,826
Block 1 Water Pump	<i>in progress</i>	-	15,889	8,524	-	7,365
Blocks 6 & 9 Heat Pumps	<i>in progress</i>	-	25,200	28,648	-	(3,448)
Site Drainage	<i>in progress</i>	-	22,500	3,780	-	18,720
Totals		<u>-</u>	<u>161,707</u>	<u>110,329</u>	<u>-</u>	<u>51,378</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	55,443
Funds Due from the Ministry of Education	(4,065)
	<u>51,378</u>

21. 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.

22. 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	5,240	5,680
Full-time equivalent members	0.46	-
<i>Leadership Team</i>		
Remuneration	441,967	389,639
Full-time equivalent members	4	3
Total key management personnel remuneration	447,207	395,319
Total full-time equivalent personnel	4.46	3.00

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	80 - 90
Benefits and Other Emoluments	0 - 5	0 - 5
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	1.00	1.00
	1.00	1.00

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

23. 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	-	\$21,000
Number of People	-	2

24. 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.

25. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2017: \$3,749 Kiwilink Internet Services - Telephone System)

(b) Operating Commitments

As at 31 December 2018 the Board has not entered into any contracts.

	2018 Actual \$	2017 Actual \$
No later than One Year	-	11,773
Later than One Year and No Later than Five Years	-	100
Later than Five Years	-	-
	-	11,873

26. 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.

27. 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	355,356	304,452	198,600
Receivables	267,075	240,000	258,135
Investments - Term Deposits	31,120	35,000	30,089
Total Loans and Receivables	653,551	579,452	486,824

Financial liabilities measured at amortised cost

Payables	387,542	266,000	245,242
Finance Leases	44,696	37,138	76,672
Painting Contract Liability	-	-	19,281
Total Financial Liabilities Measured at Amortised Cost	432,238	303,138	341,195

28. Events After Balance Date

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

29. Comparatives

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