

CAMBRIDGE EAST SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1700

Principal: Hamish Fenemor

School Address: Williams Street, Cambridge

School Postal Address:

School Phone: 07 827 7651

School Email: office@cambridgeeast.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Dylan Newbold	Chairperson	Elected	Resigned October 2019
Hamish Fenemor	Principal	ex Officio	
Hayley Lord	Parent Rep	Elected	June 2019
Jane Blackmore	Parent Rep	Co-opted	June 2019
Kelvin O'Connell	Parent Rep	Elected	June 2019
Wayne Maher	Chairperson	Appointed	June 2019
Owen Steverson	Parent Rep	Elected	June 2019
Matthew Cranshaw	Parent Rep	Co-opted	June 2019
Kathy McIsaac	Staff Rep	Elected	June 2019

Accountant / Service Provider: Education Services Ltd

CAMBRIDGE EAST SCHOOL

Annual Report - For the year ended 31 December 2018

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Cambridge East 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:

Cambridge East 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	3,006,189	2,687,818	2,822,026
Locally Raised Funds	3	259,613	148,500	244,596
Interest Earned		1,699	2,000	1,496
Gain on Sale of Property, Plant and Equipment		7,869	-	-
		<u>3,275,370</u>	<u>2,838,318</u>	<u>3,068,118</u>
Expenses				
Locally Raised Funds	3	169,839	70,400	119,404
Learning Resources	4	2,080,255	1,919,880	1,903,000
Administration	5	153,918	161,025	135,791
Finance Costs		4,480	4,285	4,907
Property	6	741,692	628,725	708,367
Depreciation	7	104,478	40,000	83,182
Loss on Disposal of Property, Plant and Equipment		-	-	2,781
		<u>3,254,662</u>	<u>2,824,315</u>	<u>2,957,432</u>
Net Surplus / (Deficit)		20,708	14,003	110,686
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>20,708</u>	<u>14,003</u>	<u>110,686</u>

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

Cambridge East 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	241,479	275,939	125,939
Total comprehensive revenue and expense for the year	20,708	14,003	110,686
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	28,576	-	4,854
Equity at 31 December	290,763	289,942	241,479
Retained Earnings	290,763	289,942	241,479
Equity at 31 December	290,763	289,942	241,479

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

Cambridge East School Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	-	187,263	-
Accounts Receivable	9	118,488	92,931	116,912
GST Receivable		13,512	45,774	-
Prepayments		13,360	7,443	16,373
Inventories	10	3,617	11,556	9,847
Funds owed for Capital Works Projects	17	28,056	-	37,406
		<u>177,033</u>	<u>344,967</u>	<u>180,538</u>
Current Liabilities				
GST Payable		-	-	1,818
Accounts Payable	12	141,361	274,944	129,028
Borrowings - Due in one year	13	54,691	-	92,504
Revenue Received in Advance	14	5,274	6,208	3,422
Provision for Cyclical Maintenance	15	-	-	7,126
Finance Lease Liability - Current Portion	16	23,038	13,634	20,526
Bank Overdraft	8	30,637	-	27,665
		<u>255,001</u>	<u>294,786</u>	<u>282,089</u>
Working Capital Surplus/(Deficit)		<u>(77,968)</u>	<u>50,181</u>	<u>(101,551)</u>
Non-current Assets				
Property, Plant and Equipment	11	442,141	456,386	439,678
		<u>442,141</u>	<u>456,386</u>	<u>439,678</u>
Non-current Liabilities				
Borrowings - Due beyond one year	13	-	76,914	46,272
Provision for Cyclical Maintenance	15	35,411	139,711	19,787
Finance Lease Liability	16	37,999	-	30,589
		<u>73,410</u>	<u>216,625</u>	<u>96,648</u>
Net Assets		<u>290,763</u>	<u>289,942</u>	<u>241,479</u>
Equity		<u>290,763</u>	<u>289,942</u>	<u>241,479</u>

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

Cambridge East 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		590,704	572,469	518,181
Locally Raised Funds		259,559	148,500	241,790
Goods and Services Tax (net)		(15,330)	-	47,592
Payments to Employees		(359,535)	(359,525)	(313,499)
Payments to Suppliers		(339,072)	(194,442)	(306,235)
Interest Paid		(4,480)	(4,285)	(4,907)
Interest Received		1,699	2,000	1,496
Net cash from / (to) the Operating Activities		133,545	164,717	184,418
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(68,112)	(29,000)	(79,186)
Net cash from / (to) the Investing Activities		(68,112)	(29,000)	(79,186)
Cash flows from Financing Activities				
Furniture and Equipment Grant		28,576	-	4,854
Finance Lease Payments		(25,293)	(22,691)	(8,302)
Loans Received/ Repayment of Loans		(84,085)	-	(46,252)
Funds Held for Capital Works Projects		12,397	-	(157,434)
Net cash from Financing Activities		(68,405)	(22,691)	(207,134)
Net increase/(decrease) in cash and cash equivalents		(2,972)	113,026	(101,902)
Cash and cash equivalents at the beginning of the year	8	(27,665)	74,237	74,237
Cash and cash equivalents at the end of the year	8	(30,637)	187,263	(27,665)

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.

Cambridge East School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Cambridge East 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 16.

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:

Buildings	10-40 years
Furniture and Equipment	4-15 years
Information and Communication	4 years
Library Resources	12.5% 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. 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	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	498,806	504,169	490,444
Teachers' salaries grants	1,825,195	1,638,880	1,681,982
Use of Land and Buildings grants	569,360	469,425	564,251
Resource teachers learning and behaviour grants	2,609	2,000	772
Other MoE Grants	110,219	73,344	84,577
	<u>3,006,189</u>	<u>2,687,818</u>	<u>2,822,026</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	40,100	39,500	71,405
Activities	197,389	86,500	155,007
Trading	13,477	7,500	10,145
Fundraising	8,647	15,000	8,039
	<u>259,613</u>	<u>148,500</u>	<u>244,596</u>
Expenses			
Activities	147,811	63,900	113,479
Trading	21,576	6,500	5,570
Fundraising costs	452	-	355
	<u>169,839</u>	<u>70,400</u>	<u>119,404</u>
<i>Surplus for the year Locally raised funds</i>	<u>89,774</u>	<u>78,100</u>	<u>125,192</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	40,185	48,750	24,594
Library resources	1,783	3,000	1,212
Employee benefits - salaries	2,026,895	1,855,580	1,863,521
Staff development	11,392	12,550	13,673
	<u>2,080,255</u>	<u>1,919,880</u>	<u>1,903,000</u>

5. Administration

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	4,800	5,000	4,613
Board of Trustees Fees	4,085	4,500	4,195
Board of Trustees Expenses	2,875	2,720	1,181
Communication	3,614	3,600	3,974
Consumables	14,571	17,500	16,153
Operating Lease	210	8,950	4,014
Legal Fees	(2,000)	-	2,000
Other	33,894	28,250	19,333
Employee Benefits - Salaries	69,038	67,225	61,008
Insurance	6,594	8,500	7,766
Service Providers, Contractors and Consultancy	16,237	14,780	11,554
	<u>153,918</u>	<u>161,025</u>	<u>135,791</u>

6. Property

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Caretaking and Cleaning Consumables	23,874	20,000	35,183
Cyclical Maintenance Expense	8,498	8,600	4,052
Grounds	10,214	7,700	6,518
Heat, Light and Water	18,304	16,000	16,787
Rates	7,420	7,500	7,235
Repairs and Maintenance	35,044	26,500	29,164
Use of Land and Buildings	569,360	469,425	564,251
Security	5,399	6,000	3,544
Employee Benefits - Salaries	63,579	67,000	41,633
	<u>741,692</u>	<u>628,725</u>	<u>708,367</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 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Buildings	7,627	3,668	7,627
Building Improvements	14,872	4,383	9,114
Furniture and Equipment	20,554	8,837	18,379
Information and Communication Technology	28,505	13,033	27,102
Leased Assets	28,271	7,917	16,464
Library Resources	4,649	2,162	4,496
	<u>104,478</u>	<u>40,000</u>	<u>83,182</u>

8. Cash and Cash Equivalents

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Cash on Hand	250	-	250
ASB Current Account 01	(2,642)	174,970	(29,976)
ASB 00 account	(28,245)	12,293	2,061
Cash equivalents for Cash Flow Statement	<u>(30,637)</u>	<u>187,263</u>	<u>(27,665)</u>

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

9. Accounts Receivable

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Receivables	4,950	3,463	3,043
Receivables from the Ministry of Education	2,875	-	7,445
Teacher Salaries Grant Receivable	110,663	89,468	106,424
	<u>118,488</u>	<u>92,931</u>	<u>116,912</u>
Receivables from Exchange Transactions	4,950	3,463	3,043
Receivables from Non-Exchange Transactions	113,538	89,468	113,869
	<u>118,488</u>	<u>92,931</u>	<u>116,912</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	909	1,985	1,430
Uniforms	2,708	9,571	8,417
	<u>3,617</u>	<u>11,556</u>	<u>9,847</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	149,390	-	-	-	(7,627)	141,762
Building Improvements	60,317	8,583	-	-	(14,872)	54,027
Furniture and Equipment	95,830	47,639	-	-	(20,554)	122,915
Information and Communication Tech	53,110	8,505	(92)	-	(28,505)	33,019
Leased Assets	47,739	51,885	(11,440)	-	(28,271)	59,913
Library Resources	33,293	3,366	(1,506)	-	(4,649)	30,505
Balance at 31 December 2018	<u>439,679</u>	<u>119,978</u>	<u>(13,038)</u>	<u>-</u>	<u>(104,478)</u>	<u>442,141</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	265,548	(123,786)	141,762
Building Improvements	153,879	(99,852)	54,027
Furniture and Equipment	448,485	(325,570)	122,915
Information and Communication	144,927	(111,908)	33,019
Leased Assets	90,755	(30,842)	59,913
Library Resources	103,267	(72,762)	30,505
Balance at 31 December 2018	<u>1,206,861</u>	<u>(764,720)</u>	<u>442,141</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Buildings	157,017	-	-	-	(7,627)	149,390
Building Improvements	29,079	40,353	-	-	(9,114)	60,317
Furniture and Equipment	98,802	17,780	(2,373)	-	(18,379)	95,830
Information and Communication Tech	63,130	17,490	(408)	-	(27,102)	53,110
Leased Assets	46,554	17,649	-	-	(16,464)	47,739
Library Resources	34,205	3,583	-	-	(4,496)	33,292
Balance at 31 December 2017	<u>428,787</u>	<u>96,855</u>	<u>(2,781)</u>	<u>-</u>	<u>(83,182)</u>	<u>439,678</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Buildings	265,548	(116,158)	149,390
Building Improvements	145,297	(84,980)	60,317
Furniture and Equipment	400,847	(305,017)	95,830
Information and Communication	137,714	(84,604)	53,110
Leased Assets	76,285	(28,546)	47,739
Library Resources	101,909	(68,617)	33,292
Balance at 31 December 2017	<u>1,127,600</u>	<u>(687,922)</u>	<u>439,678</u>

12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	15,272	116,062	8,218
Accruals	4,813	5,175	4,613
Capital accruals for PPE items	-	-	23
Banking staffing overuse	-	52,618	-
Employee Entitlements - salaries	110,663	89,468	106,424
Employee Entitlements - leave accrual	10,613	11,621	9,750
	<u>141,361</u>	<u>274,944</u>	<u>129,028</u>

Payables for Exchange Transactions	141,361	222,326	129,028
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	52,618	-
	<u>141,361</u>	<u>274,944</u>	<u>129,028</u>

The carrying value of payables approximates their fair value.

13. Borrowings

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Due in One Year	54,691	-	92,504
Due Beyond One Year	-	76,914	46,272
	<u>54,691</u>	<u>76,914</u>	<u>138,776</u>

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Fees in Advance	1,395	1,589	680
WINZ Clearing account	3,879	4,619	2,742
	<u>5,274</u>	<u>6,208</u>	<u>3,422</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	26,913	131,111	22,861
Increase to the Provision During the Year	8,498	8,600	4,052
Provision at the End of the Year	<u>35,411</u>	<u>139,711</u>	<u>26,913</u>
Cyclical Maintenance - Current	-	-	7,126
Cyclical Maintenance - Term	35,411	139,711	19,787
	<u>35,411</u>	<u>139,711</u>	<u>26,913</u>

16. 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	23,038	13,634	22,690
Later than One Year and no Later than Five Years	37,999	-	31,927
	<u>61,037</u>	<u>13,634</u>	<u>54,617</u>

17. Funds Owed (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 Contribution/ (Write-off to R&M)	Closing Balances \$
A Block	<i>completed</i>	37,406	56,415	21,670	(2,661)	-
Staff Carpark	<i>in progress</i>	-	-	8,815	-	8,815
Block C Grants	<i>in progress</i>	-	-	7,667	-	7,667
New Build classrms Grants	<i>in progress</i>	-	-	6,560	-	6,560
Sandpit	<i>in progress</i>	-	-	5,014	-	5,014
Totals		<u>37,406</u>	<u>56,415</u>	<u>49,726</u>	<u>(2,661)</u>	<u>28,056</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

28,056

28,056

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
A Block	<i>in progress</i>	(123,154)	-	160,560	-	37,406
Emergency Tree removal	<i>completed</i>	17,618	17,490	(128)	-	-
Stormwater/drainage project	<i>completed</i>	-	8,135	8,135	-	-
Totals		<u>(105,536)</u>	<u>25,625</u>	<u>168,567</u>	<u>-</u>	<u>37,406</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	4,085	4,195
Full-time equivalent members	0.16	0.10
<i>Leadership Team</i>		
Remuneration	417,237	412,288
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	421,322	416,483
Total full-time equivalent personnel	4.16	4.10

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	130 - 140
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	-	\$2,000
Number of People	-	1

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	-	187,263	-
Receivables	118,488	92,931	116,912
Investments - Term Deposits	-	-	-
Total Loans and Receivables	118,488	280,194	116,912

Financial liabilities measured at amortised cost

Payables	141,361	274,944	129,028
Borrowings - Loans	54,691	76,914	138,776
Finance Leases	61,037	13,634	51,115
Painting Contract Liability	-	-	-
Bank Overdraft	30,637	-	27,665
Total Financial Liabilities Measured at Amortised Cost	287,726	365,492	346,584

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.

27. Going concern

The School is experiencing financial difficulties. At balance date, the School has a working capital deficit for \$77,968 (2017: \$101,551). The financial difficulties have arisen mainly because the School has incurred several deficits over recent years. The School is managing this by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources, so it may meet its obligations as they fall due.

