

WELLINGTON SEVENTH DAY ADVENTIST SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	4150
Principal:	Karla Mitchell
School Address:	58 Raiha Street, Porirua
School Postal Address:	PO Box 51-148, Tawa, WELLINGTON, 5249
School Phone:	04 237 6282
School Email:	office@wellingtonsda.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Esther Pereira-Saena	Chairperson	Elected	Nurse	Jun 2019
Elisabeth Tupa'i	Chairperson	Elected	Office Manager	Sep 2019
Karla Mitchell	Principal	ex Officio		
Irene Finau	Parent Rep	Elected	Home-maker	Jun 2019
Miranda Livapula	Parent Rep	Elected	Personal Assistant	Jun 2019
Trini Loftus	Parent Rep	Elected	Cook	2022
Thomas Marsh	Parent Rep	Elected	Downers Construction	2022
Evelyn Ormsby	Staff Rep	Elected	Teacher	Dec 2018
Kahli Huse	Staff Rep	Elected	Teacher	2022
Andy Ng Lam	Proprietors Rep	Appointed		Dec 2019
Tu Vili	Proprietors Rep	Appointed	Youth Worker	2022
Tolo Pereira	Proprietors Rep	Appointed	Early Childhood Manager	2022
Kat Rutledge	Other	Appointed	Office Manager	Sep 2019

Accountant / Service Provider: Education Services Ltd

WELLINGTON SEVENTH DAY ADVENTIST SCHOOL

Annual Report - For the year ended 31 December 2019

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Wellington Seventh Day Adventist School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	590,121	499,745	522,756
Locally Raised Funds	3	14,224	3,000	12,703
Use of Land and Buildings Integrated		198,080	138,740	158,560
Interest income		4,308	2,000	4,476
Gain on Sale of Property, Plant and Equipment		-	-	600
		<hr/>	<hr/>	<hr/>
		806,733	643,485	699,095
Expenses				
Locally Raised Funds	3	11,410	7,050	16,676
Learning Resources	4	445,277	390,945	395,525
Administration	5	51,755	51,250	52,590
Finance		902	800	859
Property	6	235,564	180,840	212,567
Depreciation	7	15,347	12,126	12,640
Loss on Disposal of Property, Plant and Equipment		-	-	629
		<hr/>	<hr/>	<hr/>
		760,255	643,011	691,486
Net Surplus / (Deficit) for the year		46,478	474	7,609
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		46,478	474	7,609

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

Wellington Seventh Day Adventist School

Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Tumama Vili

Full Name of Board Chairperson

Karla Mitchell

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

15 May 2020

Date:

15 May 2020

Date:

Wellington Seventh Day Adventist School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		123,341	122,569	115,732
Total comprehensive revenue and expense for the year		46,478	474	7,609
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,042	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	20	171,861	123,043	123,341
Retained Earnings		171,861	123,043	123,341
Equity at 31 December		171,861	123,043	123,341

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Wellington Seventh Day Adventist School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	48,476	98,448	21,636
Accounts Receivable	9	33,444	22,112	25,353
GST Receivable		5,627	2,093	3,512
Prepayments		1,173	379	253
Investments	10	110,990	-	107,429
		<u>199,710</u>	<u>123,032</u>	<u>158,183</u>
Current Liabilities				
Accounts Payable	12	59,983	34,305	34,990
Provision for Cyclical Maintenance	13	13,158	10,482	25,158
Finance Lease Liability - Current Portion	14	3,500	3,552	3,991
		<u>76,641</u>	<u>48,339</u>	<u>64,139</u>
Working Capital Surplus/(Deficit)		123,069	74,693	94,044
Non-current Assets				
Property, Plant and Equipment	11	61,904	50,203	43,598
		<u>61,904</u>	<u>50,203</u>	<u>43,598</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	10,400	-	9,100
Finance Lease Liability	14	2,712	1,853	5,201
		<u>13,112</u>	<u>1,853</u>	<u>14,301</u>
Net Assets		<u>171,861</u>	<u>123,043</u>	<u>123,341</u>
Equity		<u>171,861</u>	<u>123,043</u>	<u>123,341</u>

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

Wellington Seventh Day Adventist School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		197,871	175,000	179,648
Locally Raised Funds		14,224	1,500	12,703
Goods and Services Tax (net)		(2,115)	-	(1,419)
Payments to Employees		(65,989)	(70,750)	(69,685)
Payments to Suppliers		(101,502)	7,954	(98,873)
Cyclical Maintenance Payments in the year		15,408	(6,000)	-
Interest Paid		(902)	(800)	(859)
Interest Received		4,360	2,000	4,190
Net cash from Operating Activities		61,355	108,904	25,705
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	600
Purchase of PPE (and Intangibles)		(29,796)	(16,750)	(8,888)
Purchase of Investments		(3,562)	-	(3,525)
Net cash from Investing Activities		(33,358)	(16,750)	(11,813)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,042	-	-
Finance Lease Payments		(3,199)	(3,300)	(1,850)
Net cash from Financing Activities		(1,157)	(3,300)	(1,850)
Net increase/(decrease) in cash and cash equivalents		26,840	88,854	12,042
Cash and cash equivalents at the beginning of the year	8	21,636	9,594	9,594
Cash and cash equivalents at the end of the year	8	48,476	98,448	21,636

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

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

Wellington Seventh Day Adventist School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Wellington Seventh Day Adventist School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 24.

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.

Cyclical Maintenance Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance 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

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Furniture and Equipment	10 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	173,441	165,000	153,773
Teachers' Salaries Grants	390,073	324,745	340,648
Resource Teachers Learning and Behaviour Grants	-	-	657
Other MoE Grants	26,107	10,000	26,164
Other Government Grants	500	-	1,514
	<u>590,121</u>	<u>499,745</u>	<u>522,756</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	7,154	-	2,295
Activities	5,300	1,500	7,250
Fundraising	1,770	1,500	3,158
	<u>14,224</u>	<u>3,000</u>	<u>12,703</u>
Expenses			
Activities	10,490	7,050	15,514
Fundraising (Costs of Raising Funds)	920	-	1,162
	<u>11,410</u>	<u>7,050</u>	<u>16,676</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>2,814</u>	<u>(4,050)</u>	<u>(3,973)</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	10,511	7,150	7,565
Library Resources	5	300	464
Employee Benefits - Salaries	428,956	376,495	382,763
Staff Development	5,805	7,000	4,733
	<u>445,277</u>	<u>390,945</u>	<u>395,525</u>

5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,781	5,300	4,900
Board of Trustees Fees	2,210	3,500	2,965
Board of Trustees Expenses	1,912	1,500	363
Communication	1,508	1,350	1,149
Consumables	5,092	3,500	4,279
Operating Lease	-	-	767
Other	9,535	7,900	11,683
Employee Benefits - Salaries	18,305	22,000	20,209
Insurance	712	-	575
Service Providers, Contractors and Consultancy	5,700	6,200	5,700
	<u>51,755</u>	<u>51,250</u>	<u>52,590</u>

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,325	3,450	2,803
Cyclical Maintenance Expense	2,698	2,050	8,689
Grounds	656	500	-
Heat, Light and Water	3,650	4,000	3,980
Rates	2,126	4,000	4,459
Repairs and Maintenance	9,612	9,600	10,503
Use of Land and Buildings	198,080	138,740	158,560
Security	834	1,000	999
Employee Benefits - Salaries	8,983	10,500	7,830
Consultancy And Contract Services	5,600	7,000	14,744
	<u>235,564</u>	<u>180,840</u>	<u>212,567</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	5,102	4,512	4,703
Information and Communication Technology	5,422	3,295	3,435
Leased Assets	4,084	3,652	3,807
Library Resources	739	667	695
	<u>15,347</u>	<u>12,126</u>	<u>12,640</u>

8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	107	-	107
Bank Current Account	48,021	95,115	18,183
Bank Call Account	348	3,333	3,346
Cash equivalents for Cash Flow Statement	<u>48,476</u>	<u>98,448</u>	<u>21,636</u>

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

9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Interest Receivable	234	-	286
Teacher Salaries Grant Receivable	33,210	22,112	25,067
	<u>33,444</u>	<u>22,112</u>	<u>25,353</u>
Receivables from Exchange Transactions	234	-	286
Receivables from Non-Exchange Transactions	33,210	22,112	25,067
	<u>33,444</u>	<u>22,112</u>	<u>25,353</u>

10. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	110,990	-	107,429
Total Investments	<u>110,990</u>	<u>-</u>	<u>107,429</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Furniture and Equipment	21,903	13,148	-	-	(5,102)	29,949
Information and Communication Tech	10,275	17,099	-	-	(5,422)	21,953
Leased Assets	8,743	2,362	-	-	(4,084)	7,021
Library Resources	2,677	1,044	-	-	(739)	2,981
Balance at 31 December 2019	43,598	33,653	-	-	(15,347)	61,904

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Furniture and Equipment	91,923	(61,974)	29,949
Information and Communication	44,557	(22,604)	21,953
Leased Assets	15,470	(8,449)	7,021
Library Resources	22,488	(19,507)	2,981
Balance at 31 December 2019	174,438	(112,534)	61,904

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Furniture and Equipment	26,183	423	-	-	(4,703)	21,903
Information and Communication Tech	9,493	4,846	(629)	-	(3,435)	10,275
Leased Assets	11,227	1,323	-	-	(3,807)	8,743
Library Resources	2,226	1,146	-	-	(695)	2,677
Balance at 31 December 2018	49,129	7,738	(629)	-	(12,640)	43,598

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Furniture and Equipment	83,431	(61,528)	21,903
Information and Communication	31,027	(20,752)	10,275
Leased Assets	14,465	(5,722)	8,743
Library Resources	21,444	(18,767)	2,677
Balance at 31 December 2018	150,367	(106,769)	43,598

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	20,055	7,393	6,599
Accruals	4,571	4,800	2,852
Capital Accruals for PPE items	1,495	-	-
Employee Entitlements - Salaries	33,210	22,112	25,067
Employee Entitlements - Leave Accrual	652	-	472
	<u>59,983</u>	<u>34,305</u>	<u>34,990</u>
Payables for Exchange Transactions	59,983	34,305	34,990
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>59,983</u>	<u>34,305</u>	<u>34,990</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	34,258	8,432	25,569
Increase to the Provision During the Year	2,698	2,050	8,689
Use of the Provision During the Year	(13,398)	-	-
Provision at the End of the Year	<u>23,558</u>	<u>10,482</u>	<u>34,258</u>
Cyclical Maintenance - Current	13,158	10,482	25,158
Cyclical Maintenance - Term	10,400	-	9,100
	<u>23,558</u>	<u>10,482</u>	<u>34,258</u>

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	4,092	3,552	3,991
Later than One Year and no Later than Five Years	3,107	1,853	5,201
	<u>7,199</u>	<u>5,405</u>	<u>9,192</u>

15. 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.

The Proprietor of the School (Australasian Conference Association (ACA)) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2019 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings ".

16. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2019	2018
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	2,210	2,965
Full-time equivalent members	0.07	0.09
<i>Leadership Team</i>		
Remuneration	103,550	176,434
Full-time equivalent members	1.00	0.09
Total key management personnel remuneration	<u>105,760</u>	<u>179,399</u>
Total full-time equivalent personnel	<u>1.07</u>	<u>0.18</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:

	2019	2018
	Actual	Actual
	\$000	\$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	100 - 110	100 - 110
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	2019	2018
\$000	FTE Number	FTE Number
100 - 110	-	-
	<u>0.00</u>	<u>0.00</u>

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

17. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

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

19. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

20. 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.

21. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	48,476	98,448	21,636
Receivables	33,444	22,112	25,353
Investments - Term Deposits	110,990	-	107,429

Total Financial assets measured at amortised cost	<u>192,910</u>	<u>120,560</u>	<u>154,418</u>
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Financial liabilities measured at amortised cost

Payables	59,983	34,305	34,990
Borrowings - Loans	-	-	-
Finance Leases	6,212	5,405	9,192
Painting Contract Liability	-	-	-

Total Financial Liabilities Measured at Amortised Cost	<u>66,195</u>	<u>39,710</u>	<u>44,182</u>
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22. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

23. Comparatives

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

24. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 10 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

