



HORNBY HIGH SCHOOL

To Hornby Ki te Wharewaka

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	338
Principal:	Robin Sutton
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HORNBY HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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Hornby High 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 reflect the financial position and operations of the school.

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

Kaye Banks

Full Name of Board Chairperson



Signature of Board Chairperson

29th May 2020

Date:

Robin Sutton

Full Name of Principal



Signature of Principal

29th May 2020

Date:

Hornby High School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Robin Sutton	Principal	ex Officio	
Kaye Banks	Chairperson	Elected	May 2022
Donna Sullivan	Parent Rep	Elected	May 2022
Simon Evans	Parent Rep	Elected	May 2022
Penny Devine	Deputy Chairperson	Elected	May 2022
Anna Taylor	Staff Rep	Elected	May 2022
Crystal Edminstin	Student Rep	Elected	Sep 2020
Jonty Ward	Parent Rep	Elected	Jun 2019
Rochelle Jackson	Parent Rep	Elected	May 2022
In Attendance			
Joanne Bykerk	Minute Secretary		

Hornby High 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	8,458,264	8,155,108	8,252,070
Locally Raised Funds	3	547,489	333,099	494,519
Interest Income		27,018	30,000	34,807
International Students	4	69,325	64,780	60,148
		<u>9,102,096</u>	<u>8,582,987</u>	<u>8,841,544</u>
Expenses				
Locally Raised Funds	3	258,224	177,159	217,946
International Students	4	24,419	16,800	23,436
Learning Resources	5	5,913,506	5,624,963	5,905,382
Administration	6	310,091	302,863	323,285
Finance Costs		11,965	-	2,151
Property	7	2,561,431	2,327,031	2,471,704
Depreciation	8	317,017	250,000	249,071
Loss on Disposal of Property, Plant and Equipment		51,830	-	-
		<u>9,448,483</u>	<u>8,698,816</u>	<u>9,192,975</u>
Net (Deficit) / Surplus		(346,387)	(115,829)	(351,431)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(346,387)</u>	<u>(115,829)</u>	<u>(351,431)</u>

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



Hornby High School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	<u>2,355,409</u>	<u>2,355,409</u>	<u>2,070,239</u>
Total comprehensive revenue and expense for the year	(346,387)	(115,829)	(351,431)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	636,601
Equity at 31 December	<u>2,009,022</u>	<u>2,239,580</u>	<u>2,355,409</u>
Retained Earnings	2,009,022	2,239,580	2,355,409
Equity at 31 December	<u>2,009,022</u>	<u>2,239,580</u>	<u>2,355,409</u>

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.



Hornby High School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	906,070	536,912	402,741
Accounts Receivable	10	359,552	359,055	359,055
GST Receivable		34,264	33,441	33,441
Prepayments		8,811	11,301	11,301
Inventories	11	81,701	71,172	71,172
Investments	12	-	916,070	916,070
		<u>1,390,398</u>	<u>1,927,951</u>	<u>1,793,780</u>
Current Liabilities				
Accounts Payable	14	428,319	432,244	432,244
Revenue Received in Advance	15	65,544	71,199	71,199
Finance Lease Liability - Current Portion	16	50,411	58,200	58,200
Funds held in Trust	17	19,905	21,442	21,442
		<u>564,179</u>	<u>583,085</u>	<u>583,085</u>
Working Capital Surplus/(Deficit)		826,219	1,344,866	1,210,695
Non-current Assets				
Investments (more than 12 months)	12	2,000	2,000	2,000
Property, Plant and Equipment	13	1,357,119	965,740	1,215,740
		<u>1,359,119</u>	<u>967,740</u>	<u>1,217,740</u>
Non-current Liabilities				
Finance Lease Liability	16	176,316	73,026	73,026
Funds held in Trust	17	-	-	-
		<u>176,316</u>	<u>73,026</u>	<u>73,026</u>
Net Assets		<u>2,009,022</u>	<u>2,239,580</u>	<u>2,355,409</u>
Equity		<u>2,009,022</u>	<u>2,239,580</u>	<u>2,355,409</u>

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



Hornby High 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		1,981,752	1,844,184	1,957,426
Locally Raised Funds		512,480	333,099	576,772
International Students		66,820	64,780	87,256
Goods and Services Tax (net)		(823)	-	(30,942)
Payments to Employees		(1,135,532)	(926,164)	(1,125,258)
Payments to Suppliers		(1,444,591)	(1,211,728)	(1,495,084)
Interest Received		35,380	30,000	26,657
Net cash from / (to) the Operating Activities		<u>15,486</u>	<u>134,171</u>	<u>(3,173)</u>
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(587,599)	-	(772,070)
Purchase of Investments		-	-	(393,304)
Proceeds from Sale of Investments		916,070	-	-
Net cash from the Investing Activities		<u>328,471</u>	<u>-</u>	<u>(1,165,374)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,136,601
Finance Lease Payments		160,909	-	(20,755)
Funds Administered on Behalf of Third Parties		(1,537)	-	-
Funds held for Capital Works Projects		-	-	(5,191)
Net cash from Financing Activities		<u>159,372</u>	<u>-</u>	<u>1,110,655</u>
Net Increase/(decrease) in cash and cash equivalents		<u>503,329</u>	<u>134,171</u>	<u>(57,892)</u>
Cash and cash equivalents at the beginning of the year	9	402,741	402,741	460,633
Cash and cash equivalents at the end of the year	9	<u>906,070</u>	<u>536,912</u>	<u>402,741</u>

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

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



Hornby High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Hornby High 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.

1.2. 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 26.

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

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

1.10. 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.

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 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	20 years
Furniture and equipment	5–10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased Assets	per term of lease
Library resources	12.5% Diminishing value

1.11. 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.

1.12. 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.

1.13. Employment 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

1.14. 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.

1.15. 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.



1.16. 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).

1.17. Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are categorised 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.18. 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.

1.19. Budget Figures

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

1.20. 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	1,691,623	1,649,502	1,685,696
Teachers' salaries grants	4,417,962	4,401,203	4,401,203
Use of Land and Buildings grants	2,042,270	1,893,441	1,893,441
Other MoE Grants	306,409	210,962	271,730
	8,458,264	8,155,108	8,252,070

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	69,143	15,000	72,655
Fundraising	5,984	-	3,489
Bequests & Grants	9,006	18,000	13,379
Other revenue	279,838	192,849	228,725
Trading	132,531	91,000	139,763
Activities	50,987	16,250	36,508
	547,489	333,099	494,519
Expenses			
Activities	128,535	93,559	85,701
Trading	129,689	83,600	132,245
	258,224	177,159	217,946
<i>Surplus for the year Locally raised funds</i>	289,265	155,940	276,573

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	3	2	2
Revenue			
International student fees	69,325	64,780	60,148
Expenses			
Commissions	-	-	3,829
International student levy	507	800	210
Employee Benefit - Salaries	2,547	-	1,019
Other Expenses	21,365	16,000	18,378
	24,419	16,800	23,436
<i>Surplus for the year International Students</i>	44,906	47,980	36,712



5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	384,538	340,612	421,919
Equipment repairs	31,510	10,030	20,397
Information and communication technology	124,104	104,200	119,313
Library resources	2,744	3,904	3,418
Employee benefits - salaries	5,324,753	5,123,217	5,281,180
Staff development	45,857	43,000	59,155
	<u>5,913,506</u>	<u>5,624,963</u>	<u>5,905,382</u>

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,112	6,112	5,961
Board of Trustees Fees	7,250	8,000	6,620
Board of Trustees Expenses	19,950	26,165	16,308
Communication	20,434	13,000	21,887
Consumables	85,098	78,686	81,757
Legal Fees	347	1,000	-
Other	7,978	8,800	27,848
Employee Benefits - Salaries	139,342	134,240	136,410
Insurance	4,370	8,200	9,161
Service Providers, Contractors and Consultancy	19,210	18,660	17,333
	<u>310,091</u>	<u>302,863</u>	<u>323,285</u>

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	134,514	117,900	132,617
Grounds	14,719	9,000	12,306
Heat, Light and Water	173,072	137,000	176,905
Rates	26,169	12,000	23,373
Repairs and Maintenance	74,652	66,500	107,363
Use of Land and Buildings	2,042,270	1,893,441	1,893,441
Security	7,710	5,000	10,842
Employee Benefits - Salaries	88,325	86,190	114,857
	<u>2,561,431</u>	<u>2,327,031</u>	<u>2,471,704</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.

8. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	3,336	3,000	6,486
Furniture and Equipment	108,157	85,000	78,420
Information and Communication Technology	67,155	50,000	60,549
Motor Vehicles	19,351	15,000	17,092
Leased Assets	108,172	87,000	76,017
Library Resources	10,846	10,000	10,507
	<u>317,017</u>	<u>250,000</u>	<u>249,071</u>



9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	800	-	800
Bank Current Account	157,031	536,912	220,598
Bank Call Account	218,915	-	181,343
Short-term Bank Deposits	529,324	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>906,070</u>	<u>536,912</u>	<u>402,741</u>

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

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	41,219	9,360	9,360
Interest Receivable	806	9,168	9,168
Teacher Salaries Grant Receivable	317,527	340,527	340,527
	<u>359,552</u>	<u>359,055</u>	<u>359,055</u>
Receivables from Exchange Transactions	42,025	18,528	18,528
Receivables from Non-Exchange Transactions	317,527	340,527	340,527
	<u>359,552</u>	<u>359,055</u>	<u>359,055</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	81,701	71,172	71,172
	<u>81,701</u>	<u>71,172</u>	<u>71,172</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	-	916,070	916,070
Non-current Asset			
Shares	2,000	2,000	2,000
Total Investments	<u>2,000</u>	<u>918,070</u>	<u>918,070</u>



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	95,345	-	(37,780)	-	(3,336)	54,229
Furniture and Equipment	764,383	317,023	(13,497)	-	(108,157)	959,752
Information and Communication	194,294	55,381	-	-	(67,155)	182,520
Motor Vehicles	48,085	-	-	-	(19,351)	28,734
Leased Assets	92,204	132,945	-	-	(108,172)	116,977
Library Resources	21,429	4,877	(553)	-	(10,846)	14,907
Balance at 31 December 2019	1,215,740	510,226	(51,830)	-	(317,017)	1,357,119

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	66,712	(12,483)	54,229
Furniture and Equipment	1,310,615	(350,863)	959,752
Information and Communication	469,938	(287,418)	182,520
Motor Vehicles	96,755	(68,021)	28,734
Leased Assets	211,625	(94,648)	116,977
Library Resources	86,766	(71,859)	14,907
Balance at 31 December 2019	2,242,411	(885,292)	1,357,119

The net carrying value of equipment held under a finance lease is \$116,977 (2018: \$92,204)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	89,215	12,616	-	-	(6,486)	95,345
Furniture and Equipment	275,081	567,722	-	-	(78,420)	764,383
Information and Communication	109,696	145,147	-	-	(60,549)	194,294
Motor Vehicles	23,829	41,348	-	-	(17,092)	48,085
Leased Assets	135,631	32,590	-	-	(76,017)	92,204
Library Resources	26,699	5,237	-	-	(10,507)	21,429
Balance at 31 December 2018	660,151	804,660	-	-	(249,071)	1,215,740

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	135,371	(40,026)	95,345
Furniture and Equipment	1,235,933	(471,550)	764,383
Information and Communication	549,944	(355,650)	194,294
Motor Vehicles	96,755	(48,670)	48,085
Leased Assets	288,998	(196,794)	92,204
Library Resources	84,058	(62,629)	21,429
Balance at 31 December 2018	2,391,059	(1,175,319)	1,215,740



14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	81,942	48,606	48,606
Accruals	4,162	3,616	3,616
Banking staffing overuse	-	16,280	16,280
Employee Entitlements - salaries	317,527	340,528	340,528
Employee Entitlements - leave accrual	24,688	23,214	23,214
	<u>428,319</u>	<u>432,244</u>	<u>432,244</u>
Payables for Exchange Transactions	428,319	432,244	432,244
	<u>428,319</u>	<u>432,244</u>	<u>432,244</u>

The carrying value of payables approximates their fair value.

15. Revenue Received In Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	48,307	50,812	50,812
Other	17,237	20,387	20,387
	<u>65,544</u>	<u>71,199</u>	<u>71,199</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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	63,442	60,444	60,444
Later than One Year and no Later than Five Years	188,535	74,122	74,122
	<u>251,977</u>	<u>134,566</u>	<u>134,566</u>

17. Funds Held In Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	19,905	21,442	21,442
	<u>19,905</u>	<u>21,442</u>	<u>21,442</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.



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, and Deputy Principals and Heads of Departments.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	7,250	6,620
Full-time equivalent members	0.25	0.30
<i>Leadership Team</i>		
Remuneration	483,736	457,583
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	490,986	464,203
Total full-time equivalent personnel	4.25	4.30

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 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	140 -150
Benefits and Other Emoluments	5-6	4 - 5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 -110	3.00	2.00
110 -120	-	1.00
	3.00	3.00

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:

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

21. 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.

Contingent Liability - cyclical maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other liabilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school be required to maintain any buildings that are not replaced.

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

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:

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	906,070	536,912	402,741
Receivables	359,552	359,055	359,055
Investments - Term Deposits	-	916,070	916,070
Total Financial assets measured at amortised cost	<u>1,265,622</u>	<u>1,812,037</u>	<u>1,677,866</u>

Financial liabilities measured at amortised cost

Payables	428,319	432,244	432,244
Finance Leases	226,727	131,226	131,226
Total Financial liabilities measured at amortised Cost	<u>655,046</u>	<u>563,470</u>	<u>563,470</u>

25. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th 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 until 18 May 2020.

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.

26. 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 10 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 11 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.

