

# HOUGHTON VALLEY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

**Ministry Number:** 2861

**Principal:** Luana Carroll

**School Address:** 110 Houghton Bay Road, Houghton Bay, Wellington

**School Postal Address:** 110 Houghton Bay Road, Houghton Bay, WELLINGTON, 6023

**School Phone:** 04 939 3318

**School Email:** admin@houghton.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>
Sarah Graydon	Chair Person	Elected
Luana Carroll	Principal	ex Officio
Teneti Ririnui	Parent Rep	Co-opted
Jos Abernethy	Parent Rep	Elected
Anya Satyanand	Staff Rep	Elected
Susan Hall	Staff Rep	Elected
Richard Carroll	Staff Rep	Elected
Phil Walker	Staff Rep	Elected

**Accountant / Service Provider:** Education Services Ltd

# HOUGHTON VALLEY SCHOOL

Annual Report - For the year ended 31 December 2018

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 12	Statement of Accounting Policies
13 - 21	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

# Houghton Valley 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.

RICHARD CARROLL

Full Name of Board Chairperson



Signature of Board Chairperson

20-08-2019

Date:

Luana Carroll

Full Name of Principal



Signature of Principal

20/5/2019

Date:

**Houghton Valley School**  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>				
Government Grants	2	1,569,767	1,402,403	1,562,198
Locally Raised Funds	3	140,769	79,000	139,362
Interest Earned		5,932	6,000	9,820
		<hr/>	<hr/>	<hr/>
		1,716,468	1,487,403	1,711,380
<b>Expenses</b>				
Locally Raised Funds	3	45,361	8,000	63,470
Learning Resources	4	1,176,529	1,088,777	1,206,640
Administration	5	91,340	88,449	105,842
Finance Costs		838	1,000	1,286
Property	6	330,469	263,177	305,184
Depreciation	7	51,975	38,000	41,189
		<hr/>	<hr/>	<hr/>
		1,696,512	1,487,403	1,723,611
<b>Net Surplus / (Deficit)</b>		19,956	-	(12,231)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		19,956	-	(12,231)

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

**Houghton Valley School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	<u>557,309</u>	<u>570,729</u>	<u>569,540</u>
Total comprehensive revenue and expense for the year	19,956	-	(12,231)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	17,545	-	-
<b>Equity at 31 December</b>	<u>594,810</u>	<u>570,729</u>	<u>557,309</u>
Retained Earnings	594,810	570,729	557,309
<b>Equity at 31 December</b>	<u>594,810</u>	<u>570,729</u>	<u>557,309</u>

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

**Houghton Valley School**  
**Statement of Financial Position**  
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	233,941	168,900	3,620
Accounts Receivable	9	62,971	55,109	69,806
GST Receivable		-	-	30,774
Prepayments		23,513	226	5,165
Inventories	10	1,477	1,466	2,732
Investments	11	-	100,505	128,933
Funds owed for Capital Works Projects	17	8,441	-	58,642
		<u>330,343</u>	<u>326,206</u>	<u>299,672</u>
<b>Current Liabilities</b>				
GST Payable		6,913	5,139	-
Accounts Payable	13	98,426	124,993	88,546
Revenue Received in Advance	14	826	241	543
Provision for Cyclical Maintenance	15	-	2,700	11,236
Finance Lease Liability - Current Portion	16	5,977	5,126	6,321
		<u>112,142</u>	<u>138,199</u>	<u>106,646</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>218,201</b>	<b>188,007</b>	<b>193,026</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	411,909	398,368	377,865
		<u>411,909</u>	<u>398,368</u>	<u>377,865</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	27,844	9,516	8,662
Finance Lease Liability	16	7,456	6,130	4,920
		<u>35,300</u>	<u>15,646</u>	<u>13,582</u>
<b>Net Assets</b>		<u><u>594,810</u></u>	<u><u>570,729</u></u>	<u><u>557,309</u></u>
<b>Equity</b>		<u><u>594,810</u></u>	<u><u>570,729</u></u>	<u><u>557,309</u></u>

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

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

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		323,721	282,860	290,392
Locally Raised Funds		143,830	79,000	138,745
Goods and Services Tax (net)		37,667	-	(35,931)
Payments to Employees		(211,044)	(184,000)	(200,269)
Payments to Suppliers		(183,856)	(140,510)	(294,812)
Cyclical Maintenance Payments in the year		-	(9,454)	-
Interest Paid		(838)	(1,000)	(1,286)
Interest Received		5,660	6,000	10,201
Net cash from / (to) the Operating Activities		115,160	32,896	(92,960)
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(74,984)	(38,000)	(40,885)
Purchase of Investments		-	-	(50,644)
Proceeds from Sale of Investments		128,933	-	50,505
Net cash from / (to) the Investing Activities		53,949	(38,000)	(41,024)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		17,545	-	-
Finance Lease Payments		(4,327)	-	(4,311)
Funds Held for Capital Works Projects		47,994	-	(32,089)
Net cash from Financing Activities		61,212	-	(36,400)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>230,321</b>	<b>(5,104)</b>	<b>(170,384)</b>
Cash and cash equivalents at the beginning of the year	8	3,620	174,004	174,004
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>233,941</b>	<b>168,900</b>	<b>3,620</b>

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.

# Houghton Valley School

## Notes to the Financial Statements

### For the year ended 31 December 2018

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Houghton Valley 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 12.

### ***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 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:

Leased assets are depreciated over the life of the lease.

**l) Intangible Assets***Software costs*

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

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

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

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

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

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

*Non cash generating assets*

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

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

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

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

**n) Accounts Payable**

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

**o) Employee Entitlements***Short-term employee entitlements*

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

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

*Long-term employee entitlements*

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

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

**p) Revenue Received in Advance**

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

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

**q) Funds Held in Trust**

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

**r) Shared Funds**

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

**s) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

**t) Financial Assets and Liabilities**

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

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

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

**u) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**v) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	288,870	282,860	282,452
Teachers' salaries grants	997,089	929,480	1,029,220
Use of Land and Buildings grants	242,602	188,863	238,813
Resource teachers learning and behaviour grants	3,908	-	2,975
Other MoE Grants	30,088	1,200	6,736
Other government grants	7,210	-	2,002
	<u>1,569,767</u>	<u>1,402,403</u>	<u>1,562,198</u>

## 3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	71,003	60,000	70,237
Bequests & Grants	5,000	-	-
Activities	56,934	7,000	55,875
Trading	7,832	8,000	8,255
Fundraising	-	4,000	4,995
	<u>140,769</u>	<u>79,000</u>	<u>139,362</u>
<b>Expenses</b>			
Activities	37,790	-	53,640
Trading	7,571	8,000	7,689
Fundraising costs	-	-	2,141
	<u>45,361</u>	<u>8,000</u>	<u>63,470</u>
<i>Surplus for the year Locally raised funds</i>	<u>95,408</u>	<u>71,000</u>	<u>75,892</u>

## 4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	22,596	30,297	29,610
Library resources	926	1,200	1,195
Employee benefits - salaries	1,141,632	1,041,480	1,160,971
Staff development	11,375	15,800	14,864
	<u>1,176,529</u>	<u>1,088,777</u>	<u>1,206,640</u>

## 5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	5,561	6,200	5,358
Board of Trustees Fees	4,160	5,000	5,135
Board of Trustees Expenses	3,263	1,200	19,570
Communication	2,652	3,000	2,737
Consumables	7,805	8,400	8,622
Operating Lease	-	1,000	827
Other	9,253	5,249	5,891
Employee Benefits - Salaries	45,339	48,000	47,509
Insurance	2,747	400	113
Service Providers, Contractors and Consultancy	10,560	10,000	10,080
	<u>91,340</u>	<u>88,449</u>	<u>105,842</u>

## 6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	10,077	16,000	12,264
Cyclical Maintenance Expense	7,946	4,414	4,142
Grounds	260	1,500	1,795
Heat, Light and Water	8,812	8,700	8,977
Rates	698	700	911
Repairs and Maintenance	19,995	15,500	12,851
Use of Land and Buildings	242,602	188,863	238,813
Security	1,250	1,500	1,770
Employee Benefits - Salaries	19,329	24,000	21,011
Consultancy And Contract Services	19,500	2,000	2,650
	<u>330,469</u>	<u>263,177</u>	<u>305,184</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	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Building Improvements	11,202	10,213	11,070
Furniture and Equipment	14,866	9,348	10,133
Information and Communication Technology	15,166	11,607	12,581
Leased Assets	8,615	5,198	5,634
Library Resources	2,126	1,634	1,771
	<u>51,975</u>	<u>38,000</u>	<u>41,189</u>



### 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	200	-	200
ASB 763-00	29,575	67,759	3,383
ASB 763-50	297	636	37
Short-term Bank Deposits	203,869	100,505	-
Cash equivalents for Cash Flow Statement	<u>233,941</u>	<u>168,900</u>	<u>3,620</u>

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

Of the \$233,941 Cash and Cash Equivalents, \$11,761 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

### 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	941	2,440	3,719
Interest Receivable	711	820	439
Teacher Salaries Grant Receivable	61,319	51,849	65,648
	<u>62,971</u>	<u>55,109</u>	<u>69,806</u>
Receivables from Exchange Transactions	1,652	3,260	4,158
Receivables from Non-Exchange Transactions	61,319	51,849	65,648
	<u>62,971</u>	<u>55,109</u>	<u>69,806</u>

### 10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	380	811	1,899
Uniforms	1,097	655	833
	<u>1,477</u>	<u>1,466</u>	<u>2,732</u>

### 11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	-	100,505	128,933

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	257,959	-	-	-	(11,202)	246,757
Furniture and Equipment	63,524	55,339	-	-	(14,866)	103,997
Information and Communication Techni	38,598	18,340	-	-	(15,166)	41,771
Leased Assets	8,837	10,096	(595)	-	(8,615)	9,723
Library Resources	8,948	2,838	-	-	(2,126)	9,661
<b>Balance at 31 December 2018</b>	<b>377,866</b>	<b>86,613</b>	<b>(595)</b>	<b>-</b>	<b>(51,975)</b>	<b>411,909</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	354,936	(108,179)	246,757
Furniture and Equipment	389,109	(285,112)	103,997
Information and Communication	165,923	(124,152)	41,771
Leased Assets	33,037	(23,314)	9,723
Library Resources	70,730	(61,069)	9,661
<b>Balance at 31 December 2018</b>	<b>1,013,735</b>	<b>(601,826)</b>	<b>411,909</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	266,298	2,731	-	-	(11,070)	257,959
Furniture and Equipment	54,181	19,476	-	-	(10,133)	63,524
Information and Communication Techni	31,786	19,393	-	-	(12,581)	38,598
Leased Assets	10,400	4,071	-	-	(5,634)	8,837
Library Resources	8,703	2,016	-	-	(1,771)	8,947
<b>Balance at 31 December 2017</b>	<b>371,368</b>	<b>47,687</b>	<b>-</b>	<b>-</b>	<b>(41,189)</b>	<b>377,865</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	354,936	(96,977)	257,959
Furniture and Equipment	333,769	(270,245)	63,524
Information and Communication	147,583	(108,985)	38,598
Leased Assets	22,941	(14,104)	8,837
Library Resources	67,892	(58,945)	8,947
<b>Balance at 31 December 2017</b>	<b>927,121</b>	<b>(549,256)</b>	<b>377,865</b>

**13. Accounts Payable**

	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating creditors	5,012	59,955	7,363
Accruals	3,307	6,095	5,300
Capital accruals for PPE items	23,524	-	3,141
Employee Entitlements - salaries	61,319	51,849	65,648
Employee Entitlements - leave accrual	5,264	7,094	7,094
	<u>98,426</u>	<u>124,993</u>	<u>88,546</u>
Payables for Exchange Transactions	98,426	124,993	88,546
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>98,426</u>	<u>124,993</u>	<u>88,546</u>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Kapa Haka Festival	826	241	543
	<u>826</u>	<u>241</u>	<u>543</u>

**15. Provision for Cyclical Maintenance**

	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Provision at the Start of the Year	19,898	7,802	15,756
Increase to the Provision During the Year	7,946	4,414	4,142
Provision at the End of the Year	<u>27,844</u>	<u>12,216</u>	<u>19,898</u>
Cyclical Maintenance - Current	-	2,700	11,236
Cyclical Maintenance - Term	27,844	9,516	8,662
	<u>27,844</u>	<u>12,216</u>	<u>19,898</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	6,672	5,126	6,321
Later than One Year and no Later than Five Years	10,238	6,130	4,920
	<u>16,910</u>	<u>11,256</u>	<u>11,241</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 \$
Carpet/Admin	<i>in progress</i>	-	28,572	27,247	-	(1,325)
10 Year Property Plan Preparation	<i>completed</i>	-	(2,500)	(2,500)	-	-
Sewer Upgrade	<i>in progress</i>	4,882	-	(4,883)	-	(1)
Classroom Upgrade Block A	<i>in progress</i>	53,760	80,475	46,917	-	20,202
Joinery	<i>in progress</i>	-	10,435	-	-	(10,435)
Totals		<u>58,642</u>	<u>116,982</u>	<u>66,781</u>	<u>-</u>	<u>8,441</u>
<b>Represented by:</b>						
Funds Held on Behalf of the Ministry of Education						(11,761)
Funds Due from the Ministry of Education						20,202
						<u>8,441</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Sewer Upgrade	<i>in progress</i>	4,882	-	-	-	4,882
Classroom Upgrade Block A	<i>in progress</i>	20,866	539,021	571,915	-	53,760
Flood Damage Rm 9	<i>completed</i>	-	4,191	4,191	-	-
Totals		<u>25,748</u>	<u>543,212</u>	<u>576,106</u>	<u>-</u>	<u>58,642</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	4,160	5,135
Full-time equivalent members	0.13	0.18
<i>Leadership Team</i>		
Remuneration	324,501	267,689
Full-time equivalent members	3.52	3.00
Total key management personnel remuneration	328,661	272,824
Total full-time equivalent personnel	3.65	3.18

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	110 - 120	90 - 100
Benefits and Other Emoluments	3 - 4	10 - 11
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	-	-
Number of People	-	-

## 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

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

(a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	1,005
Later than One Year and No Later than Five Years	-	99
Later than Five Years	-	-
	-	1,104

### 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	233,941	168,900	3,620
Receivables	62,971	55,109	69,806
Investments - Term Deposits	-	100,505	128,933
Total Loans and Receivables	<u>296,912</u>	<u>324,514</u>	<u>202,359</u>

#### Financial liabilities measured at amortised cost

Payables	98,426	124,993	88,546
Borrowings - Loans	-	-	-
Finance Leases	13,433	11,256	11,241
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>111,859</u>	<u>136,249</u>	<u>99,787</u>

### 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.

