

OTEHA VALLEY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	6946
Principal:	Rose Neal
School Address:	2 Medallion Drive, Oteha, Auckland 0632
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School Phone:	09 477 0033
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Members of the Board of Trustees

Name	Position	How Position Gained
Steve Newman	Chair Person	Elected
Rose Neal	Principal	ex Officio
Georgina Dew	Parent Rep	Elected
Justine Haves	Parent Rep	Elected
Charlotte Khoo	Parent Rep	Elected
Robert Bao	Parent Rep	Co-opted
Debbie Wu	Parent Rep	Co-opted
Marty Bamford	Parent Rep	Elected
Sherryl Prangley	Staff Rep	Elected

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

OTEHA VALLEY SCHOOL

Annual Report - For the year ended 31 December 2018

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Oteha 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.

Georgina Dow
Full Name of Board Chairperson

Rosemary Leigh Neal
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

18.3.19
Date:

18/03/2019
Date:

Oteha Valley School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,361,102	3,419,810	4,055,038
Locally Raised Funds	3	306,385	187,500	302,126
Interest Earned		18,642	12,000	19,065
		<u>4,686,129</u>	<u>3,619,310</u>	<u>4,376,229</u>
Expenses				
Locally Raised Funds	3	127,332	74,800	115,690
Learning Resources	4	2,760,370	2,200,901	2,436,920
Administration	5	203,374	274,600	191,159
Finance		2,918	1,500	2,077
Property	6	1,526,127	1,203,973	1,537,231
Depreciation	7	92,113	75,000	73,169
Loss on Disposal of Property, Plant and Equipment		6,743	-	2,411
		<u>4,718,977</u>	<u>3,830,774</u>	<u>4,358,657</u>
Net Surplus / (Deficit) for the year		(32,848)	(211,464)	17,572
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(32,848)</u>	<u>(211,464)</u>	<u>17,572</u>

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

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

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>873,639</u>	<u>873,639</u>	<u>846,634</u>
Total comprehensive revenue and expense for the year	(32,848)	(211,464)	17,572
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	136,500	-	9,433
Equity at 31 December	<u>977,291</u>	<u>662,175</u>	<u>873,639</u>
Retained Earnings	977,291	662,175	873,639
Reserves	-	-	-
Equity at 31 December	<u>977,291</u>	<u>662,175</u>	<u>873,639</u>

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

Oteha Valley School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	641,651	394,897	457,862
Accounts Receivable	9	181,829	123,770	123,769
GST Receivable		-	-	17,531
Prepayments		24,276	14,393	14,393
Inventories	10	4,112	4,661	4,661
Investments	11	117,000	-	160,000
		<u>968,868</u>	<u>537,721</u>	<u>778,216</u>
Current Liabilities				
GST Payable		14,396	(17,531)	-
Accounts Payable	13	181,322	163,710	163,710
Revenue Received in Advance	14	3,403	-	-
Provision for Cyclical Maintenance	15	18,075	44,316	44,316
Finance Lease Liability - Current Portion	16	21,183	16,928	16,928
Funds held for Capital Works Projects	17	90,263	23,514	23,514
		<u>328,642</u>	<u>230,937</u>	<u>248,468</u>
Working Capital Surplus/(Deficit)		640,226	306,784	529,748
Non-current Assets				
Property, Plant and Equipment	12	384,826	389,496	377,996
		<u>384,826</u>	<u>389,496</u>	<u>377,996</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	32,978	7,067	7,067
Finance Lease Liability	16	14,783	27,038	27,038
		<u>47,761</u>	<u>34,105</u>	<u>34,105</u>
Net Assets		<u>977,291</u>	<u>662,175</u>	<u>873,639</u>
Equity		<u>977,291</u>	<u>662,175</u>	<u>873,639</u>

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

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

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		915,239	832,491	861,174
Locally Raised Funds		282,421	248,830	292,358
Hostel		-	-	-
International Students		-	-	-
Goods and Services Tax (net)		31,927	(2,711)	(2,716)
Payments to Employees		(693,947)	(425,930)	(547,409)
Payments to Suppliers		(499,480)	(670,744)	(449,940)
Cyclical Maintenance Payments in the year		-	5,367	-
Interest Paid		(2,918)	(1,500)	(2,077)
Interest Received		18,664	12,000	20,293
Net cash from / (to) the Operating Activities		51,906	(2,197)	171,683
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(6,743)	(2,411)	(2,411)
Purchase of PPE (and Intangibles)		(88,778)	(163,731)	(129,117)
Purchase of Investments		160,000	265,000	104,784
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		64,479	98,858	(26,744)
Cash flows from Financing Activities				
Furniture and Equipment Grant		136,500	-	9,433
Finance Lease Payments		(18,165)	27,554	(8,100)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		66,069	23,514	23,514
Net cash from Financing Activities		184,404	51,068	24,847
Net increase/(decrease) in cash and cash equivalents		300,789	147,729	169,786
Cash and cash equivalents at the beginning of the year	8	457,862	247,168	288,076
Cash and cash equivalents at the end of the year	8	758,651	394,897	457,862

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.

Oteha Valley School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Oteha 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.

Other Grants

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

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

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

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

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

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

k) Property, Plant and Equipment

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	2-4 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from 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) 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).

r) 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.

s) 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.

t) Budget Figures

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

u) 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	651,728	608,466	605,569
Teachers' salaries grants	2,136,030	1,651,851	1,917,636
Use of Land and Buildings grants	1,309,833	962,473	1,316,889
Resource teachers learning and behaviour grants	19,058	25,000	-
Other MoE Grants	228,153	165,000	200,093
Other government grants	16,300	7,020	14,851
	<u>4,361,102</u>	<u>3,419,810</u>	<u>4,055,038</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	101,755	70,000	115,417
Activities	87,149	65,500	160,851
Trading	48,391	31,000	20,701
Fundraising	69,090	21,000	5,157
	<u>306,385</u>	<u>187,500</u>	<u>302,126</u>
Expenses			
Activities	95,057	61,800	85,815
Trading	4,468	12,000	25,439
Fundraising costs	27,807	1,000	4,436
	<u>127,332</u>	<u>74,800</u>	<u>115,690</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>179,053</u>	<u>112,700</u>	<u>186,436</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	32,938	48,050	28,670
Equipment repairs	-	5,000	4,211
Information and communication technology	42,119	64,000	54,528
Extra-curricular activities	49	-	-
Library resources	2,593	1,000	845
Employee benefits - salaries	2,644,420	2,022,351	2,299,375
Staff development	38,251	60,500	49,291
	<u>2,760,370</u>	<u>2,200,901</u>	<u>2,436,920</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,411	6,000	5,640
Board of Trustees Fees	3,820	5,000	4,770
Board of Trustees Expenses	3,445	14,900	4,101
Communication	4,625	4,550	4,647
Consumables	16,370	23,000	16,761
Operating Lease	1,559	25,000	559
Other	25,839	44,650	29,163
Employee Benefits - Salaries	125,101	131,500	110,270
Insurance	6,040	6,500	5,540
Service Providers, Contractors and Consultancy	10,164	13,500	9,708
	<u>203,374</u>	<u>274,600</u>	<u>191,159</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	12,295	17,000	11,408
Consultancy and Contract Services	49,544	61,500	50,790
Cyclical Maintenance Expense	(330)	10,000	23,380
Grounds	7,092	32,500	12,028
Heat, Light and Water	30,050	30,500	29,783
Rates	110	500	84
Repairs and Maintenance	46,910	34,500	29,671
Use of Land and Buildings	1,309,833	962,473	1,316,889
Security	2,948	7,500	6,004
Employee Benefits - Salaries	67,675	47,500	57,194
	<u>1,526,127</u>	<u>1,203,973</u>	<u>1,537,231</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	151	123	130
Furniture and Equipment	38,893	31,667	36,988
Information and Communication Technology	27,715	22,566	20,806
Leased Assets	20,202	16,449	9,438
Library Resources	5,152	4,195	5,807
	<u>92,113</u>	<u>75,000</u>	<u>73,169</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	224,270	96,200	307,664
Bank Call Account	389	388	388
Short-term Bank Deposits	416,792	298,109	149,610
Cash and cash equivalents for Cash Flow Statement	<u>641,651</u>	<u>394,897</u>	<u>457,862</u>

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

Of the \$641,651 Cash and Cash Equivalents, \$90,262 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	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	31,652	123,770	4,285
Interest Receivable	2,326	-	2,348
Teacher Salaries Grant Receivable	147,851	-	117,136
	<u>181,829</u>	<u>123,770</u>	<u>123,769</u>
Receivables from Exchange Transactions	33,978	123,770	6,633
Receivables from Non-Exchange Transactions	147,851	-	117,136
	<u>181,829</u>	<u>123,770</u>	<u>123,769</u>

10. Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	4,112	4,661	4,661
	<u>4,112</u>	<u>4,661</u>	<u>4,661</u>

11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	117,000	-	160,000
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	1,026	1,656	-	-	(151)	2,531
Furniture and Equipment	214,375	62,056	(319)	-	(38,893)	237,219
Information and Communication Technology	80,110	29,602	(4,787)	-	(27,715)	77,210
Leased Assets	41,841	10,165	-	-	(20,202)	31,804
Library Resources	40,644	2,207	(1,637)	-	(5,152)	36,062
Balance at 31 December 2018	377,996	105,686	(6,743)	-	(92,113)	384,826

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	4,258	(1,726)	2,532
Furniture and Equipment	640,491	(403,271)	237,220
Information and Communication Technology	156,200	(78,992)	77,208
Leased Assets	62,909	(31,105)	31,804
Library Resources	120,511	(84,449)	36,062
Balance at 31 December 2018	984,369	(599,543)	384,826

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	1,156	-	-	-	(130)	1,026
Furniture and Equipment	165,675	85,688	-	-	(36,988)	214,375
Information and Communication Technology	58,972	44,355	(2,411)	-	(20,806)	80,110
Leased Assets	13,496	37,783	-	-	(9,438)	41,841
Library Resources	44,966	1,485	-	-	(5,807)	40,644
Balance at 31 December 2017	284,265	169,311	(2,411)	-	(73,169)	377,996

The net carrying value of equipment held under a finance lease is \$31,804 (2017: \$41,841)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	2,601	(1,575)	1,026
Furniture and Equipment	630,445	(416,070)	214,375
Information and Communication Technology	193,453	(113,343)	80,110
Leased Assets	52,744	(10,903)	41,841
Library Resources	123,269	(82,625)	40,644
Balance at 31 December 2017	1,002,512	(624,516)	377,996

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	19,647	40,140	40,140
Accruals	4,811	-	4,640
Employee Entitlements - salaries	156,864	123,570	118,930
	<u>181,322</u>	<u>163,710</u>	<u>163,710</u>
Payables for Exchange Transactions	181,322	163,710	163,710
	<u>181,322</u>	<u>163,710</u>	<u>163,710</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	3,403	-	-
	<u>3,403</u>	<u>-</u>	<u>-</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	51,383	51,383	28,003
Increase/ (decrease) to the Provision During the Year	670	10,000	23,380
Use of the Provision During the Year	(1,000)	(10,000)	-
Provision at the End of the Year	<u>51,053</u>	<u>51,383</u>	<u>51,383</u>
Cyclical Maintenance - Current	18,075	44,316	44,316
Cyclical Maintenance - Term	32,978	7,067	7,067
	<u>51,053</u>	<u>51,383</u>	<u>51,383</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	23,086	16,928	20,084
Later than One Year and no Later than Five Years	15,487	27,038	29,118
Later than Five Years	-	-	-
	38,574	43,966	49,202

17. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Fire Alarm & Security	<i>completed</i>	(680)	-	680	-	-
Admin Block	<i>completed</i>	25,832	-	20,705	-	5,127
Multi Block Internal Finishings	<i>completed</i>	(1,638)	149,332	136,194	-	11,500
Siteworks	<i>in progress</i>	-	26,439	26,439	-	-
Field Drainage	<i>in progress</i>	-	176,600	102,964	-	73,636
Totals		23,514	352,371	286,982	-	90,263

Represented by:

Funds Held on Behalf of the Ministry of Education	90,263
	90,263

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Fire Alarm & Security	<i>completed</i>	(680)	-	-	-	(680)
Admin Block	<i>completed</i>	(39,982)	250,000	184,186	-	25,832
Multi Block Internal Finishings	<i>in progress</i>	-	-	1,638	-	(1,638)
Totals		(40,662)	250,000	185,824	-	23,514

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	3,820	4,770
Full-time equivalent members	0.48	0
<i>Leadership Team</i>		
Remuneration	319,680	224,374
Full-time equivalent members	4	2
Total key management personnel remuneration	323,500	229,144
Total full-time equivalent personnel	4.48	2.35

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	140 - 150	130 - 140
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2017: nil)

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 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

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

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into no contracts (Operating Commitments at 31 December 2017: nil)

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	641,651	394,897	457,862
Receivables	181,829	123,770	123,769
Investments - Term Deposits	117,000	-	160,000
Total Loans and Receivables	<u>940,480</u>	<u>518,667</u>	<u>741,631</u>

Financial liabilities measured at amortised cost

Payables	181,322	163,710	163,710
Finance Leases	35,966	43,966	43,966
Total Financial Liabilities Measured at Amortised Cost	<u>217,288</u>	<u>207,676</u>	<u>207,676</u>

25. Events After Balance Date

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