

HAUTAPU SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 1735

Principal: Tracey Bennett

School Address: 5 Hana Lane Cambridge

School Postal Address: 5 Hana Lane RD1 Cambridge 3494

School Phone: 07-8277466

School Email: accounts@hautapu.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Traci Bevan	Chair Person	Elected	Jun-22
Tracey Bennett	Principal ex Officio	Elected	
Sarah Tankard	Parent Rep	Elected	Jun-22
Anton Barr	Parent Rep	Elected	Jun-22
Frank Spence	Parent Rep	Elected	Jun-22
Richard Vipond	Parent Rep	Elected	Jun-22
Charlotte Quinn	Parent Rep	Elected	Jun-22
Rosanna Dickson	Parent Rep	Elected	Jun-22
Susan Reilly	Staff Rep	Appointed	

Accountant / Service Provider: Granville and She Limited
Chartered Accountants

HAUTAPU SCHOOL

Annual Report - For the year ended 31 December 2020

Index

Page	Statement
	Financial Statements
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 18</u>	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Hautapu School

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Traci Bevan

Full Name of Board Chairperson

Tracey Bennett

Full Name of Principal

Traci

Signature of Board Chairperson

Tracey

Signature of Principal

14.6.21.

Date:

14/06/2021

Date:

Hautapu School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,684,579	1,598,110	1,587,353
Locally Raised Funds	3	89,641	36,680	92,576
Interest income		4,174	3,500	5,875
		<hr/>	<hr/>	<hr/>
		1,778,394	1,638,290	1,685,804
Expenses				
Locally Raised Funds	3	44,950	2,000	46,534
Learning Resources	4	1,052,772	1,014,200	973,451
Administration	5	97,484	87,000	97,580
Finance		1,216	-	1,359
Property	6	545,882	510,000	520,698
Depreciation	7	63,703	25,000	74,894
		<hr/>	<hr/>	<hr/>
		1,806,007	1,638,200	1,714,516
Net Surplus / (Deficit) for the year		(27,613)	90	(28,712)
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(27,613)	90	(28,712)

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

Hautapu School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>673,774</u>	<u>673,774</u>	<u>702,486</u>
Total comprehensive revenue and expense for the year		(27,613)	90	(28,712)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		5,462	-	-
Equity at 31 December	22	<u>651,623</u>	<u>673,864</u>	<u>673,774</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.

Hautapu School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	147,805	80,000	28,145
Accounts Receivable	9	80,284	71,400	69,355
GST Receivable		6,090	6,000	2,488
Prepayments		1,400	1,000	1,012
Inventories	10	674	600	196
Investments	11	176,806	143,864	175,588
Funds held for Capital Works Projects		-	-	742
Capital Works Progress		28,734	-	-
		<u>441,793</u>	<u>302,864</u>	<u>277,526</u>
Current Liabilities				
Accounts Payable	13	141,221	98,000	82,666
Provision for Cyclical Maintenance	14	16,372	40,000	17,507
Finance Lease Liability - Current Portion	15	7,507	8,000	6,631
Funds held for Capital Works Projects	16	112,962	-	-
		<u>278,062</u>	<u>146,000</u>	<u>106,804</u>
Working Capital Surplus/(Deficit)		163,731	156,864	170,722
Non-current Assets				
Property, Plant and Equipment	12	520,003	520,000	543,679
		<u>520,003</u>	<u>520,000</u>	<u>543,679</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	27,487	-	30,986
Finance Lease Liability	15	4,624	3,000	9,641
		<u>32,111</u>	<u>3,000</u>	<u>40,627</u>
Net Assets		<u>651,623</u>	<u>673,864</u>	<u>673,774</u>
Equity	22	<u>651,623</u>	<u>673,864</u>	<u>673,774</u>

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

Hautapu School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		353,240	276,308	350,429
Locally Raised Funds		94,528	54,980	91,313
Goods and Services Tax (net)		(3,602)	(3,500)	3,787
Payments to Employees		(200,722)	(145,850)	(143,216)
Payments to Suppliers		(182,846)	(161,750)	(219,438)
Cyclical Maintenance Payments in the year		(18,540)	(7,250)	
Interest Paid		(1,216)	-	(1,357)
Interest Received		5,040	4,300	5,176
Net cash from/(to) Operating Activities		45,882	17,238	86,694
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(37,225)	12,626	(30,443)
Purchase of Investments		(1,219)	(143,864)	(51,460)
Net cash from/(to) Investing Activities		(38,444)	(131,238)	(81,903)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,462	-	(7,794)
Finance Lease Payments		(6,944)	(4,000)	(7,156)
Funds Held for Capital Works Projects		113,704	-	(742)
Net cash from/(to) Financing Activities		112,222	(4,000)	(15,692)
Net increase/(decrease) in cash and cash equivalents		119,660	(118,000)	(10,901)
Cash and cash equivalents at the beginning of the year	8	28,145	198,000	39,046
Cash and cash equivalents at the end of the year	8	147,805	80,000	28,145

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

Hautapu School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Hautapu School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

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 carry forward 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.

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

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.

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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

o) 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).

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, recoverable GST, inventory and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, 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.

q) 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.

r) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

s) 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	291,401	282,000	273,850
Teachers' Salaries Grants	932,119	900,000	887,383
Use of Land and Buildings Grants	406,131	400,000	400,009
Resource Teachers Learning and Behaviour Grants	16,951	16,110	18,021
Other MoE Grants	37,977	-	8,090
	<u>1,684,579</u>	<u>1,598,110</u>	<u>1,587,353</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$5,123 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	23,244	2,500	8,433
Activities	40,508	16,180	53,412
Trading	8,553	10,000	-
Other Revenue	17,336	8,000	30,731
	<u>89,641</u>	<u>36,680</u>	<u>92,576</u>
Expenses			
Activities	44,950	2,000	46,534
	<u>44,950</u>	<u>2,000</u>	<u>46,534</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>44,691</u>	<u>34,680</u>	<u>46,042</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	10,930	32,550	23,945
Equipment Repairs	3,962	-	4,393
Information and Communication Technology	6,029	11,100	6,572
Library Resources	1,346	1,400	1,229
Employee Benefits - Salaries	1,025,466	951,150	926,998
Staff Development	5,039	18,000	10,314
	<u>1,052,772</u>	<u>1,014,200</u>	<u>973,451</u>

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,245	3,200	3,150
Board of Trustees Fees	2,560	2,500	2,230
Board of Trustees Expenses	1,119	2,950	2,981
Communication	3,931	4,000	3,983
Consumables	5,307	7,350	5,790
Operating Lease	2,980	8,000	2,670
Other	7,489	4,100	9,066
Employee Benefits - Salaries	60,394	47,700	57,479
Insurance	3,509	3,600	3,551
Service Providers, Contractors and Consultancy	6,950	3,600	6,680
	<u>97,484</u>	<u>87,000</u>	<u>97,580</u>

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	10,217	7,400	7,589
Cyclical Maintenance Provision	13,906	7,000	11,156
Grounds	16,409	15,700	18,902
Heat, Light and Water	26,992	20,800	23,286
Repairs and Maintenance	17,259	10,500	14,035
Use of Land and Buildings	406,131	400,000	400,009
Security	6,712	1,600	2,236
Employee Benefits - Salaries	48,256	47,000	43,485
	<u>545,882</u>	<u>510,000</u>	<u>520,698</u>

7. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	15,679	6,155	15,597
Furniture and Equipment	24,101	9,460	28,642
Information and Communication Technology	14,238	5,585	20,570
Textbooks	997	390	1,054
Leased Assets	7,075	2,775	7,187
Library Resources	1,613	635	1,844
	<u>63,703</u>	<u>25,000</u>	<u>74,894</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	147,805	80,000	28,145
Cash and cash equivalents for Statement of Cash Flows	147,805	80,000	28,145

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

The following notes should be used where applicable:

Of the \$147,805 Cash and Cash Equivalents, \$112,962 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	752	700	5,639
Interest Receivable	790	700	1,656
Banking Staffing Underuse	-	-	6,910
Teacher Salaries Grant Receivable	78,742	70,000	55,150
	80,284	71,400	69,355
Receivables from Exchange Transactions	1,542	1,400	7,295
Receivables from Non-Exchange Transactions	78,742	70,000	62,060
	80,284	71,400	69,355

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	674	600	196
	674	600	196

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	176,806	143,864	175,588
Total Investments	176,806	143,864	175,588

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Buildings	370,929	-	-	-	(15,679)	355,250
Furniture and Equipment	113,424	28,264	-	-	(24,101)	117,587
Information and Communication Technology	22,848	8,960	-	-	(14,238)	17,570
Textbooks	7,971	-	-	-	(997)	6,974
Leased Assets	15,600	2,804	-	-	(7,075)	11,329
Library Resources	12,907	-	-	-	(1,614)	11,293
Balance at 31 December 2020	543,679	40,028	-	-	(63,704)	520,003

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is \$11,329 (2019: \$15,600)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Buildings	623,068	(267,818)	355,250
Furniture and Equipment	347,935	(230,348)	117,587
Information and Communication Technology	151,106	(133,536)	17,570
Textbooks	10,995	(4,021)	6,974
Leased Assets	37,224	(25,895)	11,329
Library Resources	38,228	(26,935)	11,293
Balance at 31 December 2020	1,208,556	(688,553)	520,003

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	386,526	-	-	-	(15,597)	370,929
Furniture and Equipment	114,524	27,542	-	-	(28,642)	113,424
Information and Communication Technology	41,560	1,858	-	-	(20,570)	22,848
Textbooks	7,981	1,044	-	-	(1,054)	7,971
Leased Assets	12,471	10,316	-	-	(7,187)	15,600
Library Resources	14,751	-	-	-	(1,844)	12,907
Balance at 31 December 2019	577,813	40,760	-	-	(74,894)	543,679

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is \$15,600 (2018: \$12,471)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	623,068	(252,139)	370,929
Furniture and Equipment	319,671	(206,247)	113,424
Information and Communication Technology	142,146	(119,298)	22,848
Textbooks	10,995	(3,024)	7,971
Leased Assets	34,421	(18,820)	15,601
Library Resources	38,228	(25,322)	12,906
Balance at 31 December 2019	1,168,529	(624,850)	543,679

13. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	46,939	15,000	13,564
Accruals	5,937	5,000	5,624
Employee Entitlements - Salaries	78,742	70,000	55,150
Employee Entitlements - Leave Accrual	9,603	8,000	8,328
	141,221	98,000	82,666
Payables for Exchange Transactions	52,876	98,000	19,188
Payables for Non-exchange Transactions - Other	88,345	-	63,478
	141,221	98,000	82,666

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Provision at the Start of the Year	48,493	48,493	37,337
Increase/ (decrease) to the Provision During the Year	13,906	7,000	11,156
Use of the Provision During the Year	(18,540)	(15,493)	-
Provision at the End of the Year	43,859	40,000	48,493
Cyclical Maintenance - Current	16,372	40,000	17,507
Cyclical Maintenance - Term	27,487	-	30,986
	43,859	40,000	48,493

15. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	7,507	-	6,631
Later than One Year and no Later than Five Years	4,624	-	9,641
Later than Five Years			
	<u>12,131</u>	<u>-</u>	<u>16,272</u>

16. 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:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Special need Modification	<i>completed</i>	(742)	15,427	14,685	-	-
Block A & Block L	<i>in progress</i>	-	100,000	7,501	-	92,499
Playground	<i>in progress</i>	-	76,500	55,437	-	21,063
Block F Roofing	<i>in progress</i>	-	-	600	-	(600)
Totals		<u>(742)</u>	<u>191,927</u>	<u>78,223</u>	<u>-</u>	<u>112,962</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	113,562
Funds Due from the Ministry of Education	600
	<u>112,962</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
A Block	<i>completed</i>	(47,324)	47,324	-	-	-
Special Need Modification	<i>in progress</i>	-	-	(742)	-	(742)
Totals		<u>(47,324)</u>	<u>47,324</u>	<u>(742)</u>	<u>-</u>	<u>(742)</u>

17. 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.

18. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	2,560	2,230
Full-time equivalent members	0.48	0.14
<i>Leadership Team</i>		
Remuneration	234,083	193,602
Full-time equivalent members	2	2
Total key management personnel remuneration	236,643	195,832
Total full-time equivalent personnel	2.48	2.14

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 1

The total value of remuneration paid or payable to the Principal was in the following bands:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	120-130
Benefits and Other Emoluments	0-5	0-10
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	1.00	nil
	1.00	nil

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

19. 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:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2020** (Contingent liabilities and assets at **31 December 2019**: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

- (a) A contract for Block A and Block L to be completed in 2021, which will be fully funded by the Ministry of Education. \$100,000 has been received of which \$7,051 has been spent on the project to date; and
- (b) A contract to have the Playground upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$76,500 has been received of which \$55,002 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) A contract to Block F Roofing upgraded as agent for the Ministry of Education. The project is fully funded by the Ministry \$600 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: Special Need Modification \$742)

(b) Operating Commitments

There are no operating commitments as at 31 December 2020 (Operating Commitments at 31 December 2019: nil)

22. 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.

23. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	147,805	80,000	28,145
Receivables	80,284	71,400	69,355
Investments - Term Deposits	176,806	143,864	175,588
Total Financial assets measured at amortised cost	<u>404,895</u>	<u>295,264</u>	<u>273,088</u>

Financial liabilities measured at amortised cost

Payables	141,221	98,000	82,666
Finance Leases	12,131	11,000	16,272
Total Financial Liabilities Measured at Amortised Cost	<u>153,352</u>	<u>109,000</u>	<u>98,938</u>

24. Events After Balance Date

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