

FAIRHALL SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	2839
Principal:	Stephen Crockett
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FAIRHALL SCHOOL

Annual Report - For the year ended 31 December 2018

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Fairhall 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 reflect the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Fairhall School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Leighton McKenzie	Co-Chairperson	Elected	May 2019
Steve Ross	Co-Chairperson	Elected	May 2019
Steve Crockett	Principal		
Mondo Kipua	Parent Rep	Elected	May 2019
Rebecca Lawrence	Parent Rep	Elected	May 2019
Chris Grage	Parent Rep	Co-opted	May 2019
Aaron Sangster	Staff Rep	Elected	May 2019

Fairhall School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,479,313	1,292,934	1,527,894
Locally Raised Funds	3	121,963	130,196	133,805
Interest Earned		6,868	5,000	6,455
International Students	4	15,624	16,000	10,859
		<u>1,623,768</u>	<u>1,444,130</u>	<u>1,679,012</u>
Expenses				
Locally Raised Funds	3	44,013	58,000	68,672
International Students	4	2,926	3,200	4,397
Learning Resources	5	1,040,136	976,431	1,115,712
Administration	6	85,692	81,755	77,484
Finance Costs		4,725	-	3,198
Property	7	387,427	315,130	302,587
Depreciation	8	48,942	44,000	51,410
Loss on Disposal of Property, Plant and Equipment		417	-	241
		<u>1,614,278</u>	<u>1,478,516</u>	<u>1,623,701</u>
Net (Deficit) / Surplus		9,490	(34,386)	55,311
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>9,490</u>	<u>(34,386)</u>	<u>55,311</u>

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

Fairhall 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	306,112	306,112	235,011
Total comprehensive revenue and expense for the year	9,490	(34,386)	55,311
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	8,010
Contribution - SNUP	-	-	7,780
Equity at 31 December	315,602	271,726	306,112
Retained Earnings	315,602	271,726	306,112
Equity at 31 December	315,602	271,726	306,112

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

Fairhall School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	22,917	18,685	9,071
Accounts Receivable	10	56,747	57,140	57,140
GST Receivable		5,482	5,284	5,284
Prepayments		9,530	5,505	5,505
Investments	11	186,420	170,868	170,868
Funds owing for Capital Works Projects	17	4,947	-	-
		<u>286,043</u>	<u>257,482</u>	<u>247,868</u>
Current Liabilities				
Accounts Payable	13	86,858	99,300	99,300
Revenue Received in Advance	14	10,019	18,659	18,659
Finance Lease Liability - Current Portion	16	17,781	14,696	14,696
Funds held for Capital Works Projects	17	46,277	-	-
		<u>160,935</u>	<u>132,655</u>	<u>132,655</u>
Working Capital Surplus/(Deficit)		125,108	124,827	115,213
Non-current Assets				
Property, Plant and Equipment	12	233,838	215,483	259,483
		<u>233,838</u>	<u>215,483</u>	<u>259,483</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	20,464	34,158	34,158
Finance Lease Liability	16	22,880	34,426	34,426
		<u>43,344</u>	<u>68,584</u>	<u>68,584</u>
Net Assets		<u>315,602</u>	<u>271,726</u>	<u>306,112</u>
Equity		<u>315,602</u>	<u>271,726</u>	<u>306,112</u>

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

Fairhall 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		308,952	284,239	310,593
Locally Raised Funds		126,580	130,196	132,384
International Students		2,367	16,000	24,116
Goods and Services Tax (net)		(198)	-	5,122
Payments to Employees		(207,305)	(193,270)	(209,307)
Payments to Suppliers		(212,577)	(232,551)	(252,535)
Interest Received		7,149	5,000	4,847
Net cash from / (to) the Operating Activities		24,968	9,614	15,221
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(15,837)	-	(18,062)
Purchase of Investments		(15,552)	-	(153,984)
Net cash from / (to) the Investing Activities		(31,389)	-	(172,046)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	8,010
SNUP		-	-	7,780
Finance Lease Payments		(21,063)	-	(25,173)
Fund Held for Capital Works Projects		41,330	-	372
Net cash from Financing Activities		20,267	-	(9,011)
Net increase/(decrease) in cash and cash equivalents		<u>13,846</u>	<u>9,614</u>	<u>(165,836)</u>
Cash and cash equivalents at the beginning of the year	9	9,071	9,071	174,908
Cash and cash equivalents at the end of the year	9	<u>22,917</u>	<u>18,685</u>	<u>9,071</u>

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Fairhall School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 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.

1.3. Revenue Recognition

Government Grants

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. 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.

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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

1.8. 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.

1.9. Inventories

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

1.10. 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.

1.11. 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 \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

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	20-40 years
Furniture and equipment	7-10 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased Assets	3 years
Library resources	12.5% Diminishing value

1.12. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

1.13. Accounts Payable

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

1.14. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

1.15. Revenue Received in Advance

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

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

1.16. Provision for Cyclical Maintenance

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

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

1.17. Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, 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.

1.18. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.19. Budget Figures

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

1.20. Services received in-kind

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

2. Government Grants

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Operational grants	270,014	262,363	270,069
Teachers' salaries grants	827,663	763,000	890,989
Use of Land and Buildings grants	332,433	235,430	326,312
Other MoE Grants	49,203	29,541	40,524
Other government grants	-	2,600	-
	<u>1,479,313</u>	<u>1,292,934</u>	<u>1,527,894</u>

3. Locally Raised Funds

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

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Revenue			
Donations	52,094	46,400	42,682
Fundraising	1,541	8,000	-
Other revenue	1,477	100	637
Trading	5,796	10,500	6,243
Activities	61,055	65,196	84,242
	<u>121,963</u>	<u>130,196</u>	<u>133,805</u>
Expenses			
Activities	38,072	42,500	61,813
Trading	5,941	10,500	6,859
Fundraising (costs of raising funds)	-	5,000	-
	<u>44,013</u>	<u>58,000</u>	<u>68,672</u>
<i>Surplus for the year Locally raised funds</i>	<u>77,950</u>	<u>72,196</u>	<u>65,134</u>

4. International Student Revenue and Expenses

	2018	2018 Budget (Unaudited)	2017
	Actual Number	Number	Actual Number
International Student Roll	1	1	1
	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Revenue			
International student fees	15,624	16,000	10,859
Expenses			
Recruitment	2,926	-	4,335
International student levy	-	-	63
Employee Benefit - Salaries	-	3,200	-
	<u>2,926</u>	<u>3,200</u>	<u>4,397</u>
<i>Surplus for the year International Students</i>	<u>12,698</u>	<u>12,800</u>	<u>6,462</u>

5. Learning Resources

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Curricular	15,847	25,646	18,086
Equipment repairs	307	500	1,724
Information and communication technology	1,535	22,100	5,712
Extra-curricular activities	21,780	12,000	16,068
Library resources	29	1,000	446
Employee benefits - salaries	982,791	903,685	1,048,384
Staff development	17,847	11,500	25,292
	<u>1,040,136</u>	<u>976,431</u>	<u>1,115,712</u>

6. Administration

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Audit Fee	3,141	3,000	2,804
Board of Trustees Fees	2,900	3,000	1,680
Board of Trustees Expenses	4,054	3,500	4,062
Communication	1,832	2,900	2,147
Consumables	20,534	19,700	14,672
Other	1,023	2,870	3,331
Employee Benefits - Salaries	41,796	36,650	38,976
Insurance	6,053	5,485	5,236
Service Providers, Contractors and Consultancy	4,359	4,650	4,575
	<u>85,692</u>	<u>81,755</u>	<u>77,484</u>

7. Property

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	1,295	1,500	1,418
Consultancy and Contract Services	25,988	24,300	24,430
Cyclical Maintenance Provision	7,655	14,000	19,545
Adjustment to the Provision	(21,349)	-	(123,187)
Grounds	4,614	4,900	5,005
Heat, Light and Water	10,396	8,000	9,831
Rates	162	-	1,048
Repairs and Maintenance	5,521	4,000	14,621
Use of Land and Buildings	332,433	235,430	326,312
Employee Benefits - Salaries	20,712	23,000	23,565
	<u>387,427</u>	<u>315,130</u>	<u>302,587</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation of Property, Plant and Equipment

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Building Improvements	4,372	4,000	4,410
Furniture and Equipment	17,483	15,000	18,133
Information and Communication Technology	7,656	7,000	7,628
Leased Assets	18,175	17,000	19,747
Library Resources	1,256	1,000	1,491
	<u>48,942</u>	<u>44,000</u>	<u>51,410</u>

9. Cash and Cash Equivalents

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Bank Current Account	22,731	18,685	8,888
Bank Call Account	186	-	183
Short-term Bank Deposits	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>22,917</u>	<u>18,685</u>	<u>9,071</u>

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

Of the \$22,917 Cash and Cash Equivalents, \$46,277 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.

10. Accounts Receivable

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Interest Receivable	1,481	1,762	1,762
Teacher Salaries Grant Receivable	55,266	55,378	55,378
	<u>56,747</u>	<u>57,140</u>	<u>57,140</u>
Receivables from Exchange Transactions	1,481	1,762	1,762
Receivables from Non-Exchange Transactions	55,266	55,378	55,378
	<u>56,747</u>	<u>57,140</u>	<u>57,140</u>

11. Investments

The School's investment activities are classified as follows:

	2018	2018 Budget (Unaudited)	2017
	Actual		Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	186,420	170,868	170,868

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	48,890	1,981	-	-	(4,372)	46,499
Furniture and Equipment	132,633	6,280	-	-	(17,483)	121,430
Information and Communication	13,628	7,545	-	-	(7,656)	13,517
Leased Assets	53,896	7,877	-	-	(18,175)	43,598
Library Resources	10,436	162	(548)	-	(1,256)	8,794
Balance at 31 December 2018	259,483	23,845	(548)	-	(48,942)	233,838

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	138,947	(92,448)	46,499
Furniture and Equipment	439,851	(318,421)	121,430
Information and Communication	76,067	(62,550)	13,517
Leased Assets	76,325	(32,727)	43,598
Library Resources	31,616	(22,822)	8,794
Balance at 31 December 2018	762,806	(528,968)	233,838

The net carrying value of equipment held under a finance lease is \$43,598 (2017: \$53,896)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	53,300	-	-	-	(4,410)	48,890
Furniture and Equipment	142,969	7,797	-	-	(18,133)	132,633
Information and Communication	11,531	9,725	-	-	(7,628)	13,628
Leased Assets	55,424	45,411	(27,192)	-	(19,747)	53,896
Library Resources	11,627	541	(241)	-	(1,491)	10,436
Balance at 31 December 2017	274,851	63,474	(27,433)	-	(51,409)	259,483

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	136,967	(88,077)	48,890
Furniture and Equipment	446,246	(313,613)	132,633
Information and Communication	73,446	(59,818)	13,628
Leased Assets	68,448	(14,552)	53,896
Library Resources	33,197	(22,761)	10,436
Balance at 31 December 2017	758,304	(498,821)	259,483

13. Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	17,329	29,882	29,882
Accruals	2,462	2,305	2,305
Banking staffing overuse	10,285	10,265	10,265
Employee Entitlements - salaries	55,266	55,378	55,378
Employee Entitlements - leave accrual	1,516	1,470	1,470
	<u>86,858</u>	<u>99,300</u>	<u>99,300</u>
Payables for Exchange Transactions	86,858	99,300	99,300
	<u>86,858</u>	<u>99,300</u>	<u>99,300</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	-	13,257	13,257
Other	10,019	5,402	5,402
	<u>10,019</u>	<u>18,659</u>	<u>18,659</u>

15. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	34,158	34,158	137,800
Increase to the Provision During the Year	7,655	-	19,545
Adjustment to the Provision	(21,349)	-	(123,187)
Provision at the End of the Year	<u>20,464</u>	<u>34,158</u>	<u>34,158</u>
Cyclical Maintenance - Term	20,464	34,158	34,158
	<u>20,464</u>	<u>34,158</u>	<u>34,158</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	20,306	18,572	18,572
Later than One Year and no Later than Five Years	26,095	38,911	38,911
Later than Five Years	-	-	-
	<u>46,401</u>	<u>57,483</u>	<u>57,483</u>

17. Funds Held for Capital Works

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 \$
Carpark upgrade	In progress	-	-	4,947	-	(4,947)
Roof Replacement	In progress	-	62,500	16,223	-	46,277
Totals		<u>-</u>	<u>62,500</u>	<u>21,170</u>	<u>-</u>	<u>41,330</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	46,277
Funds Due from the Ministry of Education	4,947
	<u>41,330</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Recarpeting	Completed	(372)	-	-	372	-
Totals		<u>(372)</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>-</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, the Principal, and Deputy Principal.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	2,900	1,680
Full-time equivalent members	0.05	0.03
<i>Leadership Team</i>		
Remuneration	308,926	385,190
Full-time equivalent members	4.00	5.00
Total key management personnel remuneration	311,826	386,870
Total full-time equivalent personnel	4.05	5.03

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	120 - 130	120 - 130
Benefits and Other Emoluments	0 - 10	0 - 0
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
110 - 120	-	-
	-	-

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

As at 31 December 2018 the Board has not entered into any 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 the following contracts:

(a) operating lease of EFTPOS terminal and computers;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	517
Later than One Year and No Later than Five Years	-	776
Later than Five Years	-	-
	-	1,293

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	22,917	18,685	9,071
Receivables	56,747	57,140	57,140
Investments - Term Deposits	186,420	170,868	170,868
Total Loans and Receivables	<u>266,084</u>	<u>246,693</u>	<u>237,080</u>

Financial liabilities measured at amortised cost

Payables	86,858	99,300	99,300
Finance Leases	40,661	49,122	49,122
Total Financial Liabilities Measured at Amortised Cost	<u>127,519</u>	<u>148,422</u>	<u>148,422</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.