

ELSTHORPE SCHOOL

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2019



DRAFT

School Directory

Ministry Number: 2556
Principal: Patricia Ross
School Address: 25 Kenderdine Road, Elsthorpe
School Postal Address: 25 Kenderdine Road, Elsthorpe
School Phone: 06 858 4228
School Email: office@elsthorpe.school.nz

Members of the Board of Trustees

Name	Position	How position gained	Term expired/expires
Lucie Gilbertson	Chairperson	Elected May 2019	May 2022
	Parent Rep		May 2019
Sandy Crawford	Principal		
Patricia Ross	Acting Principal		March 2019
Catherine Ewan	Treasurer	Elected 2019	May 2022
Geoff Strong	Parent Rep	Elected	May 2022
Mark Ferguson	Parent Rep	Elected	May 2022
Ange Scott	Secretary	Appointed	May 2022
Horiana Goldsmith	Staff Rep	Elected	May 2022
Rhonda Bartlet	Parent Rep	Elected	May 2022
Quentin Hunter	Parent Rep	Elected	May 2022
Struan Bell	Chairperson	Elected	May 2019
Rebecca Gray	Vice Chairperson	Elected	May 2019
Greg Hart	Treasurer	Elected	May 2019
Philip Knowles	Parent Rep	Elected	May 2019

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

ELSTHORPE SCHOOL

Annual Report - For the year ended 31 December 2019

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Elsthorpe School

Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 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:

Elsthorpe School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	510,555	480,581	468,799
Locally Raised Funds	3	59,512	32,730	54,424
Interest Income		2,266	526	643
		<hr/>	<hr/>	<hr/>
		572,333	513,837	523,866
Expenses				
Locally Raised Funds	3	10,635	11,250	9,101
Learning Resources	4	363,118	339,787	355,156
Administration	5	85,518	70,484	74,847
Finance		940	-	435
Property	6	106,276	93,316	104,881
Depreciation	7	20,834	13,500	16,454
Loss on Disposal of Property, Plant and Equipment		891	-	3,735
		<hr/>	<hr/>	<hr/>
		588,212	528,337	564,609
Net Surplus / (Deficit) for the Year		(15,879)	(14,500)	(40,743)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(15,879)	(14,500)	(40,743)

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

Elsthorpe School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>435,735</u>	<u>435,735</u>	<u>476,478</u>
Total Comprehensive Revenue and Expense for the Year	(15,879)	(14,500)	(40,743)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
Adjustment to Accumulated Surplus/(Deficit) from Adoption of PBE IFRS 9	-	-	-
Equity at 31 December	<u>419,856</u>	<u>421,235</u>	<u>435,735</u>
Retained Earnings	419,856	421,235	435,735
Reserves	-	-	-
Equity at 31 December	<u>419,856</u>	<u>421,235</u>	<u>435,735</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.

Elsthorpe School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	198,913	192,000	196,751
Accounts Receivable	9	23,052	20,000	19,927
GST Receivable		2,410	2,990	1,853
Prepayments		5,206	4,000	179
Inventories	10	52,170	66,000	66,349
		<hr/>	<hr/>	<hr/>
		281,751	284,990	285,059
Current Liabilities				
Accounts Payable	12	30,505	33,000	32,967
Provision for Cyclical Maintenance	13	3,057	3,057	2,333
Finance Lease Liability - Current Portion	14	4,473	4,500	2,407
Funds Held for Capital Works Projects	15	-	-	-
		<hr/>	<hr/>	<hr/>
		38,035	40,557	37,707
Working Capital Surplus/(Deficit)		243,716	244,433	247,352
Non-Current Assets				
Property, Plant and Equipment	11	211,338	212,000	206,664
		<hr/>	<hr/>	<hr/>
		211,338	212,000	206,664
Non-Current Liabilities				
Provision for Cyclical Maintenance	13	28,722	28,722	18,243
Finance Lease Liability	14	6,476	6,476	38
		<hr/>	<hr/>	<hr/>
		35,198	35,198	18,281
Net Assets		<hr/>	<hr/>	<hr/>
		419,856	421,235	435,735
Equity		<hr/>	<hr/>	<hr/>
		419,856	421,235	435,735

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

Elsthorpe School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash Flows from Operating Activities				
Government Grants		145,620	141,478	128,362
Locally Raised Funds		57,202	32,730	83,804
Goods and Services Tax (net)		(557)	(4,224)	(3,088)
Payments to Employees		(85,520)	(98,107)	(82,109)
Payments to Suppliers		(98,014)	(69,719)	(134,269)
Cyclical Maintenance Payments in the year		-	-	(5,774)
Interest Paid		(940)	-	(435)
Interest Received		2,266	526	643
Net Cash from Operating Activities		20,057	2,684	(12,866)
Cash Flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		2,263	-	1,265
Purchase of PPE (and Intangibles)		(22,439)	2,398	(17,634)
Purchase of Investments		-	-	-
Net Cash from Investing Activities		(20,176)	2,398	(16,369)
Cash Flows from Financing Activities				
Furniture and Equipment Grants		-	-	1,246
Finance Lease Payments		2,281	(9,833)	(950)
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		-	-	-
Net Cash from Financing Activities		2,281	(9,833)	296
Net Increase/(Decrease) in Cash and Cash Equivalents		2,162	(4,751)	(28,939)
Cash and Cash Equivalents at the Beginning of the Year	8	196,751	196,751	225,690
Cash and Cash Equivalents at the End of the Year	8	198,913	192,000	196,751

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 which form part of these financial statements.

Elsthorpe School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Elsthorpe 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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

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

i) Inventories

Inventories are consumable items held for sale and comprise of stationery. 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) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 may not be capitalised. In which case they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements to Crown Owned Assets	50 years
Furniture and Equipment	5 - 10 years
Information and Communication Technology	3 years
Leased Assets Held Under a Finance Lease	3 - 5 years
Library Resources	12.5% Diminishing value

k) 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.

l) 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.

m) 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.

n) 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).

o) 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 of accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

p) 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.

q) Budget Figures

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

r) Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	126,427	126,478	122,450
Teachers' Salaries Grants	297,049	271,857	271,857
Use of Land and Buildings Grants	67,693	67,246	67,246
Other MoE Grants	10,885	-	5,097
Transport Grants	6,310	15,000	1,334
Other Government Grants	2,191	-	815
	<u>510,555</u>	<u>480,581</u>	<u>468,799</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	15,176	5,000	14,036
Fundraising	-	-	2,150
Other Revenue	19,251	9,880	14,716
Trading	21,021	13,700	15,095
Activities	4,064	4,150	8,427
	<u>59,512</u>	<u>32,730</u>	<u>54,424</u>
Expenses			
Activities	10,316	10,950	9,101
Trading	319	300	-
	<u>10,635</u>	<u>11,250</u>	<u>9,101</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>48,877</u>	<u>21,480</u>	<u>45,323</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	11,731	16,100	18,096
Equipment Repairs	843	400	941
Information and Communication Technology	9,275	6,400	10,067
Library Resources	150	100	136
Employee Benefits - Salaries	333,234	303,137	309,786
Staff Development	7,885	13,650	16,130
	<u>363,118</u>	<u>339,787</u>	<u>355,156</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,665	4,451	3,870
Board of Trustees Fees	4,270	4,905	4,105
Board of Trustees Expenses	10,322	3,495	5,201
Communication	1,091	800	1,164
Consumables	5,105	5,000	5,662
Other	5,485	2,700	3,650
Employee Benefits - Salaries	48,914	42,650	45,630
Insurance	566	1,983	465
Service Providers, Contractors and Consultancy	5,100	4,500	5,100
	<u>85,518</u>	<u>70,484</u>	<u>74,847</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	2,124	3,200	2,918
Cyclical Maintenance Provision	11,203	5,000	7,333
Grounds	8,215	4,400	9,243
Heat, Light and Water	7,577	6,600	8,146
Repairs and Maintenance	9,464	6,870	9,995
Use of Land and Buildings	67,693	67,246	67,246
	<u>106,276</u>	<u>93,316</u>	<u>104,881</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	4,317	4,000	4,318
Furniture and Equipment	6,006	5,000	5,906
Information and Communication Technology	4,798	2,000	2,011
Leased Assets	4,120	1,500	2,414
Library Resources	1,593	1,000	1,805
	<u>20,834</u>	<u>13,500</u>	<u>16,454</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	43,993	42,000	16,886
Bank Call Account	154,920	150,000	179,865
Cash and Cash Equivalents for Cash Flow Statement	<u>198,913</u>	<u>192,000</u>	<u>196,751</u>

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	2,310	-	-
Allowance for Credit/Losses	-	-	-
Teacher Salaries Grant Receivable	20,742	20,000	19,927
	<u>23,052</u>	<u>20,000</u>	<u>19,927</u>
Receivables from Exchange Transactions	2,310	-	-
Receivables from Non-Exchange Transactions	20,742	20,000	19,927
	<u>23,052</u>	<u>20,000</u>	<u>19,927</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,273	1,500	1,598
Uniform	2,341	2,500	3,751
Livestock	48,556	62,000	61,000
	<u>52,170</u>	<u>66,000</u>	<u>66,349</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019	\$	\$	\$	\$	\$	\$
Building Improvements	165,978	-	-	-	(4,317)	161,662
Furniture and Equipment	23,311	1,139	-	-	(6,006)	18,444
Information and Communication	1,643	12,570	-	-	(4,798)	9,415
Leased Assets	3,017	13,714	(2,248)	-	(4,120)	10,363
Library Resources	12,715	333	(1)	-	(1,593)	11,454
Balance at 31 December 2019	<u>206,664</u>	<u>27,756</u>	<u>(2,249)</u>	<u>-</u>	<u>(20,834)</u>	<u>211,338</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019	\$	\$	\$
Building Improvements	218,226	(56,564)	161,662
Furniture and Equipment	172,135	(153,691)	18,444
Information and Communication	49,887	(40,472)	9,415
Leased Assets	16,464	(6,101)	10,363
Library Resources	32,328	(20,874)	11,454
Balance at 31 December 2019	<u>489,040</u>	<u>(277,702)</u>	<u>211,338</u>

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	170,295	-	-	-	(4,318)	165,978
Furniture and Equipment	18,521	10,696	-	-	(5,906)	23,311
Information and Communication	3,655	-	-	-	(2,011)	1,643
Leased Assets	5,432	-	-	-	(2,414)	3,017
Library Resources	14,922	3,330	(3,732)	-	(1,805)	12,715
Balance at 31 December 2018	212,825	14,026	(3,732)	-	(16,454)	206,664

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	218,226	(52,248)	165,978
Furniture and Equipment	170,996	(147,685)	23,311
Information and Communication Technology	37,317	(35,674)	1,643
Leased Assets	10,241	(7,224)	3,017
Library Resources	31,996	(19,281)	12,715
Balance at 31 December 2018	468,776	(262,112)	206,664

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	5,293	8,600	8,076
Accruals	3,990	3,900	3,870
Banking Staffing Overuse	-	-	193
Employee Entitlements - Salaries	20,742	20,000	19,927
Employee Entitlements - Leave Accrual	480	500	901
	30,505	33,000	32,967
Payables for Exchange Transactions	30,505	33,000	32,967
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	-	-	-
Payables for Non-Exchange Transactions - Other	-	-	-
	30,505	33,000	32,967

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	20,576	20,576	19,017
Increase/ (Decrease) to the Provision During the Year	11,203	11,203	7,333
Use of the Provision During the Year	-	-	(5,774)
Provision at the End of the Year	<u>31,779</u>	<u>31,779</u>	<u>20,576</u>
Cyclical Maintenance - Current	3,057	3,057	2,333
Cyclical Maintenance - Term	28,722	28,722	18,243
	<u>31,779</u>	<u>31,779</u>	<u>20,576</u>

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	4,473	4,500	2,407
Later than One Year and No Later than Five Years	7,891	6,476	140
Later than Five Years	-	-	-
	<u>12,364</u>	<u>10,976</u>	<u>2,547</u>

15. 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:

2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Totals	-	-	-	-	-

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block B Heat Pump <i>completed</i>	-	8,115	(8,115)	-	-
Totals	-	8,115	(8,115)	-	-

16. 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.

17. Remuneration

Key Management Personnel Compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,270	4,105
Full-Time Equivalent Members	0.15	0.08
<i>Leadership Team</i>		
Remuneration	106,376	108,709
Full-Time Equivalent Members	1.00	1.00
Total Key Management Personnel Remuneration	<u>110,646</u>	<u>112,814</u>
Total Full-Time Equivalent Personnel	<u>1.15</u>	<u>1.08</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal 1		
Salary and Other Payments	70 - 80	0 - 0
Benefits and Other Emoluments	2 - 3	-
Termination Benefits	-	-
Principal 2		
Salary and Other Payments	20 - 30	0 - 0
Benefits and Other Emoluments	0 - 1	-
Termination Benefits	-	-
Principal 3		
Salary and Other Payments	0 - 0	130 - 140
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
	-	-
	-	-

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

18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be a trustee, committee member, or employee during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2019 Actual	2018 Actual
Total Number of People	\$0 -	\$0 -

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

There is a contingent asset for repayment from the Ministry of Education for under spending the School's banking staffing entitlement during 2019. The Board has estimated the cash repayment to be \$500. We will record the amount we receive as income in the 2020 financial year.

There is a contingent asset for repayment from School Support Ltd for additional 2019 audit fee due to service provider issues.

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2018: \$nil)

(b) Operating Commitments

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

21. Managing Capital

The School's capital is its equity and comprises of 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

22. 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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	198,913	192,000	196,751
Receivables	23,052	20,000	19,927
Total Financial assets measured at amortised cost	<u>221,965</u>	<u>212,000</u>	<u>216,678</u>

Financial Liabilities Measured at Amortised Cost

Payables	30,505	33,000	32,967
Finance Leases	10,949	10,976	2,445
Total Financial Liabilities Measured at Amortised Cost	<u>41,454</u>	<u>43,976</u>	<u>35,412</u>

23. Events After Balance Date

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

24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

25. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

Elsthorpe School

Kiwisport Report

For the year ended 31 December 2019

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$760 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a variety of sports.

The number of students participating in organised sport continues to be at excellent levels.