

Ngahinapouri School

Annual Report

for the year ended 31 December 2019

School Directory:

Ministry Number: 1844
Principal: Wayne Asplin
School Address: 1185 Kakaramea Road, Ngahinapouri 3882
School Postal Address: R D 2, Ohaupo 3882
School Phone: 07 825 2701
School Email: office@ngahinapouri.school.nz

Members of the Board of Trustees:

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Corina Douglas	Parent Rep Chairperson	Elected	Planner / Author	June 2022
Wayne Asplin	Principal	ex Officio	Principal	
Martin Reid	Parent Rep	Elected	Orchardist	June 2022
Sally-Anne Gaudin	Parent Rep	Elected	Scientist	June 2022
Rene Rakete	Parent Rep	Elected	Detetective	June 2022
Ammie Hardie	Parent Rep	Elected	Events Organiser	June 2022
Tim Popping	Staff Rep	Elected	Teacher	June 2022
Aaron Paterson	Parent Rep	Term expired		June 2019
Sophia van den Bogaard	Parent Rep	Term expired		June 2019

Accountant / Service Provider: Russell Wilkinson

Ngahinapouri School

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for the year ended 31 December 2019

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Ngahinapouri 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

Ngahinapouri 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	1,463,795	1,402,521	1,399,833
Locally raised funds	3	134,812	106,050	106,063
Interest income		1,966	2,000	2,056
		<u>1,600,573</u>	<u>1,510,571</u>	<u>1,507,952</u>
Expenses				
Locally raised funds	3	60,138	48,500	58,603
Learning resources	4	1,060,942	1,053,001	1,054,798
Administration	5	92,905	83,340	84,994
Finance		724	-	541
Property	6	347,990	328,022	334,629
Depreciation	7	36,430	20,000	33,824
		<u>1,599,129</u>	<u>1,532,863</u>	<u>1,567,389</u>
Net Surplus / (Deficit) for the year		<u>1,444</u>	<u>(22,292)</u>	<u>(59,437)</u>
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		<u><u>1,444</u></u>	<u><u>(22,292)</u></u>	<u><u>(59,437)</u></u>

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

Ngahinapouri School

Statement of Changes in Net Assets / Equity

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	<u>173,011</u>	<u>173,011</u>	<u>232,448</u>
Total comprehensive revenue and expense for the year	1,444	(22,292)	(59,437)
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	-	-	-
Equity at 31 December	<u><u>174,455</u></u>	<u><u>150,719</u></u>	<u><u>173,011</u></u>
Retained Earnings	174,455	150,719	173,011
Equity at 31 December	<u><u>174,455</u></u>	<u><u>150,719</u></u>	<u><u>173,011</u></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.

Ngahinapouri 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	272,222	17,999	63,281
Accounts receivable	9	64,979	66,473	66,473
GST receivable		-	8,252	8,252
Prepayments		1,538	4,448	4,448
Inventories	10	3,403	3,603	3,603
Investments	11	-	35,000	35,000
Funds due from the Ministry of Education	16	-	-	5,276
		<u>342,142</u>	<u>135,775</u>	<u>186,333</u>
Current Liabilities				
Accounts payable	13	82,476	86,658	97,466
GST payable		19,918	-	-
Revenue received in advance	14	3,730	-	5,690
Provision for cyclical maintenance	15	25,058	9,000	14,911
Funds held for capital works projects	16	136,909	-	-
Finance lease liability - current portion	17	11,842	1,894	3,579
		<u>279,933</u>	<u>97,552</u>	<u>121,646</u>
Working Capital Surplus		62,209	38,223	64,687
Non Current Assets				
Property, plant and equipment	12	152,478	139,177	139,177
Non Current Liabilities				
Provision for cyclical maintenance	15	24,671	25,807	28,085
Finance lease liability	17	15,561	874	2,768
		<u>40,232</u>	<u>26,681</u>	<u>30,853</u>
Net Assets		<u>174,455</u>	<u>150,719</u>	<u>173,011</u>
Equity		<u>174,455</u>	<u>150,719</u>	<u>173,011</u>

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

Ngahinapouri 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		372,341	332,521	330,569
Locally raised funds		139,752	100,360	99,045
Goods and Services Tax (net)		28,170	-	(1,368)
Payments to employees		(230,575)	(238,406)	(225,290)
Payments to suppliers		(240,559)	(208,543)	(231,869)
Cyclical maintenance payments in the year		-	(14,911)	-
Interest paid		(724)	-	(541)
Interest received		1,990	2,000	2,404
Net cash from operating activities		<u>70,395</u>	<u>(26,979)</u>	<u>(27,050)</u>
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(30,022)	(20,000)	(32,832)
Proceeds from sale of investments		35,000	-	15,000
Net cash from investing activities		<u>4,978</u>	<u>(20,000)</u>	<u>(17,832)</u>
Cash flows from Financing Activities				
Finance lease payments		(8,617)	(3,579)	(3,174)
Funds held for capital works projects		142,185	5,276	(5,276)
Net cash from financing activities		<u>133,568</u>	<u>1,697</u>	<u>(8,450)</u>
Net increase/(decrease) in cash and cash equivalents		<u>208,941</u>	<u>(45,282)</u>	<u>(53,332)</u>
Cash and cash equivalents at the beginning of the year	8	63,281	63,281	116,613
Cash and cash equivalents at the end of the year	8	<u>272,222</u>	<u>17,999</u>	<u>63,281</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 excluded.

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

Ngahinapouri School

Notes to the Financial Statements

for the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting entity

Ngahinapouri 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 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 26.

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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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 grant 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 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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

c) Revenue Recognition (cont'd)

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 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 the 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 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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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 amount is not trivial.

Prior Year Policy

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.

k) Property, Plant, and Equipment

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

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

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

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

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

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 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	5-20 years
Information and communication technology	5 years
Other equipment	10-15 years
Leased assets held under a finance lease	3 years
Text books	5 years
Library resources	12.5% diminishing value

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

l) Impairment of Property, Plant and Equipment

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 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 annual leave earned but not yet taken at balance date.

o) Revenue Received in Advance

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

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

p) 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 10-year property plan (10YPP).

q) Financial Assets and Liabilities

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

The School's financial liabilities comprise 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.

r) 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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) 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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
2. Government grants			
Operational grants	265,377	261,176	254,480
Teachers' salaries grants	841,664	810,000	806,372
Use of land and buildings grants	259,601	260,000	257,585
Other MOE grants	97,153	71,345	81,396
	<u>1,463,795</u>	<u>1,402,521</u>	<u>1,399,833</u>
3. Locally raised funds			
Local funds raised within the School's community are made up of:			
Revenue			
Donations	64,020	30,000	30,943
Fundraising	16,463	34,550	24,640
Other revenue	39	-	1,220
Activities	46,855	37,500	43,963
Trading	7,435	4,000	5,297
	<u>134,812</u>	<u>106,050</u>	<u>106,063</u>
Expenses			
Fundraising (costs of raising funds)	5,999	7,000	10,243
Trading	8,447	4,000	5,251
Activities	45,692	37,500	43,109
	<u>60,138</u>	<u>48,500</u>	<u>58,603</u>
	<u>74,674</u>	<u>57,550</u>	<u>47,460</u>
Surplus (deficit) for the year locally raised funds			
4. Learning resources			
Curricular	25,457	45,643	29,268
Information and communication technology	11,501	10,000	9,836
Library resources	449	500	232
Employee benefits - salaries	1,019,592	986,858	1,007,796
Staff development	3,943	10,000	7,666
	<u>1,060,942</u>	<u>1,053,001</u>	<u>1,054,798</u>
5. Administration			
Audit fees	3,953	4,000	3,838
Board of Trustees fees	2,930	3,500	2,910
Board of Trustees expenses	2,354	5,740	5,291
Communication	4,250	3,650	5,319
Consumables	20,644	8,500	17,096
Operating lease	-	-	443
Other	3,941	6,210	4,599
Employee benefits - salaries	48,383	50,740	40,810
Insurance	3,355	-	3,188
Service providers, contractors, consultancy	3,095	1,000	1,500
	<u>92,905</u>	<u>83,340</u>	<u>84,994</u>

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
6. Property			
Caretaking and cleaning consumables	19,285	19,000	18,403
Cyclical maintenance provision	6,733	6,722	11,739
Grounds	18,846	7,000	11,532
Heat, light, and water	14,125	13,500	12,919
Repairs and maintenance	28,736	21,800	21,176
Use of land and buildings	259,601	260,000	257,585
Security	664	-	1,275
	<u>347,990</u>	<u>328,022</u>	<u>334,629</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

Building improvements - Crown	1,341	1,000	1,341
Furniture & equipment	4,950	3,000	5,148
Information and communication technology	9,020	7,000	12,099
Leased assets	8,221	2,000	3,249
Library resources	1,980	1,000	1,891
Textbooks	3,107	2,000	3,542
Other fixed assets	7,811	4,000	6,554
	<u>36,430</u>	<u>20,000</u>	<u>33,824</u>

8. Cash and Cash Equivalents

ASB Current account	214,402	6,067	6,067
ASB #50 account	54,247	8,393	53,675
ASB Library account	3,279	3,246	3,246
ASB Omni account	294	293	293
Cash and cash equivalents for Statement of Cash Flows	<u>272,222</u>	<u>17,999</u>	<u>63,281</u>

The carrying value of short term deposits with maturity dates of 90 days or less approximates their fair value. Of the \$272,222 Cash and Cash Equivalents, \$136,909 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

Receivables	-	6,900	6,900
Interest receivable	-	24	24
Teacher salaries grant receivable	64,979	59,549	59,549
	<u>64,979</u>	<u>66,473</u>	<u>66,473</u>
Receivables from exchange transactions	-	6,924	6,924
Receivables from non-exchange transactions	64,979	59,549	59,549
	<u>64,979</u>	<u>66,473</u>	<u>66,473</u>

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
10. Inventories			
Stationery and hats	3,403	3,603	3,603

11. Investments

The School's investment activities are classified as follows:

Current Asset:

Short-term bank deposits

-	35,000	35,000
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12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building improvements	19,012	-	-	-	(1,341)	17,671
Furniture & equipment	36,667	-	-	-	(4,950)	31,717
Information & communication	12,205	5,446	-	-	(9,020)	8,631
Leased assets	6,078	29,673	(388)	-	(8,221)	27,142
Library resources	13,237	2,600	-	-	(1,980)	13,857
Textbooks	6,276	2,126	-	-	(3,107)	5,295
Other fixed assets	45,702	10,274	-	-	(7,811)	48,165
Balance at 31 December 2019	139,177	50,119	(388)	-	(36,430)	152,478

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019			
Building improvements	67,407	49,736	17,671
Furniture & equipment	135,017	103,300	31,717
Information & communication	125,932	117,301	8,631
Leased assets	40,367	13,225	27,142
Library resources	75,793	61,936	13,857
Textbooks	39,811	34,516	5,295
Other fixed assets	173,813	125,648	48,165
Balance at 31 December 2019	658,140	505,662	152,478

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building improvements	20,353	-	-	-	(1,341)	19,012
Furniture & equipment	30,409	11,406	-	-	(5,148)	36,667
Information & communication	21,306	2,998	-	-	(12,099)	12,205
Leased assets	5,773	3,554	-	-	(3,249)	6,078
Library resources	12,217	2,911	-	-	(1,891)	13,237
Textbooks	7,128	2,690	-	-	(3,542)	6,276
Other fixed assets	39,429	12,827	-	-	(6,554)	45,702
Balance at 31 December 2018	136,615	36,386	-	-	(33,824)	139,177

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

12. Property, Plant and Equipment (cont'd)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018			
Building improvements	67,407	48,395	19,012
Furniture & equipment	135,017	98,350	36,667
Information & communication	120,486	108,281	12,205
Leased assets	11,856	5,778	6,078
Library resources	73,193	59,956	13,237
Textbooks	37,685	31,409	6,276
Other fixed assets	163,539	117,837	45,702
Balance at 31 December 2018	<u>609,183</u>	<u>470,006</u>	<u>139,177</u>

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
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13. Accounts Payable

Operating Creditors	12,690	23,416	23,416
Employee entitlements - salaries	65,810	60,436	71,244
Employee entitlements - leave accrual	3,976	2,806	2,806
	<u>82,476</u>	<u>86,658</u>	<u>97,466</u>
Payables for exchange transactions	82,476	86,658	97,466
	<u>82,476</u>	<u>86,658</u>	<u>97,466</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

First Time Principals grant	3,730	-	5,690
	<u>3,730</u>	<u>-</u>	<u>5,690</u>

15. Provision for Cyclical Maintenance

Provision at the start of the year	42,996	42,996	44,232
Increase to the provision during the year	6,733	6,722	11,739
Use of the provision during the year	-	(14,911)	(12,975)
Provision at the end of the year	<u>49,729</u>	<u>34,807</u>	<u>42,996</u>
Cyclical maintenance - current	25,058	9,000	14,911
Cyclical maintenance - term	24,671	25,807	28,085
	<u>49,729</u>	<u>34,807</u>	<u>42,996</u>

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

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:

2019	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Room 4-5 upgrade (in progress)	(5,276)	202,707	60,522	136,909
Security system (completed)	-	9,964	9,964	-
Window film (completed)	-	5,277	5,277	-
	<u>(5,276)</u>	<u>217,948</u>	<u>75,763</u>	<u>136,909</u>

Represented by:

Funds held on behalf of the Ministry of Education	136,909
Funds due from the Ministry of Education	-
	<u>136,909</u>

2018	Opening Balances	Receipts from MOE	Payments	Closing Balances
	\$	\$	\$	\$
Room 4-5 upgrade (in progress)	-	-	5,276	(5,276)
	<u>-</u>	<u>-</u>	<u>5,276</u>	<u>(5,276)</u>

17. Finance Lease Liability

The School has entered into a finance lease agreements for teacher laptops Minimum lease payments payable:

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
No later than one year	11,842	1,894	3,579
Later than one year and no later than five years	15,561	874	2,768
Later than five years	-	-	-
	<u>27,403</u>	<u>2,768</u>	<u>6,347</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 conditions 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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

19. Remuneration

Key management personnel compensation

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

	2019	2018
	Actual	Actual
	\$	\$
Board Members		
Remuneration	2,930	2,910
Full time equivalent members	0.13	0.11
Leadership Team		
Remuneration	322,406	299,053
Full time equivalent members	3.00	3.00
Total key management personnel remuneration	325,336	301,963
Total full time equivalent personnel	3.13	3.11

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	2018
	Actual	Actual
	\$000	\$000
Salaries and other short term benefits:		
Salary and other payments	130 - 140	120 - 130
Benefits and other emoluments	10 - 20	10 - 20
Termination benefits	Nil	Nil

Other Employees

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

Remuneration	2019	2018
\$000	FTE	FTE
100 - 110	Nil	Nil

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 members, 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:

	2019	2018
	Actual	Actual
Total value	Nil	Nil
Number of people	Nil	Nil

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

21. Contingencies

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

Holidays Act Compliance - Schools Payroll

The Ministry of Education performs payroll processing 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$295,831 contract for Blocks C & E ILE Upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$202,707 has been received of which \$65,798 has been spent on the project to date.

(Capital commitments at 31 December 2018 - nil).

(b) Operating Commitments

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

(Operating commitments at 31 December 2018 - nil).

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that revenue 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.

Ngahinapouri School
Notes to the Financial Statements (cont'd)
for the year ended 31 December 2019

24. Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and cash equivalents	272,222	17,999	63,281
Receivables	64,979	66,473	66,473
Investments	-	35,000	35,000
Total financial assets measured at amortised cost	<u>337,201</u>	<u>119,472</u>	<u>164,754</u>
Financial liabilities measured at amortised cost			
Payables	82,476	86,658	97,466
Finance leases	27,403	2,768	6,347
Total financial liabilities measured at amortised cost	<u>109,879</u>	<u>89,426</u>	<u>103,813</u>

25. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter school holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

26. 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 the opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Receivables: This policy has been updated to reflect that impairment of short-term receivables is now determined by applying an expected credit loss model.
- Investments : 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 IFRS 9 there were no material adjustments to the financial statements.

Ngahinapouri School

Kiwisport Note

for the year ended 31 December 2019

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$2,701 excluding GST (2018 - \$2,766). This funding was spent on sports equipment and entry fees.