

REDWOOD SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 2976

Principal: Zac Mills

School Address: 71A Redwood Tce
Tawa
Wellington 5028

School Postal Address:

School Phone: 04-232-7704

School Email: office@redwood.school.nz

Members of the Board of Trustees

Resigned Position		Name
Principal	ex Officio	Zac Mills
Jun-20 Chair Person	elected	Anna Scott
Chair Person	selected June	Clint Schoultz
Staff rep	elected	Belinda Evans
Parent Rep	selected Dec	Scott Cleeton
Parent Rep	elected	Tamzin Linnell
Sep-20 Parent Rep	elected	Bridget Roper
Parent Rep	elected	Jessica McMillan

Accountant / Service Provider: Davidson Dickson Ltd

REDWOOD SCHOOL

Annual Report - For the year ended 31 December 2020

Index

Page	Statement
	Financial Statements
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 11</u>	Statement of Accounting Policies
<u>12-21</u>	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

REDWOOD SCHOOL

Statement of Responsibility

For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

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

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

REDWOOD SCHOOL**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,101,260	3,037,421	2,762,297
Locally Raised Funds	3	165,827	71,700	210,670
Interest income		6,389	5,000	11,143
		<u>3,273,476</u>	<u>3,114,121</u>	<u>2,984,110</u>
Expenses				
Locally Raised Funds	3	75,591	-	81,181
Learning Resources	4	2,268,601	2,214,029	2,010,046
Administration	5	120,612	126,790	117,271
Finance		3,456	-	3,338
Property	6	712,678	712,067	660,558
Depreciation	7	77,040	60,000	79,918
Loss on Disposal of Property, Plant and Equipment		3,807	-	1,764
		<u>3,261,785</u>	<u>3,112,886</u>	<u>2,954,076</u>
Net Surplus / (Deficit) for the year		11,691	1,235	30,034
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>11,691</u>	<u>1,235</u>	<u>30,034</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.

REDWOOD SCHOOL**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>621,753</u>	<u>621,753</u>	<u>581,883</u>
Total comprehensive revenue and expense for the year		11,691	1,235	30,034
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	9,837
Equity at 31 December	23	<u>633,444</u>	<u>622,988</u>	<u>621,753</u>
Retained Earnings		633,444	622,988	621,753
Reserves		-	-	-
Equity at 31 December		<u>633,444</u>	<u>622,988</u>	<u>621,753</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.

REDWOOD SCHOOL

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	150,320	251,997	142,732
Accounts Receivable	9	163,979	100,000	110,541
GST Receivable		7,730	-	6,297
Prepayments		11,292	10,000	12,674
Inventories	10	2,674	2,500	2,674
Investments	11	245,447	139,613	217,147
		<u>581,442</u>	<u>504,110</u>	<u>492,065</u>
Current Liabilities				
Accounts Payable	13	175,508	132,149	131,230
Revenue Received in Advance	14	10,070	-	18,970
Provision for Cyclical Maintenance	15	53,000	30,000	30,534
Finance Lease Liability - Current Portion	16	16,597	15,000	16,119
Funds held for Capital Works Projects	17	23,669	-	-
		<u>278,844</u>	<u>177,149</u>	<u>196,853</u>
Working Capital Surplus/(Deficit)		302,598	326,961	295,212
Non-current Assets				
Property, Plant and Equipment	12	381,337	350,640	377,640
		<u>381,337</u>	<u>350,640</u>	<u>377,640</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	27,000	39,613	29,613
Finance Lease Liability	16	23,491	15,000	21,486
		<u>50,491</u>	<u>54,613</u>	<u>51,099</u>
Net Assets		<u>633,444</u>	<u>622,988</u>	<u>621,753</u>
Equity	23	<u>633,444</u>	<u>622,988</u>	<u>621,753</u>

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

REDWOOD SCHOOL

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		764,059	883,483	600,937
Locally Raised Funds		145,469	72,700	224,447
Goods and Services Tax (net)		(1,431)	10,000	7,137
Payments to Employees		(421,505)	(334,955)	(302,874)
Payments to Suppliers		(395,686)	(356,664)	(436,143)
Cyclical Maintenance Payments in the year		-	13,237	(27,850)
Interest Paid		(3,456)	-	(3,338)
Interest Received		6,830	5,000	11,114
Net cash from Operating Activities		94,280	292,801	73,430
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		0	-	(1,764)
Purchase of PPE (and Intangibles)		(66,345)	(42,195)	(23,601)
Purchase of Investments		(28,300)	(139,613)	58,033
Net cash from Investing Activities		(94,645)	(181,808)	32,668
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	9,837
Finance Lease Payments		(15,716)	5,000	(15,753)
Funds Held for Capital Works Projects		23,669	-	4,327
Net cash from Financing Activities		7,953	5,000	(1,589)
Net increase/(decrease) in cash and cash equivalents		7,588	115,993	104,509
Cash and cash equivalents at the beginning of the year	8	142,732	136,004	38,223
Cash and cash equivalents at the end of the year	8	150,320	251,997	142,732

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.

REDWOOD SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Redwood 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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education 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.

Cyclical Maintenance

The School recognises its obligation to maintain the Ministry's buildings in a good state to repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate so based on the school's long term maintenance plan which is prepared as part of its 10 year Property Planning process. During the year, the board assesses the reasonableness of its 10 year property plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

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 (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

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

j) Investments

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 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 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	20-50 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3-5 years term of lease
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) Financial Instruments

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.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

v) 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.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	568,510	513,746	500,942
Teachers' Salaries Grants	1,847,148	1,847,147	1,697,088
Use of Land and Buildings Grants	501,971	501,971	464,272
Resource Teachers Learning and Behaviour Grants	2,752	-	3,837
Other MoE Grants	178,020	174,557	95,479
Other Government Grants	2,859	-	679
	<u>3,101,260</u>	<u>3,037,421</u>	<u>2,762,297</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$10,520 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	57,222	42,500	57,990
Bequests & Grants	-	-	4,000
Activities	56,853	-	64,049
Trading	283	200	350
Fundraising	51,082	29,000	84,281
Other Revenue	387	-	-
	<u>165,827</u>	<u>71,700</u>	<u>210,670</u>
Expenses			
Activities	61,153	-	66,528
Trading	-	-	-
Fundraising (Costs of Raising Funds)	14,438	-	14,653
	<u>75,591</u>	<u>-</u>	<u>81,181</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>90,236</u>	<u>71,700</u>	<u>129,489</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	53,868	62,778	38,389
Equipment Repairs	209	5,000	1,909
Information and Communication Technology	6,500	10,000	6,805
Library Resources	1,988	3,000	1,776
Employee Benefits - Salaries	2,190,259	2,121,251	1,944,749
Staff Development	15,777	12,000	16,418
	2,268,601	2,214,029	2,010,046

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,846	5,700	5,676
Board of Trustees Fees	1,560	4,000	2,980
Board of Trustees Expenses	4,567	7,700	7,605
Communication	4,790	4,650	4,858
Consumables	6,643	9,000	4,870
Other	10,053	10,940	9,628
Employee Benefits - Salaries	72,583	70,500	67,513
Insurance	9,112	9,000	8,841
Service Providers, Contractors and Consultancy	5,458	5,300	5,300
	120,612	126,790	117,271

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	14,148	16,000	15,605
Consultancy and Contract Services	112,472	114,000	110,403
Cyclical Maintenance Provision	19,853	10,000	15,644
Grounds	7,095	10,000	2,761
Heat, Light and Water	21,080	19,869	22,979
Rates	1,764	2,000	1,811
Repairs and Maintenance	26,083	28,227	16,267
Use of Land and Buildings	501,971	501,971	464,272
Security	8,212	10,000	10,816
	<u>712,678</u>	<u>712,067</u>	<u>660,558</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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	10,283	-	8,728
Furniture and Equipment	35,088	60,000	36,041
Information and Communication Technology	9,452	-	11,374
Leased Assets	17,238	-	18,291
Library Resources	4,979	-	5,484
	<u>77,040</u>	<u>60,000</u>	<u>79,918</u>

8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	75,089	151,997	47,124
Bank Call Account	231	-	231
Short-term Bank Deposits	75,000	100,000	95,377
Cash and cash equivalents for Cash Flow Statement	<u>150,320</u>	<u>251,997</u>	<u>142,732</u>

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

9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	6,754	-	5,296
Receivables from the Ministry of Education	-	-	1,919
Interest Receivable	689	-	1,130
Teacher Salaries Grant Receivable	156,536	100,000	102,195
	<u>163,979</u>	<u>100,000</u>	<u>110,541</u>
Receivables from Exchange Transactions	7,443	-	6,426
Receivables from Non-Exchange Transactions	156,536	100,000	104,115
	<u>163,979</u>	<u>100,000</u>	<u>110,541</u>

10. Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	2,674	2,500	2,674
	<u>2,674</u>	<u>2,500</u>	<u>2,674</u>

11. Investments

The School's investment activities are classified as follows:

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	245,447	139,613	217,147
	<u>245,447</u>	<u>139,613</u>	<u>217,147</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings	163,830	4,096		-	(10,283)	157,643
Furniture and Equipment	124,141	25,827		-	(35,088)	114,880
Information and Communication	11,645	29,659		-	(9,452)	31,852
Leased Assets	34,240	18,199		-	(17,238)	35,201
Library Resources	43,784	6,934	(3,978)	-	(4,979)	41,761
Balance at 31 December 2020	377,640	84,715	(3,978)	-	(77,040)	381,337

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Buildings	337,917	(180,274)	157,643
Furniture and Equipment	470,639	(355,759)	114,880
Information and Communication	151,550	(119,698)	31,852
Leased Assets	100,207	(65,006)	35,202
Library Resources	151,172	(109,411)	41,761
Balance at 31 December 2020	1,211,485	(830,148)	381,337

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	158,806	15,752			(8,728)	165,830
Furniture and Equipment	155,843	4,339			(36,041)	124,141
Information and Communication Technology	23,019	-			(11,374)	11,645
Leased Assets	33,231	19,300			(18,291)	34,240
Library Resources	45,757	5,415	(1,904)		(5,484)	43,784
Balance at 31 December 2019	416,656	44,806	(1,904)	-	(79,918)	379,640

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	333,821	(169,991)	163,830
Furniture and Equipment	444,812	(320,671)	124,141
Information and Communication Technology	121,891	(110,246)	11,645
Leased Assets	82,008	(47,768)	34,240
Library Resources	158,645	(114,862)	43,784
Balance at 31 December 2019	1,141,177	(763,538)	377,640

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	4,815	15,000	9,236
Accruals	5,846	5,500	5,676
Employee Entitlements - Salaries	162,252	108,149	114,082
Employee Entitlements - Leave Accrual	2,595	3,500	2,236
	<u>175,508</u>	<u>132,149</u>	<u>131,230</u>
Payables for Exchange Transactions	175,508	132,149	131,230
	<u>175,508</u>	<u>132,149</u>	<u>131,230</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	10,000	-	-
Other	70	-	18,970
	<u>10,070</u>	<u>-</u>	<u>18,970</u>

15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	60,147	60,147	72,353
Increase/ (decrease) to the Provision During the Year	19,853	10,000	15,644
Use of the Provision During the Year		-	(27,850)
Provision at the End of the Year	<u>80,000</u>	<u>70,147</u>	<u>60,147</u>
Cyclical Maintenance - Current	53,000	30,000	30,534
Cyclical Maintenance - Term	27,000	39,613	29,613
	<u>80,000</u>	<u>69,613</u>	<u>60,147</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	16,597	-	16,119
Later than One Year and no Later than Five Years	23,491	-	21,486
Later than Five Years	-	-	-
	<u>40,088</u>	<u>-</u>	<u>37,605</u>

17. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
A Block upgrade	<i>in progress</i>		26,403	(2,734)		23,669
Totals		-	26,403	(2,734)	-	23,669

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
B Block Admin	<i>in progress</i>	(2,965)	-	-	2,965	-
Rm 9,10, Toilets floors	<i>in progress</i>	(10,388)	5,831	(11,194)	15,751	-
Special Needs	<i>in progress</i>	9,027	-	(9,027)	-	(0)
Totals		(4,326)	5,831	(20,221)	18,716	-

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

19. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	1,560	2,980
Full-time equivalent members	0.46	0.46
<i>Leadership Team</i>		
Remuneration	354,943	334,563
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>356,503</u>	<u>337,543</u>
Total full-time equivalent personnel	<u>3.46</u>	<u>3.46</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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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:

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

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – schools payroll

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

The Ministry 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 2020, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2019: \$Nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

	2020 Actual \$	2019 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<hr/>	<hr/>
	-	-

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:

Financial assets measured at amortised cost (2019: Loans and receivables)

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	150,320	251,997	142,732
Receivables	163,979	100,000	110,541
Investments - Term Deposits	245,447	139,613	217,147
Total Financial assets measured at amortised cost	<u>559,747</u>	<u>491,610</u>	<u>470,419</u>

Financial liabilities measured at amortised cost

Payables	175,508	132,149	131,230
Finance Leases	40,088	30,000	37,605
Total Financial Liabilities Measured at Amortised Cost	<u>215,595</u>	<u>162,149</u>	<u>168,836</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.