

TE KAUWHATA PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 2005
Principal: Brian Martin
School Address: Wira Street, Te Kauwhata
School Postal Address: P O Box 46, Te Kauwhata, 3741
School Phone: 07 826 3564
School Email: office@tkp.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Lauren Hughes	Chair Person	Elected	Manager	May 2020
Brian Martin	Principal	ex Officio		
Emma Barakat	Parent Rep	Elected	Administrator	May 2020
Michelle Croucher	Parent Rep	Elected	Farmer	May 2020
Natalie Hansen	Parent Rep	Elected	Nurse	May 2020
Wahineata Smith	Parent Rep	Elected	Wkto DHB	May 2020
Marg Northcote	Staff Rep	Elected	Teacher	May 2020

Accountant / Service Provider: Granville & She Limited

TE KAUWHATA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

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Te Kauwhata Primary 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.

Laura Hughes

Full Name of Board Chairperson

Brian Martin

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

29/6/2020

Date:

29/6/20

Date:

Te Kauwhata Primary 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	2,030,494	2,244,149	1,928,279
Locally Raised Funds	3	145,060	62,100	69,650
Interest income		7,716	6,000	8,068
Gain on Sale of Property, Plant and Equipment		-	-	2,019
		<u>2,183,270</u>	<u>2,312,249</u>	<u>2,008,016</u>
Expenses				
Locally Raised Funds	3	63,339	35,750	58,841
Learning Resources	4	1,525,289	1,726,215	1,464,614
Administration	5	129,922	125,950	120,557
Finance		3,113	-	3,827
Property	6	446,868	374,400	382,107
Depreciation	7	59,218	47,500	55,506
Loss on Disposal of Property, Plant and Equipment	12	1,444	-	3,743
		<u>2,229,193</u>	<u>2,309,815</u>	<u>2,089,195</u>
Net Surplus / (Deficit) for the year		(45,923)	2,434	(81,179)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(45,923)</u>	<u>2,434</u>	<u>(81,179)</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.



Te Kauwhata Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>582,258</u>	<u>582,258</u>	<u>655,202</u>
Total comprehensive revenue and expense for the year		(45,923)	2,434	(81,179)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		20,074	-	8,235
Equity at 31 December	23	<u>556,409</u>	<u>584,692</u>	<u>582,258</u>
Retained Earnings		556,409	584,692	582,258
Reserves		-	-	-
Equity at 31 December		<u>556,409</u>	<u>584,692</u>	<u>582,258</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.



Te Kauwhata Primary School

Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	92,481	90,892	55,627
Accounts Receivable	9	111,106	100,300	85,449
GST Receivable		7,165	7,000	18,297
Inventories	10	6,986	7,000	7,497
Investments	11	151,122	150,000	211,556
		<u>368,860</u>	<u>355,192</u>	<u>378,426</u>
Current Liabilities				
Accounts Payable	13	100,704	100,000	96,692
Provision for Cyclical Maintenance	14	66,923	33,000	32,271
Finance Lease Liability - Current Portion	15	12,607	20,000	12,280
Funds for COL services	17	13,537	13,000	9,578
		<u>193,771</u>	<u>166,000</u>	<u>150,821</u>
Working Capital Surplus/(Deficit)		175,089	189,192	227,605
Non-current Assets				
Property, Plant and Equipment	12	412,310	415,000	389,974
		<u>412,310</u>	<u>415,000</u>	<u>389,974</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	10,500	12,000	13,719
Finance Lease Liability	15	20,490	7,500	21,602
		<u>30,990</u>	<u>19,500</u>	<u>35,321</u>
Net Assets		<u>556,409</u>	<u>584,692</u>	<u>582,258</u>
Equity	23	<u>556,409</u>	<u>584,692</u>	<u>582,258</u>

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



Te Kauwhata Primary 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		521,078	393,082	459,821
Locally Raised Funds		127,101	120,480	135,298
Goods and Services Tax (net)		11,132	11,000	(11,321)
Payments to Employees		(374,663)	(315,895)	(335,509)
Payments to Suppliers		(259,497)	(203,220)	(201,114)
Cyclical Maintenance Payments in the year		-	1,000	(5,100)
Interest Paid		(3,112)	-	(3,827)
Interest Received		7,928	6,200	8,028
Net cash from Operating Activities		29,967	12,647	46,276
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(34,969)
Purchase of PPE (and Intangibles)		(68,920)	(31,500)	-
Proceeds from Sale of Investments		60,434	65,000	(5,079)
Net cash from Investing Activities		(8,486)	33,500	(40,048)
Cash flows from Financing Activities				
Furniture and Equipment Grant		20,074	-	8,235
Finance Lease Payments		(8,660)	(18,000)	(1,188)
Funds Administered on Behalf of Third Parties		3,959	3,420	9,008
Funds Held for Capital Works Projects		-	-	(10,368)
Net cash from Financing Activities		15,373	(14,580)	5,687
Net increase/(decrease) in cash and cash equivalents		36,854	31,567	11,915
Cash and cash equivalents at the beginning of the year	8	55,627	59,325	43,712
Cash and cash equivalents at the end of the year	8	92,481	90,892	55,627

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..



Te Kauwhata Primary School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Te Kauwhata Primary 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 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.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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 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.

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.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

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

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

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

o) Provision for Cyclical Maintenance

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

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



p) Financial 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.

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.

q) 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.

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 statements 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.



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	407,210	456,654	374,164
Teachers' Salaries Grants	1,261,424	1,494,000	1,221,648
Use of Land and Buildings Grants	258,257	255,000	251,910
Resource Teachers Learning and Behaviour Grants	2,996	-	-
Other MoE Grants	100,607	38,495	80,557
	2,030,494	2,244,149	1,928,279

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	25,032	11,000	1,211
Bequests & Grants	7,900	3,000	4,247
Activities	17,230	10,430	16,378
Trading	21,428	14,200	18,701
Fundraising	-	4,500	9,691
Other Revenue	73,470	18,970	19,422
	145,060	62,100	69,650
Expenses			
Activities	21,589	10,050	21,362
Trading	23,784	14,700	21,804
Fundraising (Costs of Raising Funds)	1,669	5,300	6,041
Transport (Local)	4,878	-	3,254
Other Locally Raised Funds Expenditure	11,418	5,700	6,380
	63,339	35,750	58,841
	81,721	26,350	10,809

Surplus/ (Deficit) for the year Locally raised funds

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	22,096	22,770	23,367
Information and Communication Technology	5,408	14,000	7,027
Library Resources	441	1,850	327
Employee Benefits - Salaries	1,479,207	1,672,595	1,419,627
Staff Development	18,137	15,000	14,266
	1,525,289	1,726,215	1,464,614



5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,800	4,500	4,500
Board of Trustees Fees	4,140	4,500	4,235
Board of Trustees Expenses	6,317	1,900	1,243
Communication	6,215	6,840	5,599
Consumables	11,427	13,850	12,844
Other	9,659	9,960	6,235
Employee Benefits - Salaries	78,165	75,000	77,083
Insurance	6,749	6,900	6,518
Service Providers, Contractors and Consultancy	2,450	2,500	2,300
	129,922	125,950	120,557

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cyclical Maintenance Provision	31,433	-	10,846
Grounds	9,840	6,400	6,353
Heat, Light and Water	21,836	19,000	17,164
Repairs and Maintenance	54,269	25,700	33,996
Use of Land and Buildings	258,257	255,000	251,910
Employee Benefits - Salaries	71,234	68,300	61,838
	446,868	374,400	382,107

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.

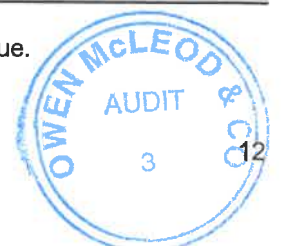
7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	4,908	5,000	5,034
Furniture and Equipment	23,722	17,500	23,132
Information and Communication Technology	18,335	14,500	14,656
Leased Assets	10,402	9,000	10,749
Library Resources	1,851	1,500	1,935
	59,218	47,500	55,506

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	5,297	5,000	460
Bank Call Account	87,184	85,892	55,167
Cash and cash equivalents for Cash Flow Statement	92,481	90,892	55,627

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



9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	35,102	25,000	17,143
Receivables from the Ministry of Education	-	-	6,095
Interest Receivable	323	300	536
Teacher Salaries Grant Receivable	75,681	75,000	61,675
	<u>111,106</u>	<u>100,300</u>	<u>85,449</u>
Receivables from Exchange Transactions	35,425	25,300	17,679
Receivables from Non-Exchange Transactions	75,681	75,000	67,770
	<u>111,106</u>	<u>100,300</u>	<u>85,449</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	3,979	4,000	4,774
School Uniforms	3,007	3,000	2,723
	<u>6,986</u>	<u>7,000</u>	<u>7,497</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	151,122	150,000	211,556
Total Investments	<u>151,122</u>	<u>150,000</u>	<u>211,556</u>



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Work in Progress	4,400	-	(4,400)	-	-	-
Buildings	196,295	-	-	-	(4,908)	191,387
Furniture and Equipment	96,221	36,329	-	-	(23,722)	108,828
Information and Communication Technology	48,087	37,169	-	(1,444)	(18,335)	65,477
Leased Assets	31,429	12,634	-	-	(10,402)	33,661
Library Resources	13,542	1,266	-	-	(1,851)	12,957
Balance at 31 December 2019	389,974	87,398	(4,400)	(1,444)	(59,218)	412,310

The net carrying value of equipment held under a finance lease is \$33,661 (2018: \$31,429)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	394,640	(203,253)	191,387
Furniture and Equipment	467,719	(358,891)	108,828
Information and Communication Technology	294,105	(228,628)	65,477
Leased Assets	61,529	(27,868)	33,661
Library Resources	66,285	(53,328)	12,957
Balance at 31 December 2019	1,284,278	(871,968)	412,310

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Work in Progress	-	4,400	-	-	-	4,400
Buildings	201,329	-	-	-	(5,034)	196,295
Furniture and Equipment	106,756	14,063	-	(1,466)	(23,132)	96,221
Information and Communication Technology	54,119	8,624	-	-	(14,656)	48,087
Leased Assets	29,848	24,643	(14,332)	2,019	(10,749)	31,429
Library Resources	15,596	2,158	-	(2,277)	(1,935)	13,542
Balance at 31 December 2018	407,648	53,888	(14,332)	(1,724)	(55,506)	389,974

The net carrying value of equipment held under a finance lease is \$31,429 (2017: \$29,848)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Work in Progress	4,400	-	4,400
Buildings	394,640	(198,345)	196,295
Furniture and Equipment	431,390	(335,169)	96,221
Information and Communication Technology	258,999	(210,912)	48,087
Leased Assets	48,895	(17,466)	31,429
Library Resources	65,019	(51,477)	13,542
Balance at 31 December 2018	1,203,343	(813,369)	389,974



13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	4,382	5,000	16,348
Accruals	9,085	9,000	8,567
Employee Entitlements - Salaries	75,681	75,000	61,675
Employee Entitlements - Leave Accrual	11,555	11,000	10,102
	<u>100,704</u>	<u>100,000</u>	<u>96,692</u>
Payables for Exchange Transactions	100,704	100,000	96,692
	<u>100,704</u>	<u>100,000</u>	<u>96,692</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	45,990	45,990	40,244
Increase/ (decrease) to the Provision During the Year	31,433	-	5,746
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>77,423</u>	<u>45,990</u>	<u>45,990</u>
Cyclical Maintenance - Current	66,923	33,000	32,271
Cyclical Maintenance - Term	10,500	12,000	13,719
	<u>77,423</u>	<u>45,000</u>	<u>45,990</u>

15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	12,607	20,000	12,280
Later than One Year and no Later than Five Years	20,490	7,500	21,602
	<u>33,097</u>	<u>27,500</u>	<u>33,882</u>



16. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Power to Storage Shed	<i>completed</i>	1,607	1,768	1,215	(2,160)	-
Library	<i>completed</i>	(7,702)	9,344	1,642	-	-
Heat Pumps	<i>completed</i>	-	8,735	9,029	294	-
Replace Bell System	<i>completed</i>	-	20,669	20,669	-	-
Totals		(6,095)	40,516	32,555	(1,866)	-

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 \$		Closing Balances \$
Replacement Heat Pumps & Power to Storage Shed	<i>completed</i>	1,607	-	-	-	1,607
Library	<i>in progress</i>	2,666	34,584	(44,952)	-	(7,702)
Heat Pumps (Block E & F)	<i>completed</i>	-	6,659	(6,659)	-	-
Totals		4,273	41,243	(51,611)	-	(6,095)

17. Funds Held on Behalf of COL

The School holds funds on behalf of the Te Kauwhata Community of Learning Kahui Ako (COL) Cluster, and is funded by the member schools and the Ministry of Education towards a collaborative learning community

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	9,578	9,578	570
<i>Revenue</i>			
Travel Grant	4,015	3,522	9,845
	4,015	3,522	9,845
Total funds available	13,593	13,100	10,415
<i>Expenses</i>			
Administration	56	100	604
Travel	-	-	233
	56	100	837
Funds Held at Year End	13,537	13,000	9,578

Te Kauwhata School is no longer the Lead School for the Te Kauwhata Community of Learning Kahui Ako (COL). All funds held at year end will be transferred to the new lead school.



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 and Deputy Principals.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,140	4,235
Full-time equivalent members	0.10	0.14
<i>Leadership Team</i>		
Remuneration	230,573	323,485
Full-time equivalent members	2	3
Total key management personnel remuneration	<u>234,713</u>	<u>327,720</u>
Total full-time equivalent personnel	<u>2.10</u>	<u>3.14</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	120 - 130	110 - 120
Benefits and Other Emoluments	0 - 5	0 - 5
Principal 2		
Salary and Other Payments	-	20 - 30
Benefits and Other Emoluments	-	0 - 1

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
100 -105	1.00	1.00
	<u>1.00</u>	<u>1.00</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:

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

21. 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).

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.

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has no capital commitments

(Capital commitments at 31 December 2018: \$6,600)

(b) Operating Commitments

As at 31 December 2019 the Board has no operating commitments

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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	92,481	90,892	55,627
Receivables	111,106	100,300	85,449
Investments - Term Deposits	151,122	150,000	211,556
Total Financial assets measured at amortised cost	<u>354,709</u>	<u>341,192</u>	<u>352,632</u>

Financial liabilities measured at amortised cost

Payables	100,704	100,000	96,692
Finance Leases	33,098	27,500	33,882
Total Financial Liabilities Measured at Amortised Cost	<u>133,802</u>	<u>127,500</u>	<u>130,574</u>

25. Subsequent Event

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 the 18th 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 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: 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 these financial statements.

27. Breach of Law - Failure to comply with Section 87 of the Education Act 1989

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their annual financial statements for audit by 31 March 2020 and not submitted their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.



Te Kauwhata Primary Scholl
For the year 31 December 2019

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$4085.75 (excluding GST). The funding was spent to support our PE and lunchtime sport activities in a variety of ways, mainly by topping up with additional items to add to our PE Equipment.