

# Waikowhai Intermediate School

## Annual Report for the year ended 31 December 2020

<b>Ministry Number:</b>	1548
<b>Principal:</b>	David King
<b>School Address:</b>	Richardson Road, Auckland
<b>School Postal Address:</b>	650 Richardson Road, Auckland, 1041
<b>School Phone:</b>	09-621 0460
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<b>Service Provider:</b>	Edtech Financial Services Ltd



# Waikowhai Intermediate School

## Annual Report

For the year ended 31 December 2020

### Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 18	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

**Waikowhai Intermediate 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.

Ross Phillips

Full Name of Board Chairperson

R. Phillips

Signature of Board Chairperson

22/06/21

Date:

David King

Full Name of Principal

DK

Signature of Principal

22/6/21

Date:

Waikowhai Intermediate School  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	4,501,671	3,874,527	4,184,808
Locally Raised Funds	3	122,833	161,325	365,446
Interest Income		2,437	-	3,083
International Students	4	10,000	20,000	30,273
		<hr/>	<hr/>	<hr/>
		4,636,941	4,055,852	4,583,610
<b>Expenses</b>				
Locally Raised Funds	3	113,988	136,200	274,909
International Students	4	3,098	3,500	4,200
Learning Resources	5	2,538,678	2,095,778	2,349,544
Administration	6	175,823	183,100	175,221
Finance		4,805	4,000	6,152
Property	7	1,588,076	1,535,054	1,571,327
Depreciation	8	105,183	97,215	106,216
Loss on Disposal of Property, Plant and Equipment		283	-	5,561
		<hr/>	<hr/>	<hr/>
		4,529,934	4,054,847	4,493,130
<b>Net Surplus for the year</b>		107,007	1,005	90,480
Other Comprehensive Revenue and Expense		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>107,007</u>	<u>1,005</u>	<u>90,480</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.

## Waikowhai Intermediate School

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	2020	2020	2019
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Balance at 1 January</b>	345,894	345,894	255,414
Total comprehensive revenue and expense for the year	107,007	1,005	90,480
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	25,855	-	-
<b>Equity at 31 December</b>	24 478,756	346,899	345,894
Retained Earnings	478,756	346,899	345,894
<b>Equity at 31 December</b>	478,756	346,899	345,894

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.

**Waikowhai Intermediate School**  
**Statement of Financial Position**

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	9	338,074	196,411	258,839
Accounts Receivable	10	337,225	155,000	147,559
GST Receivable		25,739	25,000	-
Prepayments		3,463	3,500	3,513
Inventories	11	1,202	500	363
Investments	12	53,686	53,000	52,209
		<u>759,389</u>	<u>433,411</u>	<u>462,483</u>
<b>Current Liabilities</b>				
GST Payable		-	-	13,205
Accounts Payable	14	334,976	211,000	179,479
Revenue Received in Advance	15	18,017	11,500	23,925
Provision for Cyclical Maintenance	16	26,988	15,000	4,792
Finance Lease Liability - Current Portion	17	18,714	18,000	17,561
Funds Held for Capital Works Projects	18	167,643	100,000	194,126
		<u>566,338</u>	<u>355,500</u>	<u>433,088</u>
<b>Working Capital Surplus/(Deficit)</b>		193,051	77,911	29,395
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	374,157	363,988	431,203
		<u>374,157</u>	<u>363,988</u>	<u>431,203</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	61,831	70,000	75,387
Finance Lease Liability	17	24,558	25,000	39,317
		<u>86,389</u>	<u>95,000</u>	<u>114,704</u>
<b>Net Assets</b>		<u>480,819</u>	<u>346,899</u>	<u>345,894</u>
<b>Equity</b>	24	<u>478,756</u>	<u>346,899</u>	<u>345,894</u>

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

# Waikowhai Intermediate School

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual \$	(Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	1,046,089	935,385	892,710
Locally Raised Funds	114,799	159,716	378,258
International Students	-	10,000	20,282
Goods and Services Tax (net)	(38,944)	(38,205)	32,686
Funds Administered on Behalf of Third Parties	-	-	(631)
Payments to Employees	(474,921)	(429,772)	(397,161)
Payments to Suppliers	(367,577)	(558,339)	(704,068)
Cyclical Maintenance Payments in the year	(29,206)	-	(25,555)
Interest Paid	(4,805)	(4,000)	(6,152)
Interest Received	2,172	-	3,285
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Operating Activities	247,607	74,785	193,654
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	-	-	(111,476)
Purchase of Property Plant & Equipment (and Intangibles)	(43,693)	(109,964)	(6,268)
Purchase of Investments	(1,477)	-	-
Proceeds from Sale of Investments	-	791	-
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Investing Activities	(45,170)	(109,173)	(117,744)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	25,855	-	-
Finance Lease Payments	(12,292)	66,086	(16,592)
Funds Held for Capital Works Projects	(136,765)	(94,126)	198,049
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Financing Activities	(123,202)	(28,040)	181,457
	<hr/>	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>79,235</b>	<b>(62,428)</b>	<b>257,367</b>
Cash and cash equivalents at the beginning of the year	9 258,839	258,839	1,472
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>9 338,074</b>	<b>196,411</b>	<b>258,839</b>

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.



# Notes to the Financial Statements

For the year ended 31 December 2020

## 1. Statement of Accounting Policies

### Reporting Entity

Waikowhai Intermediate School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

### 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 and Training Act 2020 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

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is 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 16.

#### 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 13.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### *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.

### **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.

#### **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.

### **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.

### **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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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.

### 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.

### 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.

### 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.

### 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.

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:

Buildings	10-25 years
Furniture and equipment	5-15 years
Information and communication technology	4-15 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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.

### 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.

### 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.

### Revenue Received in Advance

Revenue received in advance relates to grants received for Urgent Response Funding and SLI funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 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).

### 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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' 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.

### 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.

### Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

### 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 2 Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	843,391	801,245	717,624
Teachers' Salaries Grants	2,120,437	1,657,728	2,006,544
Use of Land and Buildings Grants	1,335,093	1,280,554	1,285,642
Resource Teachers Learning and Behaviour Grants	3,818	1,500	2,496
Other MoE Grants	164,796	113,500	139,390
Other Government Grants	34,136	20,000	33,112
	<u>4,501,671</u>	<u>3,874,527</u>	<u>4,184,808</u>

The School has opted in to the donations scheme for this year. Total amount received was \$71,850.

Other MOE Grants total includes additional COVID-19 funding totalling \$36,026 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)	\$
<b>Revenue</b>			
Donations	1,000	1,000	35,178
Activities	72,349	100,325	215,047
Trading	49,484	60,000	73,037
Overseas Travel	-	-	42,184
	<u>122,833</u>	<u>161,325</u>	<u>365,446</u>
<b>Expenses</b>			
Activities	45,968	76,200	151,932
Trading	68,020	60,000	76,720
Overseas Travel	-	-	46,257
	<u>113,988</u>	<u>136,200</u>	<u>274,909</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>8,845</u>	<u>25,125</u>	<u>90,537</u>

During the year ended 31 December 2019 two teachers and twelve students travelled to Japan with a stopover in Singapore at a cost of approximately \$12,675 to the school. The purpose of the trip was to visit the sister school in Japan. The remaining funds were covered by the students.

### 4 International Student Revenue and Expenses

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	1	1	2
	<u>2020</u>	<u>2020</u>	<u>2019</u>
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International Student Fees	10,000	20,000	30,273
<b>Expenses</b>			
Commissions	2,475	3,000	3,465
International Student Levy	623	500	735
	<u>3,098</u>	<u>3,500</u>	<u>4,200</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>6,902</u>	<u>16,500</u>	<u>26,073</u>

Waikowhai Intermediate School  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**5 Learning Resources**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	97,881	126,500	101,131
Equipment Repairs	(17)	1,000	177
Information and Communication Technology	5,054	11,000	3,406
Library Resources	199	1,500	384
Employee Benefits - Salaries	2,433,049	1,941,778	2,236,727
Staff Development	2,512	14,000	7,719
	<u>2,538,678</u>	<u>2,095,778</u>	<u>2,349,544</u>

**6 Administration**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	8,000	8,000	7,850
Board of Trustees Fees	2,810	4,500	3,370
Board of Trustees Expenses	6,590	8,000	7,245
Communication	2,293	3,950	3,987
Consumables	16,707	21,500	17,078
Other	18,513	23,650	23,129
Employee Benefits - Salaries	107,130	99,500	99,393
Insurance	6,760	6,500	6,281
Service Providers, Contractors and Consultancy	7,020	7,500	6,888
	<u>175,823</u>	<u>183,100</u>	<u>175,221</u>

**7 Property**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	15,018	16,000	22,581
Consultancy and Contract Services	71,304	69,000	62,070
Cyclical Maintenance Expense	37,846	17,000	349
Grounds	3,896	6,000	12,563
Heat, Light and Water	29,955	42,500	43,329
Repairs and Maintenance	28,587	43,500	80,991
Use of Land and Buildings	1,335,093	1,280,554	1,285,642
Security	1,917	2,500	3,766
Employee Benefits - Salaries	64,460	58,000	60,036
	<u>1,588,076</u>	<u>1,535,054</u>	<u>1,571,327</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

**8 Depreciation**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Buildings - School	7,850	6,715	7,610
Furniture and Equipment	27,059	25,000	27,692
Information and Communication Technology	49,446	45,000	51,092
Leased Assets	18,862	18,000	17,663
Library Resources	1,966	2,500	2,159
	<u>105,183</u>	<u>97,215</u>	<u>106,216</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 9 Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	338,016	196,351	258,781
Bank Call Account	58	60	58
Cash and cash equivalents for Statement of Cash Flows	<u>338,074</u>	<u>196,411</u>	<u>258,839</u>

Of the \$338,074 Cash and Cash Equivalents, \$169,706 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

### 10 Accounts Receivable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	11,092	5,000	4,956
Receivables from the Ministry of Education	152,147	-	-
Interest Receivable	265	-	-
Teacher Salaries Grant Receivable	173,721	150,000	142,603
	<u>337,225</u>	<u>155,000</u>	<u>147,559</u>
Receivables from Exchange Transactions	11,357	5,000	4,956
Receivables from Non-Exchange Transactions	325,868	150,000	142,603
	<u>337,225</u>	<u>155,000</u>	<u>147,559</u>

### 11 Inventories

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Stationery	1,202	500	363
	<u>1,202</u>	<u>500</u>	<u>363</u>

### 12 Investments

The School's investment activities are classified as follows:

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	53,686	53,000	52,209
Total Investments	<u>53,686</u>	<u>53,000</u>	<u>52,209</u>



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Buildings	74,089	-	-	-	(7,850)	66,239
Furniture and Equipment	156,582	28,603	(283)	-	(27,059)	157,843
Information and Communication Technology	131,142	14,466	-	-	(49,446)	96,162
Leased Assets	54,281	4,727	-	-	(18,862)	40,146
Library Resources	15,109	624	-	-	(1,966)	13,767
<b>Balance at 31 December 2020</b>	<b>431,203</b>	<b>48,420</b>	<b>(283)</b>	<b>-</b>	<b>(105,183)</b>	<b>374,157</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Buildings	224,601	(158,362)	66,239
Furniture and Equipment	502,252	(344,409)	157,843
Information and Communication Technology	372,863	(276,701)	96,162
Leased Assets	84,691	(44,545)	40,146
Library Resources	71,813	(58,046)	13,767
<b>Balance at 31 December 2020</b>	<b>1,256,220</b>	<b>(882,063)</b>	<b>374,157</b>

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$40,146 (2019: \$54,281).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Buildings	72,699	9,000	-	-	(7,610)	74,089
Furniture and Equipment	129,755	54,519	-	-	(27,692)	156,582
Information and Communication Technology	132,363	55,432	(5,561)	-	(51,092)	131,142
Leased Assets	68,586	3,358	-	-	(17,663)	54,281
Library Resources	13,972	3,296	-	-	(2,159)	15,109
<b>Balance at 31 December 2019</b>	<b>417,375</b>	<b>125,605</b>	<b>(5,561)</b>	<b>-</b>	<b>(106,216)</b>	<b>431,203</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Buildings	224,601	(150,512)	74,089
Furniture and Equipment	495,275	(338,693)	156,582
Information and Communication Technology	441,180	(310,038)	131,142
Leased Assets	79,964	(25,683)	54,281
Library Resources	71,189	(56,080)	15,109
<b>Balance at 31 December 2019</b>	<b>1,312,209</b>	<b>(881,006)</b>	<b>431,203</b>

The net carrying value of equipment held under a finance lease is \$54,281 (2018: \$68,586).

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2020

**14 Accounts Payable**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	133,032	30,000	18,904
Accruals	5,720	6,000	4,750
Employee Entitlements - Salaries	178,601	160,000	143,969
Employee Entitlements - Leave Accrual	17,623	15,000	11,856
	<u>334,976</u>	<u>211,000</u>	<u>179,479</u>
Payables for Exchange Transactions	334,976	211,000	179,479
	<u>334,976</u>	<u>211,000</u>	<u>179,479</u>

The carrying value of payables approximates their fair value.

**15 Revenue Received in Advance**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	16,850	10,000	10,860
International Student Fees	-	-	10,000
Other	1,167	1,500	3,065
	<u>18,017</u>	<u>11,500</u>	<u>23,925</u>

**16 Provision for Cyclical Maintenance**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	80,179	80,179	105,385
Increase/(decrease) to the Provision During the Year	37,846	17,000	349
Use of the Provision During the Year	(29,206)	(12,179)	(25,555)
Provision at the End of the Year	<u>88,819</u>	<u>85,000</u>	<u>80,179</u>
Cyclical Maintenance - Current	26,988	15,000	4,792
Cyclical Maintenance - Term	61,831	70,000	75,387
	<u>88,819</u>	<u>85,000</u>	<u>80,179</u>

**17 Finance Lease Liability**

The school has entered into a number of finance lease agreements for laptops, chromebooks, TV's and photocopiers.  
Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	21,963	18,000	22,160
Later than One Year and no Later than Five Years	26,626	25,000	44,161
	<u>48,589</u>	<u>43,000</u>	<u>66,321</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 18 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 Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
MOE Drainage Project	<i>Completed</i>	628	-	-	628	-
MOE Re-roof blks 7, 1, 5	<i>Completed</i>	365	-	-	365	-
Decking Project ILE	<i>In progress</i>	193,433	-	220,317	-	(26,884)
Science Room Refurbishment	<i>Completed</i>	(300)	-	-	(300)	-
Electrical Upgrade	<i>In progress</i>	-	108,000	71,538	-	36,462
Boiler Removal	<i>In progress</i>	-	-	1,306	-	(1,306)
Drainage 2020	<i>In progress</i>	-	-	23,857	-	(23,857)
Heat Pump	<i>In progress</i>	-	75,000	54,458	-	20,542
Multi Sport	<i>In progress</i>	-	319,447	276,624	-	42,823
Blocks 3, 8, 9, 11 & Hall	<i>Completed</i>	-	1,050	-	1,050	-
Stormwater Drainage	<i>In progress</i>	-	-	1,801	-	(1,801)
Asphalt	<i>Completed</i>	-	7,520	7,500	20	-
Window Winder	<i>In progress</i>	-	-	4,192	-	(4,192)
Security	<i>In progress</i>	-	-	38,311	-	(38,311)
Room 2-7 Classroom Refurbishment	<i>In progress</i>	-	189,000	121,184	-	67,816
Totals		194,126	700,017	821,088	1,763	71,292

#### Represented by:

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

167,643
(96,351)
<u>71,292</u>

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
MOE Drainage Project	<i>Completed</i>	628	-	-	-	628
MOE Re-roof blks 7, 1, 5	<i>Completed</i>	365	-	-	-	365
Decking Project ILE	<i>In progress</i>	(14,803)	257,095	48,859	-	193,433
Water Project	<i>Completed</i>	18,958	1,312	29,270	9,000	-
Science Room Refurbishment	<i>Completed</i>	43,991	28,512	72,803	-	(300)
Totals		49,139	286,919	150,932	9,000	194,126

### 19 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 20 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	2,810	3,370
Full-time equivalent members	0.04	0.05
<i>Leadership Team</i>		
Remuneration	349,767	335,545
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	352,577	338,915
Total full-time equivalent personnel	3.04	3.05

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	0-10	0-10
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	4	-
	4	-

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

### 21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

### 22 Contingencies

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

(Contingent liabilities and assets as 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

### 23 Commitments

#### Capital Commitments

(a) \$319,447 for contracts for a Multi Sport to be completed in 2021 which will be fully funded by the Ministry of Education. \$319,447 has been received of which \$276,624 has been spent on the project to date.

(b) \$189,000 for contracts for Room 2-7 Classroom Refurbishments to be completed in 2021 which will be fully funded by the Ministry of Education. \$189,000 has been received of which \$121,184 has been spent on the project to date.

(c) \$108,000 for contracts for an Electrical Upgrade to be completed in 2021 which will be fully funded by the Ministry of Education. \$108,000 has been received of which \$71,538 has been spent on the project to date.

(d) \$75,000 for contracts for a new Heat Pump to be completed in 2021 which will be fully funded by the Ministry of Education. \$75,000 has been received of which \$54,458 has been spent on the project to date.

(Capital commitments as at 31 December 2019: nil)

### 24 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.

### 25 Financial Instruments

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	338,074	196,411	258,839
Receivables	337,225	155,000	147,559
Investments - Term Deposits	53,686	53,000	52,209
Total Financial assets measured at amortised cost	<u>728,985</u>	<u>404,411</u>	<u>458,607</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	334,976	211,000	179,479
Finance Leases	43,272	43,000	56,878
Total Financial Liabilities Measured at Amortised Cost	<u>378,248</u>	<u>254,000</u>	<u>236,357</u>

### 26 Events After Balance Date

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