

WHANANAKI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



WHANANAKI SCHOOL

Annual Report - For the year ended 31 December 2019

School Directory

Ministry Number: 1127

Principal: Shaun Tepania

School Address: Whananaki North, New Zealand

School Postal Address: Counter Delivery, Whananaki Postcentre, Whananaki 0536

School Phone: (09) 433-8231

School Email: office@whananaki.school.nz

Members of the Board of Trustees

Name	Position		Term Expired/ Expires
Jillian Shuttleworth	Chair Person	Elected	Jun-22
Shaun Tepania	Principal ex Officio	Appointed	
Lisa Mengelberg	Parent Rep	Elected	Jun-22
Charles Waetford	Parent Rep	Elected	Jun-22
James Caldwell	Parent Rep	Elected	Jun-22
Raymond Lawton	Parent Rep	Elected	Jun-22
Jose Bell	Staff Rep	Elected	Jun-22
Vicki Ogle	Parent Rep	Elected	Jun-19
Tania Vaile	Parent Rep	Elected	Jun-19
Ripeka Walters	Parent Rep	Elected	Jun-19
Diane Pullman	Staff Rep	Elected	Jun-19

Accountant / Service Provider:



Auditor:

Bhavin Sanghavi - UHY Haines Norton (Auckland) Ltd

WHANANAKI SCHOOL

Annual Report - For the year ended 31 December 2019

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Whananaki 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.

Jillian Shuttleworth

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

29/5/20

Date:

Ahaua Teponia

Full Name of Principal

[Signature]

Signature of Principal

29/5/20

Date:

Whananaki 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	650,778	514,996	614,008
Locally Raised Funds	3	94,785	97,580	51,124
Interest income		1,572	1,000	1,039
		<u>747,135</u>	<u>613,576</u>	<u>666,171</u>
Expenses				
Locally Raised Funds	3	9,620	8,800	8,811
Learning Resources	4	412,714	362,633	395,286
Administration	5	23,130	79,775	24,296
Finance		197	-	609
Property	6	235,384	167,994	198,361
Depreciation	7	22,279	-	20,280
Loss on Disposal of Property, Plant and Equipment		484	-	24
		<u>703,808</u>	<u>619,202</u>	<u>647,667</u>
Net Surplus / (Deficit) for the year		43,327	(5,626)	18,504
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>43,327</u>	<u>(5,626)</u>	<u>18,504</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.

Whananaki 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		284,496	238,702	264,246
Total comprehensive revenue and expense for the year		43,327	(5,626)	18,504
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,746
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	21	327,823	233,076	284,496
Retained Earnings		327,823	233,076	284,496
Reserves		-	-	-
Equity at 31 December		327,823	233,076	284,496

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.

Whananaki School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	72,398	(329)	53,908
Accounts Receivable	9	28,527	29,303	29,303
GST Receivable		12,003	-	-
Prepayments		483	1,858	1,858
Inventories	10	286	336	336
		<u>113,697</u>	<u>31,168</u>	<u>85,405</u>
Current Liabilities				
GST Payable		-	3,972	3,972
Accounts Payable	12	32,791	31,346	31,346
Revenue Received in Advance	13	5,300	5,825	5,825
Provision for Cyclical Maintenance	14	2,207	-	-
Finance Lease Liability - Current Portion	15	2,167	5,155	5,155
Funds held for Capital Works Projects	16	14,146	-	-
		<u>56,611</u>	<u>46,298</u>	<u>46,298</u>
Working Capital Surplus/(Deficit)		57,086	(15,130)	39,107
Non-current Assets				
Property, Plant and Equipment	11	<u>286,537</u>	<u>261,988</u>	<u>259,171</u>
		286,537	261,988	259,171
Non-current Liabilities				
Provision for Cyclical Maintenance	14	13,570	13,039	13,039
Finance Lease Liability	15	2,230	743	743
		<u>15,800</u>	<u>13,782</u>	<u>13,782</u>
Net Assets		<u>327,823</u>	<u>233,076</u>	<u>284,496</u>
Equity				
	21	<u>327,823</u>	<u>233,076</u>	<u>284,496</u>

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

Whananaki School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		139,451	124,214	144,117
Locally Raised Funds		93,470	103,543	57,087
Goods and Services Tax (net)		(15,975)	177	177
Payments to Employees		(67,795)	(66,758)	(74,316)
Payments to Suppliers		(94,570)	(158,644)	(89,990)
Cyclical Maintenance Payments in the year		-	(10,461)	-
Interest Paid		(197)	-	(609)
Interest Received		1,590	984	1,023
Net cash from Operating Activities		55,974	(6,945)	37,489
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(484)	-	(24)
Purchase of PPE (and Intangibles)		(50,395)	-	(4,844)
Net cash from Investing Activities		(50,879)	-	(4,868)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,746
Finance Lease Payments		(751)	(5,928)	(5,928)
Funds Held for Capital Works Projects		14,146	-	-
Net cash from Financing Activities		13,395	(5,928)	(4,182)
Net increase/(decrease) in cash and cash equivalents		18,490	(12,873)	28,439
Cash and cash equivalents at the beginning of the year	8	53,908	12,544	25,469
Cash and cash equivalents at the end of the year	8	72,398	(329)	53,908

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..

Whananaki School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Whananaki School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

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 Group 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 Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for collectability) 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.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the Group 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 \$750 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	5-40 years
Furniture and equipment	20 years
Information and communication technology	5 years
Plant & Equipment	10 years
Musical Instruments	5 years
Sports Equipment	5 years
Leased assets held under a Finance Lease	3-7 years
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. It's 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, annual leave earned 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 international students, should the School be unable to provide the services to which they relate.

q) 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).

r) Financial Assets and Liabilities

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise 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.

s) 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.

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

t) 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.

u) Budget Figures

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

v) 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	129,473	125,327	126,071
Teachers' Salaries Grants	314,425	257,000	301,490
Use of Land and Buildings Grants	201,069	131,619	166,238
Resource Teachers Learning and Behaviour Grants	1,565	-	2,173
Other MoE Grants	4,246	1,050	18,036
	650,778	514,996	614,008

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	37,165	14,325	18,026
Activities	18,958	20,185	18,323
Trading	5,070	5,070	5,070
Fundraising	5,832	6,000	6,531
Other Revenue	27,760	52,000	3,174
	94,785	97,580	51,124
Expenses			
Activities	2,507	2,000	1,890
Trading	2,451	2,200	2,259
Fundraising (Costs of Raising Funds)	4,662	4,600	4,662
	9,620	8,800	8,811
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	85,165	88,780	42,313

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	29,772	37,868	26,252
Equipment Repairs	7,578	2,500	709
Information and Communication Technology	2,247	4,330	1,739
Extra-Curricular Activities	593	1,000	405
Library Resources	2,668	2,325	2,845
Employee Benefits - Salaries	367,163	310,610	362,248
Staff Development	2,693	4,000	1,088
	412,714	362,633	395,286

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,250	4,150	4,150
Board of Trustees Fees	2,150	3,500	2,520
Board of Trustees Expenses	2,425	3,200	1,884
Communication	1,443	1,790	1,576
Operating Lease	-	3,600	-
Other	5,166	54,605	5,085
Employee Benefits - Salaries	3,844	3,750	3,758
Insurance	602	590	593
Service Providers, Contractors and Consultancy	3,250	4,590	4,730
	23,130	79,775	24,296

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	4,677	4,740	4,225
Cyclical Maintenance Provision	2,738	5,535	(4,926)
Grounds	4,918	5,800	6,514
Heat, Light and Water	6,275	6,300	6,326
Repairs and Maintenance	4,933	4,200	9,782
Use of Land and Buildings	201,069	131,619	166,238
Employee Benefits - Salaries	10,774	9,800	10,202
	235,384	167,994	198,361

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	4,215	-	4,215
Furniture and Equipment	783	-	853
Information and Communication Technology	6,460	-	6,724
Leased Assets	5,439	-	5,736
Library Resources	1,050	-	1,121
Plant & Equipment	3,576	-	1,585
Sports Equipment	756	-	46
	22,279	-	20,280

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	80	-	80
Bank Current Account	35,415	(329)	25,008
Bank Call Account	36,903	-	8,138
Short-term Bank Deposits	-	-	20,682
Cash and cash equivalents for Cash Flow Statement	<u>72,398</u>	<u>(329)</u>	<u>53,908</u>

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

Of the **\$72,398** Cash and Cash Equivalents, **\$14,146** is held by the School on behalf of the Ministry of Education. These funds are required to be spent in **2020** on Crown owned school buildings under the School's Five Year Property Plan.

Of the **\$72,398** Cash and Cash Equivalents, **\$5,300** of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	3,984	3,194	3,194
Receivables from the Ministry of Education	706	4,873	4,873
Interest Receivable	-	18	18
Teacher Salaries Grant Receivable	23,837	21,218	21,218
	<u>28,527</u>	<u>29,303</u>	<u>29,303</u>
Receivables from Exchange Transactions	3,984	3,212	3,212
Receivables from Non-Exchange Transactions	24,543	26,091	26,091
	<u>28,527</u>	<u>29,303</u>	<u>29,303</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	286	336	336
	<u>286</u>	<u>336</u>	<u>336</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	95,000	-	-	-	-	95,000
Buildings - School	118,120	-	-	-	(4,215)	113,905
Furniture and Equipment	8,300	1,030	-	-	(783)	8,547
Information and Communication Technology	10,499	613	-	-	(6,460)	4,652
Leased Assets	5,064	4,433	-	-	(5,439)	4,058
Library Resources	7,845	1,037	(484)	-	(1,050)	7,348
Plant & Equipment	12,526	38,415	-	-	(3,576)	47,365
Sports Equipment	1,817	4,601	-	-	(756)	5,662
Balance at 31 December 2019	259,171	50,129	(484)	-	(22,279)	286,537

The net carrying value of equipment held under a finance lease is **\$4,058 (2018: \$5,064)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	95,000	-	95,000
Buildings - School	190,132	(76,227)	113,905
Furniture and Equipment	29,770	(21,223)	8,547
Information and Communication Technology	110,039	(105,387)	4,652
Leased Assets	22,668	(18,610)	4,058
Library Resources	42,216	(34,868)	7,348
Plant & Equipment	88,534	(41,169)	47,365
Sports Equipment	15,062	(9,400)	5,662
Musical Instruments	1,402	(1,402)	-
Balance at 31 December 2019	594,823	(308,286)	286,537

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	95,000	-	-	-	-	95,000
Buildings - School	122,335	-	-	-	(4,215)	118,120
Furniture and Equipment	9,153	-	-	-	(853)	8,300
Information and Communication Technology	17,223	-	-	-	(6,724)	10,499
Leased Assets	10,800	-	-	-	(5,736)	5,064
Library Resources	6,750	2,239	(23)	-	(1,121)	7,845
Plant & Equipment	13,346	765	-	-	(1,585)	12,526
Sports Equipment	-	1,863	-	-	(46)	1,817
Balance at 31 December 2018	274,607	4,867	(23)	-	(20,280)	259,171

The net carrying value of equipment held under a finance lease is \$5,064 (2017: \$10,800)

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	95,000	-	95,000
Buildings - School	190,132	(72,012)	118,120
Furniture and Equipment	28,740	(20,440)	8,300
Information and Communication Technology	110,226	(99,727)	10,499
Leased Assets	23,418	(18,354)	5,064
Library Resources	43,887	(36,042)	7,845
Plant & Equipment	50,119	(37,593)	12,526
Sports Equipment	10,461	(8,644)	1,817
Musical Instruments	1,402	(1,402)	-
Balance at 31 December 2018	553,385	(294,214)	259,171

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	1,032	1,940	1,940
Accruals	6,671	6,498	6,498
Employee Entitlements - Salaries	24,082	21,218	21,218
Employee Entitlements - Leave Accrual	1,006	1,690	1,690
	32,791	31,346	31,346
Payables for Exchange Transactions	32,791	31,346	31,346
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	32,791	31,346	31,346

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	5,300	5,825	5,825
	5,300	5,825	5,825

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	13,039	13,039	17,965
Increase/ (decrease) to the Provision During the Year	2,738	5,535	(4,926)
Use of the Provision During the Year	-	(5,535)	-
Provision at the End of the Year	15,777	13,039	13,039
Cyclical Maintenance - Current	2,207	-	-
Cyclical Maintenance - Term	13,570	13,039	13,039
	15,777	13,039	13,039

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	2,167	5,155	5,155
No Later than One Year - Interest	298	-	1,382
Later than One Year and no Later than Five Years	2,230	743	5,897
Later than One Year and no Later than Five Years - Interest	164	-	521
	4,859	5,898	12,955

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 \$
ILE Works, Electrical, Roofing, Cla <i>completed</i>	-	110,774	96,628	-	14,146
Totals	-	110,774	96,628	-	14,146

Represented by:

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

14,146

-

14,146

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
MOE 5YA <i>completed</i>	8,404	-	-	(8,404)	-
Totals	8,404	-	-	(8,404)	-

17. 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.

18. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,150	2,520
Full-time equivalent members	0.08	0.09
<i>Leadership Team</i>		
Remuneration	115,234	110,054
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	117,384	112,574
Total full-time equivalent personnel	1.08	1.09

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:		
Salary and Other Payments	110-120	110 - 120
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	2019 FTE Number	2018 FTE Number
100-110	0.00	0.00
	0.00	0.00

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

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2018: \$98,500 contract for Electrical, Roofing, Cladding, Shed Project and AMS ILE Works Project to be completed in 2019, which will be fully funded by the Ministry of Education.)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating commitments (2018:nil)

21. 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.

22. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	72,398	(329)	53,908
Receivables	28,527	29,303	29,303
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	100,925	28,974	83,211

Financial liabilities measured at amortised cost

Payables	32,791	31,346	31,346
Borrowings - Loans	-	-	-
Finance Leases	4,397	5,898	5,898
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	37,188	37,244	37,244

23. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb some 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.

24. Comparatives

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

25. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 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 9 Investments:

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

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

Whananaki School
Kiwisport Statement
As at 31 December 2019

Kiwisport is a government funded initiative to support students' participation in organised sport. In 2019 the school received Kiwisport funding of \$909 exc GST (2018:\$900). This year all of the Kiwisport funding was targetted for Basketball. Basketball continued positively into 2019 with 22 children playing. Two children were chosen to represent the Whangarei Rep Team. Three new children started playing. The Kiwisport funding was used to pay fees for a Year 7 & 8 team and a Year 6 and under team. Three basketballs were purchased and a new hoop. Both teams played every term.