

MANIOTOTO AREA SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	370
Principal:	Joe Ferdinands
School Address	15 Caulfield Street, Ranfurly, Dunedin
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MANIOTOTO AREA SCHOOL

Annual Report - For the year ended 31 December 2019

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Maniototo Area 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 reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

BELINDA COLLING

Full Name of Board Chairperson



Signature of Board Chairperson

27/05/2020

Date:

JOE FERDINANDS

Full Name of Principal



Signature of Principal

²⁷
26/05/2020

Date:



Maniototo Area School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Dave Hutton-Atkins	Chairperson	Elected	Nov 2020
Joe Ferdinands	Principal	ex Officio	
Lucia Dowling	Staff Rep	Elected	May 2022
Belinda Colling	Parent Rep	Elected	May 2022
Rose Voice	Parent Rep	Elected	May 2022
Alastair Watt	Parent Rep	Elected	May 2022
Mike Connell	Parent Rep	Elected	May 2022
Craig Paterson	Parent Rep	Elected	May 2022
Quinton Smtih	Parent Rep	Elected	May 2022
Debbie Paterson	Rebuild Sub-Committee	Co-opted	May 2022
Amanda Voice	Student Rep	Elected	Sep 2020
In Attendance Anne Kirk	Minute Secretary		

Maniototo Area 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	2,202,292	2,104,693	2,301,363
Locally Raised Funds	3	192,990	78,600	163,862
Interest Income		29,362	17,253	29,341
		<u>2,424,644</u>	<u>2,200,546</u>	<u>2,494,566</u>
Expenses				
Locally Raised Funds	3	87,311	27,700	83,710
Learning Resources	4	1,787,318	1,686,586	1,757,655
Administration	5	171,113	181,845	156,868
Finance Costs		2,250	-	1,291
Property	6	159,866	319,260	394,609
Depreciation	7	63,667	72,000	68,201
Loss on Disposal of Property, Plant and Equipment		697	-	2,042
		<u>2,272,222</u>	<u>2,287,391</u>	<u>2,464,376</u>
Net Surplus / (Deficit)		152,422	(86,845)	30,190
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>152,422</u>	<u>(86,845)</u>	<u>30,190</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.

Maniototo Area School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		<u>1,405,375</u>	<u>1,405,375</u>	<u>1,359,078</u>
Total comprehensive revenue and expense for the year		152,422	(86,845)	30,190
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	16,107
Equity at 31 December	22	<u>1,557,797</u>	<u>1,318,530</u>	<u>1,405,375</u>
Retained Earnings		1,557,797	1,318,530	1,405,375
Equity at 31 December		<u>1,557,797</u>	<u>1,318,530</u>	<u>1,405,375</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.

Maniototo Area 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	105,644	40,579	55,424
Accounts Receivable	9	117,180	116,398	116,398
GST Receivable		6,093	6,319	6,319
Prepayments		9,819	8,450	8,450
Inventories	10	4,949	4,754	4,754
Investments	11	907,125	908,009	908,009
		<u>1,150,810</u>	<u>1,084,509</u>	<u>1,099,354</u>
Current Liabilities				
Accounts Payable	13	127,637	117,102	117,102
Revenue Received in Advance	14	16,808	17,554	17,554
Provision for Cyclical Maintenance	15	60,300	180,444	180,444
Finance Lease Liability - Current Portion	16	8,854	7,247	7,247
Funds held for Capital Works Projects	17	-	5,115	5,115
		<u>213,599</u>	<u>327,462</u>	<u>327,462</u>
Working Capital Surplus/(Deficit)		937,211	757,047	771,892
Non-current Assets				
Property, Plant and Equipment	12	640,839	596,710	668,710
		<u>640,839</u>	<u>596,710</u>	<u>668,710</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	3,750	31,125	31,125
Finance Lease Liability	16	16,503	4,102	4,102
		<u>20,253</u>	<u>35,227</u>	<u>35,227</u>
Net Assets		<u>1,557,797</u>	<u>1,318,530</u>	<u>1,405,375</u>
Equity		<u>1,557,797</u>	<u>1,318,530</u>	<u>1,405,375</u>

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

Maniototo Area 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		630,760	533,162	632,670
Locally Raised Funds		194,254	78,600	150,365
Goods and Services Tax (net)		226	-	(9,234)
Payments to Employees		(453,006)	(355,515)	(331,860)
Payments to Suppliers		(324,938)	(288,345)	(346,310)
Interest Received		31,890	17,253	26,733
Net cash from / (to) the Operating Activities		79,186	(14,845)	122,364
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(697)	-	-
Purchase of PPE (and Intangibles)		(75,086)	-	(32,947)
Purchase of Investments		884	-	(157,414)
Net cash from the Investing Activities		(74,899)	-	(190,361)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	16,107
Finance Lease Payments		51,048	-	(18,510)
Funds held for Capital Works Projects		(5,115)	-	6,262
Net cash from Financing Activities		45,933	-	3,859
Net increase/(decrease) in cash and cash equivalents		50,220	(14,845)	(64,138)
Cash and cash equivalents at the beginning of the year	8	55,424	55,424	119,562
Cash and cash equivalents at the end of the year	8	105,644	40,579	55,424

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 omitted.

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

Maniototo Area School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

1.1. Reporting Entity

Maniototo Area 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.

1.2. 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 is disclosed at note 12.

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for 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 disclosed at note 15.

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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.

1.10. 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 School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the 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 school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

1.11. 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 \$250 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	10–50 years
Furniture and equipment	10-25 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. Employment 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.

1.15. Revenue Received in Advance

Revenue received in advance relates to fees received from students and 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.

1.16. 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).

1.17. 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, 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.

1.18. 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.

1.19. Budget Figures

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

1.20. 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	522,399	509,762	543,624
Teachers' salaries grants	1,440,472	1,440,471	1,514,442
Use of Land and Buildings grants	131,060	131,060	191,441
Other MoE Grants	98,050	14,400	38,477
Other government grants	10,311	9,000	13,379
	<u>2,202,292</u>	<u>2,104,693</u>	<u>2,301,363</u>

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	34,182	16,200	28,442
Fundraising	-	2,000	-
Bequests & Grants	5,544	-	500
Other revenue	76,910	54,400	65,895
Trading	5,102	6,000	8,192
Activities	71,252	-	60,833
	<u>192,990</u>	<u>78,600</u>	<u>163,862</u>
Expenses			
Activities	71,130	14,070	53,627
Trading	5,637	7,000	10,050
Transport (local)	4,930	5,750	7,462
Other Locally Raised Funds Expenditure	5,614	880	12,571
	<u>87,311</u>	<u>27,700</u>	<u>83,710</u>
<i>Surplus for the year Locally raised funds</i>	<u>105,679</u>	<u>50,900</u>	<u>80,152</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	62,502	65,500	52,877
Information and communication technology	9,358	8,200	20,272
Extra-curricular activities	543	1,000	1,963
Employee benefits - salaries	1,705,474	1,601,886	1,671,516
Staff development	9,441	10,000	11,027
	<u>1,787,318</u>	<u>1,686,586</u>	<u>1,757,655</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,739	4,100	3,630
Board of Trustees Fees	3,715	4,000	3,845
Board of Trustees Expenses	9,501	7,600	7,327
Communication	3,656	3,600	4,559
Consumables	2,586	2,700	1,841
Operating Lease	782	4,000	703
Other	38,387	46,945	42,051
Employee Benefits - Salaries	104,957	105,100	89,262
Service Providers, Contractors and Consultancy	3,790	3,800	3,650
	<u>171,113</u>	<u>181,845</u>	<u>156,868</u>

6. Property

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	4,514	6,000	5,363
Cyclical Maintenance Provision	8,575	-	29,306
Adjustment to the Provision	(156,094)	-	(19,738)
Grounds	5,983	14,300	14,025
Heat, Light and Water	44,682	44,000	46,373
Repairs and Maintenance	32,313	34,900	43,687
Use of Land and Buildings	131,060	131,060	191,441
Employee Benefits - Salaries	88,833	89,000	84,152
	<u>159,866</u>	<u>319,260</u>	<u>394,609</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	20,956	22,000	21,898
Furniture and Equipment	8,155	10,000	10,022
Information and Communication Technology	7,675	10,000	9,365
Motor Vehicles	9,043	10,000	9,043
Leased Assets	17,838	20,000	17,873
	<u>63,667</u>	<u>72,000</u>	<u>68,201</u>

8. Cash and Cash Equivalents

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	105,644	40,579	55,424
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>105,644</u>	<u>40,579</u>	<u>55,424</u>

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

9. Accounts Receivable

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	9,708	11,718	11,718
Interest Receivable	4,722	7,250	7,250
Teacher Salaries Grant Receivable	102,750	97,430	97,430
	<u>117,180</u>	<u>116,398</u>	<u>116,398</u>
Receivables from Exchange Transactions	14,430	18,968	18,968
Receivables from Non-Exchange Transactions	102,750	97,430	97,430
	<u>117,180</u>	<u>116,398</u>	<u>116,398</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	2,804	2,815	2,815
School Uniforms	2,145	1,939	1,939
	<u>4,949</u>	<u>4,754</u>	<u>4,754</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	907,125	908,009	908,009
	<u>907,125</u>	<u>908,009</u>	<u>908,009</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	559,837	-	-	-	(20,956)	538,881
Furniture and Equipment	59,310	450	(11)	-	(8,155)	51,594
Information and Communication	18,628	11,695	(687)	-	(7,675)	21,961
Motor Vehicles	12,653	-	-	-	(9,043)	3,610
Leased Assets	18,282	24,349	-	-	(17,838)	24,793
Balance at 31 December 2019	<u>668,710</u>	<u>36,494</u>	<u>(698)</u>	<u>-</u>	<u>(63,667)</u>	<u>640,839</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	1,092,353	(553,472)	538,881
Furniture and Equipment	438,343	(386,749)	51,594
Information and Communication	132,892	(110,931)	21,961
Motor Vehicles	48,306	(44,696)	3,610
Leased Assets	38,005	(13,212)	24,793
Balance at 31 December 2019	<u>1,749,899</u>	<u>(1,109,060)</u>	<u>640,839</u>

The net carrying value of equipment held under a finance lease is \$24,793 (2018: \$18,282)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	580,572	1,196	(33)	-	(21,898)	559,837
Furniture and Equipment	48,622	20,710	-	-	(10,022)	59,310
Information and Communication	18,961	11,041	(2,009)	-	(9,365)	18,628
Motor Vehicles	21,696	-	-	-	(9,043)	12,653
Leased Assets	30,871	5,284	-	-	(17,873)	18,282
Balance at 31 December 2018	<u>700,722</u>	<u>38,231</u>	<u>(2,042)</u>	<u>-</u>	<u>(68,201)</u>	<u>668,710</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	1,092,353	(532,516)	559,837
Furniture and Equipment	444,019	(384,709)	59,310
Information and Communication	155,458	(136,830)	18,628
Motor Vehicles	48,306	(35,653)	12,653
Leased Assets	77,295	(59,013)	18,282
Balance at 31 December 2018	<u>1,817,431</u>	<u>(1,148,721)</u>	<u>668,710</u>

13. Accounts Payable

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating creditors	9,559	12,755	12,755
Accruals	6,800	4,175	4,175
Employee Entitlements - salaries	108,237	97,430	97,430
Employee Entitlements - leave accrual	3,041	2,742	2,742
	<u>127,637</u>	<u>117,102</u>	<u>117,102</u>
Payables for Exchange Transactions	127,637	117,102	117,102
	<u>127,637</u>	<u>117,102</u>	<u>117,102</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Other	16,808	17,554	17,554
	<u>16,808</u>	<u>17,554</u>	<u>17,554</u>

15. Provision for Cyclical Maintenance

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	211,569	211,569	202,001
Increase/ (decrease) to the Provision During the Year	8,575	-	29,306
Adjustment to the Provision	(156,094)	-	(19,738)
Provision at the End of the Year	<u>64,050</u>	<u>211,569</u>	<u>211,569</u>
Cyclical Maintenance - Current	60,300	180,444	180,444
Cyclical Maintenance - Term	3,750	31,125	31,125
	<u>64,050</u>	<u>211,569</u>	<u>211,569</u>

16. Finance Lease Liability

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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	10,955	8,030	8,030
Later than One Year and no Later than Five Years	18,716	4,394	4,394
	<u>29,671</u>	<u>12,424</u>	<u>12,424</u>

17. Funds Held for Capital Works

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 Contribution	Closing Balances
			\$	\$	\$		\$
School Redevelopment	Completed		5,115	-	5,115	-	-
Totals			5,115	-	5,115	-	-

		2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
			\$	\$	\$		\$
School Redevelopment	In Progress		(1,147)	18,000	12,885	1,147	5,115
Totals			(1,147)	18,000	12,885	1,147	5,115

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principal and Team Leader.

	2019 Actual	2018 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,715	3,845
Full-time equivalent members	0.10	0.12
<i>Leadership Team</i>		
Remuneration	436,877	443,106
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	440,592	446,951
Total full-time equivalent personnel	4.10	4.12

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	120-130	120-130
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	0 - 0	0 - 0

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	2.00	1.00
110 - 120	-	1.00
120 - 130	-	-
	<u>2.00</u>	<u>2.00</u>

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

20. 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.

Contingent liability - cyclical maintenance

The school has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Schools Rebuild Programme which will result in the school's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty as to how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised for those buildings expected to be included as part of the School Rebuild Programme. For property not expected to be a part of the School Rebuild Programme, a provision has continued to be recognised.

We also draw your attention to the line item "Adjustment to the provision" in Note 6 where the School has reversed part of its provision for cyclical maintenance because of the significant uncertainty.

21. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2018: nil)

22. 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.

23. Financial Instruments

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

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	105,644	40,579	55,424
Receivables	117,180	116,398	116,398
Investments - Term Deposits	907,125	908,009	908,009
Total Financial assets measured at amortised cost	<u>1,129,949</u>	<u>1,064,986</u>	<u>1,079,831</u>

Financial liabilities measured at amortised cost

Payables	127,637	117,102	117,102
Finance Leases	25,357	11,349	11,349
Total Financial liabilities measured at amortised Cost	<u>152,994</u>	<u>128,451</u>	<u>128,451</u>

24. Hadlee Trust and ASB Trust Funds

Trust Funds held are monies held at the ASB for the Maniototo Area School Sporting and Cultural Trust. It is separate from the Board of Trustees and has a separate Trust Deed. However, the Trust is considered to be a controlled entity of the Board of Trustees. Accordingly, its transactions and balance are included in these financial statements. The balance in the Hadlee Trust account was \$19,875 at December 2019 (2018: \$19,446). The balance in the BOT Hadlee Fund investment was \$42,889 at December 2019 (2018: \$42,881). The balance in the Centennial Trust account was \$37,310 at December 2019 (2018: \$37,252).

25. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th 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 until 18 May 2020.

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

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

26. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in 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:
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.