

TE UKU SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 2024

Principal: Pip Mears

School Address: 3436 State Highway 23, Te Uku, Waikato

School Postal Address: C/- Te Uku Store, Te Uku PDC, Te Uku 3266

School Phone: 07 825 5815

School Email: office@teuku.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Kristi Daniel	Chair Person	Elected	Nurse	May-22
Pip Mears	Principal	ex Officio		
Andrew McGregor	Parent Rep	Elected	Finance	May-22
Anna Parnasova	Parent Rep	Elected	Manager	May-22
Clare Lempriere	Parent Rep	Elected	Director	May-22
Megan Wood	Parent Rep	Elected	Engineer Cons	May-22
Bernard Butler	Staff Rep	Elected		May-22

Accountant / Service Provider: Granville & She Limited

TE UKU SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
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	Financial Statements
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<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 10</u>	Statement of Accounting Policies
<u>11 - 19</u>	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
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Te Uku 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.

Kristi Carol Daniel

Full Name of Board Chairperson

K Daniel

Signature of Board Chairperson

23/06/2020

Date:

Philippa (Pip) Ann Mears

Full Name of Principal

P Mears

Signature of Principal

23/06/2020

Date:

Te Uku School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	955,550	936,759	1,043,610
Locally Raised Funds	3	49,673	8,700	47,582
Interest income		3,528	2,500	2,908
		<u>1,008,751</u>	<u>947,959</u>	<u>1,094,100</u>
Expenses				
Locally Raised Funds	3	24,005	500	19,166
Learning Resources	4	597,473	605,470	658,114
Administration	5	62,226	57,710	60,365
Finance		1,244	-	1,908
Property	6	292,705	259,400	301,470
Depreciation	7	41,101	26,000	41,739
Loss on Disposal of Property, Plant and Equipment		374	-	548
		<u>1,019,128</u>	<u>949,080</u>	<u>1,083,310</u>
Net Surplus / (Deficit) for the year		(10,377)	(1,121)	10,790
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(10,377)</u>	<u>(1,121)</u>	<u>10,790</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



Te Uku 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		474,255	474,255	448,831
Total comprehensive revenue and expense for the year		(10,377)	(1,121)	10,790
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	4,285
Contribution - SNUP		-	-	10,349
Equity at 31 December	24	463,878	473,134	474,255
Retained Earnings		463,878	473,134	474,255
Equity at 31 December		463,878	473,134	474,255

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Te Uku School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	8	70,840	64,634	149,377
Accounts Receivable	9	102,194	92,500	49,802
GST Receivable		40,356	25,000	2,145
Prepayments		-	-	2,477
Inventories	10	1,486	1,500	2,749
Investments	11	77,238	75,000	73,955
		<u>292,114</u>	<u>258,634</u>	<u>280,505</u>
Current Liabilities				
Accounts Payable	13	67,157	58,500	53,331
Revenue Received in Advance	14	35,676	34,000	4,041
Provision for Cyclical Maintenance	15	37,080	35,000	-
Finance Lease Liability - Current Portion	16	6,036	5,000	10,980
Funds held in Trust	17	20,503	-	23,239
Funds held for Capital Works Projects	18	-	-	38,804
		<u>166,452</u>	<u>132,500</u>	<u>130,395</u>
Working Capital Surplus/(Deficit)		125,662	126,134	150,110
Non-current Assets				
Property, Plant and Equipment	12	348,509	355,000	366,953
		<u>348,509</u>	<u>355,000</u>	<u>366,953</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	1,440	1,000	34,220
Finance Lease Liability	16	8,853	7,000	8,588
		<u>10,293</u>	<u>8,000</u>	<u>42,808</u>
Net Assets		<u>463,878</u>	<u>473,134</u>	<u>474,255</u>
Equity	24	<u>463,878</u>	<u>473,134</u>	<u>474,255</u>

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



Te Uku 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		160,996	168,753	237,440
Locally Raised Funds		51,581	36,700	45,322
Goods and Services Tax (net)		(38,727)	(22,500)	3,720
Payments to Employees		(74,909)	(73,600)	(78,987)
Payments to Suppliers		(112,091)	(104,780)	(145,788)
Cyclical Maintenance Payments in the year		-	1,800	-
Interest Paid		(3,133)	-	(1,908)
Interest Received		4,377	2,500	2,091
Net cash from Operating Activities		(11,906)	8,873	61,890
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(16,328)	10,951	(31,365)
Purchase of Investments		(3,283)	(5,000)	(1,664)
Net cash from Investing Activities		(19,611)	5,951	(33,029)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	14,634
Finance Lease Payments		(8,216)	(29,000)	(7,950)
Funds Held for Capital Works Projects		(38,804)	(30,000)	32,860
Net cash from Financing Activities		(47,020)	(59,000)	39,544
Net increase/(decrease) in cash and cash equivalents		(78,537)	(44,176)	68,405
Cash and cash equivalents at the beginning of the year	8	149,377	108,810	80,972
Cash and cash equivalents at the end of the year	8	70,840	64,634	149,377

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



Te Uku School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Te Uku 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 12.



Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.



h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Investments

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.



Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	40 years
Furniture and equipment	10–15 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

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

o) 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.

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

p) 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).



q) Financial Assets and Liabilities

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

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) Borrowings

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

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

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

s) 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.

t) Budget Figures

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

u) 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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	207,051	201,759	202,340
Teachers' Salaries Grants	538,197	536,000	586,496
Use of Land and Buildings Grants	199,045	199,000	228,020
Resource Teachers Learning and Behaviour Grants	-	-	3,652
Other MoE Grants	7,401	-	23,102
Other Government Grants	3,856	-	-
	<u>955,550</u>	<u>936,759</u>	<u>1,043,610</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	8,946	7,000	18,175
Activities	17,484	1,200	19,738
Trading	1,744	-	3,616
Fundraising	6,019	500	4,788
Other Revenue	15,480	-	1,265
	<u>49,673</u>	<u>8,700</u>	<u>47,582</u>
Expenses			
Activities	16,930	500	11,577
Trading	1,420	-	3,199
Fundraising (Costs of Raising Funds)	5,655	-	4,390
	<u>24,005</u>	<u>500</u>	<u>19,166</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>25,668</u>	<u>8,200</u>	<u>28,416</u>

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	10,591	12,520	12,189
Information and Communication Technology	9,839	10,000	10,369
Extra-Curricular Activities	-	750	378
Library Resources	224	400	249
Employee Benefits - Salaries	567,285	572,000	622,448
Staff Development	9,534	9,800	12,481
	<u>597,473</u>	<u>605,470</u>	<u>658,114</u>



5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,700	3,000	3,400
Board of Trustees Fees	3,110	3,240	2,904
Board of Trustees Expenses	1,791	1,670	731
Communication	1,077	2,200	1,520
Consumables	655	1,800	1,511
Operating Lease	3,092	6,700	3,207
Other	2,837	2,810	2,056
Employee Benefits - Salaries	33,542	28,500	34,719
Insurance	3,042	3,540	2,857
Service Providers, Contractors and Consultancy	9,380	4,250	7,460
	62,226	57,710	60,365

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	1,376	2,300	2,631
Consultancy and Contract Services	18,243	18,700	18,987
Cyclical Maintenance Provision	4,300	4,200	3,940
Grounds	8,919	6,200	6,690
Heat, Light and Water	18,199	17,000	18,058
Repairs and Maintenance	30,779	3,400	14,334
Use of Land and Buildings	199,045	199,000	228,020
Employee Benefits - Salaries	11,844	8,600	8,810
	292,705	259,400	301,470

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 \$
Building Improvements - Crown	5,958	3,000	6,053
Furniture and Equipment	18,167	12,500	18,684
Information and Communication Technology	8,641	6,000	9,864
Leased Assets	6,488	3,000	5,479
Library Resources	1,847	1,500	1,659
	41,101	26,000	41,739



8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	300	300	3,309
Bank Current Account	51,568	49,334	131,310
Bank Call Account	18,972	15,000	14,758
Cash and cash equivalents for Cash Flow Statement	70,840	64,634	149,377

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	1,953	2,000	3,658
Receivables from the Ministry of Education	59,610	50,000	-
Interest Receivable	448	500	1,297
Banking Staffing Underuse	-	-	7,684
Teacher Salaries Grant Receivable	40,183	40,000	37,163
	102,194	92,500	49,802
Receivables from Exchange Transactions	2,401	2,500	4,955
Receivables from Non-Exchange Transactions	99,793	90,000	44,847
	102,194	92,500	49,802

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,486	1,500	2,749
	1,486	1,500	2,749

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	77,238	75,000	73,955



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	201,093	-	-	-	(5,958)	195,135
Furniture and Equipment	111,853	10,164	-	-	(18,167)	103,850
Information and Communication Technology	29,262	2,625	-	-	(8,641)	23,246
Leased Assets	13,135	6,703	-	-	(6,488)	13,350
Library Resources	11,610	3,539	-	(374)	(1,847)	12,928
Balance at 31 December 2019	366,953	23,031	-	(374)	(41,101)	348,509

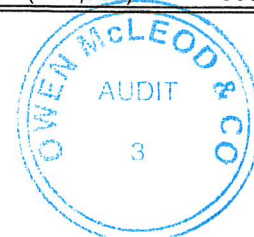
The net carrying value of equipment held under a finance lease is \$13,350 (2018: \$13,135)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	253,783	(58,648)	195,135
Furniture and Equipment	223,109	(119,259)	103,850
Information and Communication Technology	45,186	(21,940)	23,246
Leased Assets	29,605	(16,255)	13,350
Library Resources	41,121	(28,193)	12,928
Balance at 31 December 2019	592,804	(244,295)	348,509

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	207,146	-	-	-	(6,053)	201,093
Furniture and Equipment	121,953	8,584	-	-	(18,684)	111,853
Information and Communication Technology	18,819	20,307	-	-	(9,864)	29,262
Leased Assets	6,694	11,920	-	-	(5,479)	13,135
Library Resources	11,343	2,474	(548)	-	(1,659)	11,610
Balance at 31 December 2018	365,955	43,285	(548)	-	(41,739)	366,953

The net carrying value of equipment held under a finance lease is \$13,135 (2017: \$6,694)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	253,783	(52,690)	201,093
Furniture and Equipment	215,191	(103,338)	111,853
Information and Communication Technology	71,028	(41,766)	29,262
Leased Assets	22,902	(9,767)	13,135
Library Resources	38,833	(27,223)	11,610
Balance at 31 December 2018	601,737	(234,784)	366,953



13. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	16,029	10,000	6,881
Accruals	7,015	6,500	6,555
Employee Entitlements - Salaries	40,183	39,000	37,164
Employee Entitlements - Leave Accrual	3,930	3,000	2,731
	<u>67,157</u>	<u>58,500</u>	<u>53,331</u>

Payables for Exchange Transactions	67,157	58,500	53,331
	<u>67,157</u>	<u>58,500</u>	<u>53,331</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other	35,676	34,000	4,041
	<u>35,676</u>	<u>34,000</u>	<u>4,041</u>

15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	34,220	34,220	30,280
Increase/ (decrease) to the Provision During the Year	4,300	4,200	3,940
Provision at the End of the Year	<u>38,520</u>	<u>38,420</u>	<u>34,220</u>
Cyclical Maintenance - Current	37,080	35,000	-
Cyclical Maintenance - Term	1,440	1,000	34,220
	<u>38,520</u>	<u>36,000</u>	<u>34,220</u>

16. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	6,036	5,000	10,980
Later than One Year and no Later than Five Years	8,853	7,000	8,588
	<u>14,889</u>	<u>12,000</u>	<u>19,568</u>



17. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	20,503	-	23,239
	<u>20,503</u>	<u>-</u>	<u>23,239</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
MLE Project <i>in progress</i>		38,804	200,000	308,414	10,000	(59,610)
Totals		<u>38,804</u>	<u>200,000</u>	<u>308,414</u>	<u>10,000</u>	<u>(59,610)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-
(59,610)

59,610

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Sewerage System Repairs <i>completed</i>		(1,245)	-	-	1,245	-
MLE Project <i>in progress</i>		5,944	35,000	2,140	-	38,804
Totals		<u>4,699</u>	<u>35,000</u>	<u>2,140</u>	<u>1,245</u>	<u>38,804</u>

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.



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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,110	2,904
Full-time equivalent members	0.12	0.12
<i>Leadership Team</i>		
Remuneration	344,652	363,453
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	347,762	366,357
Total full-time equivalent personnel	4.12	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	100 - 110	-
Principal 1		0 - 40
Principal 2		70 - 80
Benefits and Other Emoluments	0 - 5	0 - 5
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
0	nil	nil
	0.00	0.00

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

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



22. 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.

23. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$858,848 contract for MLE to be completed in 2020 as an agent of the Ministry of Education. To date \$764,000 has been received from the Ministry and \$823,610 has been spent on the project.

(Capital commitments at 31 December 2018: \$38,804)

(b) Operating Commitments

As at 31 December 2019 the Board has no operating commitments

(a) operating lease - Ricoh Photocopier

	2019 Actual \$	2018 Actual \$
No later than One Year	-	2,019
Later than One Year and No Later than Five Years	-	4,644
	-	6,663

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:



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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	70,840	64,634	149,377
Receivables	102,194	92,500	49,802
Investments - Term Deposits	77,238	75,000	73,955
Total Financial assets measured at amortised cost	250,272	232,134	273,134

Financial liabilities measured at amortised cost

Payables	67,157	58,500	53,331
Finance Leases	14,889	12,000	19,568
Total Financial Liabilities Measured at Amortised Cost	82,046	70,500	72,899

26. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS 9 there were no material adjustments to these financial statements.

27. Subsequent Event

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

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

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

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

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



Te Uku School

For the year ended 31 December 2019

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$1357.39 (excluding GST). The funding was spent to support our PE and lunchtime sport activities in a variety of ways, mainly by topping up with additional items to add to our PE equipment.