

# RENEW SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 1138

**Principal:** Rodney Lloyd

**School Address:** 2 Tarewa Road, Whangarei

**Postal Address:** P O Box 11086, Whangarei 0148

**School Phone:** 09 438 6471

**School Email:** [admin@crs.school.nz](mailto:admin@crs.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
A Harris	Chair Person	BOT elections	F/T Mother	May-22
R Lloyd	Principal	ex Officio	Principal	indefinite
C McColl	Parent Rep	BOT elections	ICT	May-22
D van der Kaap	Parent Rep	BOT elections	Dairy Farmer	May-22
W Garton	Proprietor Rep	Proprietor appointed	Retired	indefinite
K Drake	Proprietor Rep	Proprietor appointed	Pastor	indefinite
N Griffiths	Staff Rep	Staff elections	Teacher	Sep-20

#### Accountant / Service Provider:

Accounting 4 U Ltd  
Chartered Accountants  
Whangarei

UHY HAINES NORTON (AUCKLAND) LIMITED  
For identification purposes only

# RENEW SCHOOL

Annual Report - For the year ended 31 December 2019

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# Renew 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.

Daniell Van der Kaap

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

23/10/2020

Date:

Rodney Lloyd

Full Name of Principal

[Signature]

Signature of Principal

23/10/20

Date:

**Renew School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	2,052,962	1,897,231	2,010,971
Locally Raised Funds	3	30,843	29,200	32,904
Use of Land and Buildings Integrated		365,067	374,960	370,838
Interest income		5,251	6,000	5,173
Other Revenue		-	-	-
		<u>2,454,123</u>	<u>2,307,391</u>	<u>2,419,886</u>
<b>Expenses</b>				
Locally Raised Funds	3	17,377	18,500	18,942
Learning Resources	4	1,802,649	1,683,350	1,827,209
Administration	5	111,607	96,050	95,427
Finance		4,206	6,000	3,053
Property	6	459,610	469,960	450,137
Depreciation	7	92,656	85,000	83,738
Loss on Disposal of Property, Plant and Equipment		504	-	13,955
		<u>2,488,609</u>	<u>2,358,860</u>	<u>2,492,461</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(34,486)</b>	<b>(51,469)</b>	<b>(72,575)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(34,486)</u></b>	<b><u>(51,469)</u></b>	<b><u>(72,575)</u></b>

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



## Renew School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		555,425	555,425	628,000
Total comprehensive revenue and expense for the year		(34,486)	(51,469)	(72,575)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		6,148	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	19	527,087	503,956	555,425
Retained Earnings		527,087	503,956	555,425
Reserves		-	-	-
<b>Equity at 31 December</b>		527,087	503,956	555,425

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.

# Renew School

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	56,276	34,115	59,814
Accounts Receivable	9	99,650	103,858	115,358
GST Receivable		5,179	6,916	6,916
Prepayments		3,267	2,316	2,316
Investments	10	175,000	200,000	200,000
		<u>339,372</u>	<u>347,205</u>	<u>384,404</u>
<b>Current Liabilities</b>				
GST Payable		-	-	-
Accounts Payable	12	114,279	150,677	185,407
Finance Lease Liability - Current Portion	13	19,765	19,688	19,688
		<u>134,044</u>	<u>170,365</u>	<u>205,095</u>
<b>Working Capital Surplus/(Deficit)</b>		205,328	176,840	179,309
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	340,850	339,879	388,879
		<u>340,850</u>	<u>339,879</u>	<u>388,879</u>
<b>Non-current Liabilities</b>				
Finance Lease Liability	13	19,091	12,763	12,763
		<u>19,091</u>	<u>12,763</u>	<u>12,763</u>
<b>Net Assets</b>		<u>527,087</u>	<u>503,956</u>	<u>555,425</u>
<b>Equity</b>				
	19	<u>527,087</u>	<u>503,956</u>	<u>555,425</u>

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

## Renew School

# Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		615,395	532,231	583,259
Locally Raised Funds		30,582	10,700	32,616
Goods and Services Tax (net)		(4,278)	-	7,153
Payments to Employees		(332,012)	(262,300)	(341,688)
Payments to Suppliers		(286,490)	(247,100)	(220,900)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(4,206)	(6,000)	(3,053)
Interest Received		5,251	6,000	7,919
Net cash from Operating Activities		24,242	33,531	65,306
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		10,000	11,500	2,988
Purchase of PPE (and Intangibles)		(41,528)	(50,730)	(31,156)
Purchase of Investments		25,000	-	50,000
Proceeds from Sale of Investments		-	-	-
Net cash from Investing Activities		(6,528)	(39,230)	21,832
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		6,148	-	-
Finance Lease Payments		(27,400)	(20,000)	(28,295)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		-	-	-
Net cash from Financing Activities		(21,252)	(20,000)	(28,295)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,538)</b>	<b>(25,699)</b>	<b>58,843</b>
Cash and cash equivalents at the beginning of the year	8	59,814	59,814	971
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>56,276</b>	<b>34,115</b>	<b>59,814</b>

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

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



# Renew School

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Renew 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 23.

###### *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 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.

#### **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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

#### **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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

**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) 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.*

**j) Property, Plant and Equipment**

Land and buildings owned by the Proprietor 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 Proprietor 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:

Playground equipment	5-20 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Motor vehicles	7 years
Textbooks	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value
Building Improvements	14-33 years

### **k) 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.

### **l) 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.

**m) 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.

**n) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

**o) 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.

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

**q) 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.

**r) Budget Figures**

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

**s) 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 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$
Operational Grants	509,874	465,731	485,588
Teachers' Salaries Grants	1,437,567	1,365,000	1,427,712
Other MoE Grants	75,671	54,500	91,370
Other Government Grants	29,850	12,000	6,301
	<u>2,052,962</u>	<u>1,897,231</u>	<u>2,010,971</u>

## 3. Locally Raised Funds

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

	2019	2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$
<b>Revenue</b>			
Donations	4,332	-	2,649
Activities	13,975	14,000	14,483
Trading	3,460	5,000	4,988
Fundraising	1,245	-	140
Curricular Recoveries	7,831	10,200	10,644
	<u>30,843</u>	<u>29,200</u>	<u>32,904</u>
<b>Expenses</b>			
Activities	14,703	16,000	16,059
Trading	2,489	2,500	2,883
Fundraising (Costs of Raising Funds)	185	-	-
	<u>17,377</u>	<u>18,500</u>	<u>18,942</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>13,466</u>	<u>10,700</u>	<u>13,962</u>

## 4. Learning Resources

	2019	2019 Budget (Unaudited)	2018
	Actual \$	\$	Actual \$
Curricular	47,119	46,500	45,391
Equipment Repairs	5,857	7,000	7,480
Information and Communication Technology	17,130	10,000	17,709
Extra-Curricular Activities	44,014	53,550	41,345
Employee Benefits - Salaries	1,678,318	1,556,300	1,708,470
Staff Development	10,211	10,000	6,814
	<u>1,802,649</u>	<u>1,683,350</u>	<u>1,827,209</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,550	4,550	4,537
Board of Trustees Fees	2,690	3,000	2,855
Board of Trustees Expenses	2,977	1,200	-
Communication	5,599	4,500	4,893
Operating Lease	9,634	8,800	9,906
Other	16,287	15,500	8,803
Employee Benefits - Salaries	50,242	44,000	49,655
Insurance	5,038	4,500	3,778
Service Providers, Contractors and Consultancy	14,590	10,000	11,000
	111,607	96,050	95,427

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	10,563	9,000	9,377
Consultancy and Contract Services	16,341	16,000	15,000
Painting & Property Plan	7,670	15,000	-
Grounds	579	2,000	2,070
Heat, Light and Water	13,649	12,000	11,137
Rates	4,618	6,000	6,289
Repairs and Maintenance	17,685	12,000	11,698
Use of Land and Buildings	365,067	374,960	370,838
Security	2,630	3,000	2,453
Employee Benefits - Salaries	20,808	20,000	21,275
	459,610	469,960	450,137

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	239	200	240
Playground Equipment	12,332	12,000	12,232
Furniture and Equipment	22,187	20,000	19,933
Information and Communication Technology	21,887	21,000	21,133
Motor Vehicles	6,721	7,000	6,721
Textbooks	855	800	856
Leased Assets	26,385	22,000	20,404
Library Resources	2,050	2,000	2,219
	92,656	85,000	83,738

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	19,492	6,150	8,619
Bank Call Account	36,784	27,965	51,195
Short-term Bank Deposits	-	-	-
Cash and cash equivalents for Cash Flow Statement	56,276	34,115	59,814

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	5,545	3,933	16,045
Allowance for credit/ losses	-	-	(612)
Interest Receivable	-	-	-
Teacher Salaries Grant Receivable	94,105	99,925	99,925
	99,650	103,858	115,358
Receivables from Exchange Transactions	5,545	3,933	15,433
Receivables from Non-Exchange Transactions	94,105	99,925	99,925
	99,650	103,858	115,358

## 10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	175,000	200,000	200,000
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	175,000	200,000	200,000



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	-	-	-	-	-	-
Buildings	3,959	-	-	-	(239)	3,720
Playground Equipment	81,612	-	-	-	(12,332)	69,280
Furniture and Equipment	160,043	-	-	-	(22,187)	137,856
Info & Comm Technology	63,934	9,608	(331)	-	(21,887)	51,324
Motor Vehicles	30,536	-	-	-	(6,721)	23,815
Textbooks	2,136	-	-	-	(855)	1,281
Leased Assets	31,120	33,805	(174)	-	(26,385)	38,366
Library Resources	15,539	1,719	-	-	(2,050)	15,208
<b>Balance at 31 December 2019</b>	<b>388,879</b>	<b>45,132</b>	<b>(505)</b>	<b>-</b>	<b>(92,656)</b>	<b>340,850</b>

The net carrying value of equipment held under a finance lease is \$38,366 (2018: \$31,120)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	-	-	-
Buildings	6,612	(2,892)	3,720
Playground Equipment	111,785	(42,505)	69,280
Furniture and Equipment	308,172	(170,316)	137,856
Info & Comm Technology	185,628	(134,304)	51,324
Motor Vehicles	44,810	(20,995)	23,815
Textbooks	10,725	(9,444)	1,281
Leased Assets	58,944	(20,577)	38,366
Library Resources	51,292	(36,084)	15,208
<b>Balance at 31 December 2019</b>	<b>777,968</b>	<b>(437,117)</b>	<b>340,850</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	-	-	-	-	-	-
Buildings	4,199	-	-	-	(240)	3,959
Playground Equipment	84,133	9,711	-	-	(12,232)	81,612
Furniture and Equipment	176,546	22,902	(19,472)	-	(19,933)	160,043
Info & Comm Technology	67,626	22,628	(5,188)	-	(21,133)	63,933
Motor Vehicles	37,258	-	-	-	(6,721)	30,537
Textbooks	2,992	-	-	-	(856)	2,136
Leased Assets	28,668	25,139	(2,283)	-	(20,404)	31,120
Library Resources	13,253	4,505	-	-	(2,219)	15,539
<b>Balance at 31 December 2018</b>	<b>414,675</b>	<b>84,885</b>	<b>(26,943)</b>	<b>-</b>	<b>(83,738)</b>	<b>388,879</b>

The net carrying value of equipment held under a finance lease is \$31,120 (2017: \$28,668)



2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	-	-	-
Buildings	6,612	(2,653)	3,959
Building Improvements	111,785	(30,173)	81,612
Furniture and Equipment	308,172	(148,129)	160,043
Information and Communication Technology	181,023	(117,089)	63,934
Motor Vehicles	44,810	(14,274)	30,536
Textbooks	10,725	(8,589)	2,136
Leased Assets	72,451	(41,331)	31,120
Library Resources	50,044	(34,505)	15,539
<b>Balance at 31 December 2018</b>	<b>785,622</b>	<b>(396,743)</b>	<b>388,879</b>

## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	11,482	33,175	33,175
Accruals	8,692	7,577	7,577
Capital Accruals for PPE items	-	-	34,730
Employee Entitlements - Salaries	94,105	109,925	109,925
	<b>114,279</b>	<b>150,677</b>	<b>185,407</b>
Payables for Exchange Transactions	114,279	150,677	185,407
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>114,279</b>	<b>150,677</b>	<b>185,407</b>

The carrying value of payables approximates their fair value.

## 13. 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	19,765	20,000	19,688
Later than One Year and no Later than Five Years	19,091	12,763	12,763
Later than Five Years	-	-	-
	<b>38,856</b>	<b>32,763</b>	<b>32,451</b>

#### 14. 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.

The Proprietor of the School (Christian Renewal Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

## 15. 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	2,690	2,855
Full-time equivalent members	0.07	0.08
<i>Leadership Team</i>		
Remuneration	315,703	319,418
Full-time equivalent members	3	3
Total key management personnel remuneration	318,393	322,273
Total full-time equivalent personnel	3.07	3.08

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	130-140	120-130
Benefits and Other Emoluments	4	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
110-120	0.00	0.00
	0.00	0.00

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

## 16. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	\$ 10,000.00
Number of People	-	1



## 17. 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.

## 18. Commitments

### (a) Capital Commitments

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

(Capital commitments at 31 December 2018: Nil)

### (b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of a photocopier.

	2019 Actual \$	2018 Actual \$
No later than One Year	2,211	8,874
Later than One Year and No Later than Five Years	-	2,211
Later than Five Years	-	-
	<u>2,211</u>	<u>11,085</u>

## 19. 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.



## 20. 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	56,276	34,115	59,814
Receivables	99,650	103,858	115,358
Investments - Term Deposits	175,000	200,000	200,000
Total Financial assets measured at amortised cost	330,926	337,973	375,172

### Financial liabilities measured at amortised cost

Payables	114,279	150,677	185,407
Borrowings - Loans	-	-	-
Finance Leases	38,856	32,451	32,451
Total Financial Liabilities Measured at Amortised Cost	153,135	183,128	217,858

## 21. Events After Balance Date

On 11 March 2020 the World Health Organisation declared the outbreak of COVID-19 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 reopened on 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 was open for tuition the school switched to alternative methods of delivering the curriculum so students could 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.

## 22. Comparatives

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

## 23. 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 1 (h) 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 1 (i) 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