

STELLA MARIS CATHOLIC SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1663

Principal: Alan Watts

School Address: 50 Silverdale Road, Silverdale, Auckland

School Postal Address: PO Box 103, Silverdale, Auckland

School Phone: (09) 427 9189

School Email: Principal@stellamaris.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Derek Molloy	Chair Person	Elected	Manager	June 2022
Alan Watts	Principal	ex Officio		
Kerri Tait	Parent Rep	Elected	Chief Client Officer	June 2022
Bronwyn Hudson	Parent Rep	Elected	Nutritional Therapist	June 2022
Richard Bayly	Parent Rep	Elected	Seek NZ	June 2022
Lianne Timlin	Parent Rep	Elected	Lawyer	June 2022
Father Emile Frische	Proprietors Rep	Appointed	Parish Priest	June 2022
Nicole Lawson	Proprietors Rep	Appointed	Office Administrator	June 2022
Leanne Cate	Proprietors Rep	Appointed	Accountant	June 2022
John Walker	Proprietors Rep	Appointed	NZ Police Service	June 2022
Catherine Cyprian	Staff Rep	Elected		June 2022
Sarah Porter	Chair Person	Elected		June 2019
Irena Minogue	Parent Rep	Elected		June 2019
Rachel Nui	Proprietors Rep	Appointed		June 2019
Father John Tollan	Proprietors Rep	Appointed		Feb 2019 (Resigned)

Accountant / Service Provider:

Top Class Financial Management Services

STELLA MARIS CATHOLIC SCHOOL

Annual Report - For the year ended 31 December 2019

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Stella Maris Catholic 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.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Stella Maris Catholic School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,833,869	1,701,224	1,676,002
Locally Raised Funds	3	308,453	342,138	295,406
Use of Land and Buildings Integrated		753,705	753,705	753,705
Interest income		9,650	9,000	10,354
International Students	4	2,957	24,987	2,942
		<hr/>	<hr/>	<hr/>
		2,908,634	2,831,054	2,738,409
Expenses				
Locally Raised Funds	3	96,772	86,038	61,646
International Students	4	50	-	149
Learning Resources	5	1,636,165	1,599,959	1,519,988
Administration	6	163,683	155,261	156,204
Finance		5,224	3,800	6,117
Property	7	891,690	873,495	871,350
Depreciation	8	49,657	30,000	49,046
Loss on Disposal of Property, Plant and Equipment		2,014	-	-
		<hr/>	<hr/>	<hr/>
		2,845,255	2,748,553	2,664,500
Net Surplus / (Deficit) for the year		63,379	82,501	73,909
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		63,379	82,501	73,909

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

Stella Maris Catholic 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		398,094	398,093	324,185
Total comprehensive revenue and expense for the year		63,379	82,501	73,909
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		7,744	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	24	469,217	480,594	398,094
Retained Earning		469,217	480,594	398,094
Equity at 31 December		469,217	480,594	398,094

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.

Stella Maris Catholic School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	180,566	185,620	186,769
Accounts Receivable	10	102,425	88,000	85,224
GST Receivable		5,086	5,000	5,476
Prepayments		3,512	4,000	4,110
Inventories	11	1,183	1,000	1,008
Investments	12	251,233	225,000	195,028
		<u>544,005</u>	<u>508,620</u>	<u>477,615</u>
Current Liabilities				
Accounts Payable	14	113,403	118,472	126,796
Revenue Received in Advance	15	16,596	1,000	2,442
Provision for Cyclical Maintenance	16	9,257	7,000	7,861
Finance Lease Liability - Current Portion	17	19,973	16,000	22,308
Funds held on behalf of the Proprietor	18	3,779	2,700	2,910
		<u>163,008</u>	<u>145,172</u>	<u>162,317</u>
Working Capital Surplus/(Deficit)		380,997	363,448	315,298
Non-current Assets				
Property, Plant and Equipment	13	<u>134,683</u>	<u>174,422</u>	<u>137,922</u>
		134,683	174,422	137,922
Non-current Liabilities				
Provision for Cyclical Maintenance	16	24,660	27,276	25,041
Finance Lease Liability	17	21,803	30,000	30,085
		<u>46,463</u>	<u>57,276</u>	<u>55,126</u>
Net Assets		<u>469,217</u>	<u>480,594</u>	<u>398,094</u>
Equity	24	<u>469,217</u>	<u>480,594</u>	<u>398,094</u>

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

Stella Maris Catholic 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		514,880	474,424	463,303
Locally Raised Funds		302,987	345,938	300,736
International Students		17,566	24,987	2,942
Goods and Services Tax (net)		390	1,000	4,026
Payments to Employees		(390,441)	(394,300)	(375,104)
Payments to Suppliers		(344,366)	(273,376)	(216,938)
Cyclical Maintenance Payments in the year		(5,701)	(5,194)	(6,070)
Interest Paid		(5,224)	(3,800)	(6,117)
Interest Received		10,347	8,000	9,986
Net cash from Operating Activities		100,438	177,679	176,764
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(31,594)	(95,124)	(89,529)
Purchase of Investments		(56,205)	(25,000)	-
Proceeds from Sale of Investments		-	-	18,226
Net cash from Investing Activities		(89,813)	(120,124)	(71,303)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,744	-	-
Finance Lease Payments		(25,441)	(9,000)	(16,715)
Funds Administered on Behalf of Third Parties		869	(600)	(1,255)
Net cash from Financing Activities		(16,828)	(9,600)	(17,970)
Net increase/(decrease) in cash and cash equivalents		(6,203)	47,955	87,491
Cash and cash equivalents at the beginning of the year	9	186,769	137,665	99,278
Cash and cash equivalents at the end of the year	9	180,566	185,620	186,769

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..

Stella Maris Catholic School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Stella Maris Catholic 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 27.

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 13.

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) 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 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 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:

Furniture and equipment	3–10 years
Information and communication technology	2–3 years
Leased assets held under a Finance Lease	3 years
Library resources	8 years

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.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and attendance dues where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) 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).

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.

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

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

r) 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.

s) Budget Figures

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

t) 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	368,631	353,606	355,029
Teachers' Salaries Grants	1,318,989	1,260,000	1,212,699
Other MoE Grants	122,709	87,618	108,274
Other Government Grants	23,540	-	-
	<u>1,833,869</u>	<u>1,701,224</u>	<u>1,676,002</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	163,729	203,000	170,963
Activities	109,374	89,738	71,503
Trading	21,461	25,400	25,094
Fundraising	13,889	24,000	27,846
	<u>308,453</u>	<u>342,138</u>	<u>295,406</u>
Expenses			
Activities	71,963	61,638	37,495
Trading	24,809	24,400	24,151
	<u>96,772</u>	<u>86,038</u>	<u>61,646</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>211,681</u>	<u>256,100</u>	<u>233,760</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	1	1	1
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	2,957	24,987	2,942
Expenses			
International Student Levy	50	-	149
	<u>50</u>	<u>-</u>	<u>149</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>2,907</u>	<u>24,987</u>	<u>2,793</u>

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	20,192	25,600	21,954
Information and Communication Technology	29,081	23,700	24,226
Library Resources	1,399	1,300	1,097
Employee Benefits - Salaries	1,573,324	1,530,300	1,463,261
Staff Development	12,169	19,059	9,450
	<u>1,636,165</u>	<u>1,599,959</u>	<u>1,519,988</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,472	6,472	6,038
Board of Trustees Fees	5,580	5,300	5,240
Board of Trustees Expenses	5,662	3,150	4,821
Communication	5,626	4,900	4,875
Consumables	13,878	11,864	11,908
Operating Lease	1,005	8,325	9,240
Other	11,761	7,750	7,545
Employee Benefits - Salaries	95,672	89,500	88,980
Insurance	3,027	3,000	2,977
Service Providers, Contractors and Consultancy	15,000	15,000	14,580
	<u>163,683</u>	<u>155,261</u>	<u>156,204</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	12,498	10,750	8,556
Consultancy and Contract Services	30,364	29,000	30,261
Cyclical Maintenance Provision	6,716	7,000	6,581
Grounds	14,570	6,000	5,253
Heat, Light and Water	14,795	17,200	15,035
Rates	98	90	88
Repairs and Maintenance	19,518	7,250	7,502
Use of Land and Buildings	753,705	753,705	753,705
Security	4,683	6,000	5,558
Employee Benefits - Salaries	34,743	36,500	38,811
	<u>891,690</u>	<u>873,495</u>	<u>871,350</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a "proxy" for the market rental of the property. During 2017 financial year, the Auckland Council revalued the property for rating purpose, this will not change until the next revaluations in 2020.

8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	23,959	12,000	22,031
Information and Communication Technology	19,834	16,500	24,847
Leased Assets	3,422	-	-
Library Resources	2,442	1,500	2,168
	<u>49,657</u>	<u>30,000</u>	<u>49,046</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	100	100	100
Bank Current Account	165,613	173,165	175,174
Bank Call Account	2,357	2,355	2,354
Bank Current Account	12,496	10,000	9,141
Cash and cash equivalents for Cash Flow Statement	<u>180,566</u>	<u>185,620</u>	<u>186,769</u>

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

Of the \$180,566 Cash and Cash Equivalents, \$14,609 is held by the School for International Student tuition in 2020.

Of the \$180,566 Cash and Cash Equivalents, \$3,779 is held by the School for the Proprietor. Those funds are due to be transferred to the proprietor in 2020.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	6,113	1,000	1,102
Interest Receivable	1,623	2,000	2,320
Teacher Salaries Grant Receivable	94,689	85,000	81,802
	<u>102,425</u>	<u>88,000</u>	<u>85,224</u>
Receivables from Exchange Transactions	7,736	3,000	3,422
Receivables from Non-Exchange Transactions	94,689	85,000	81,802
	<u>102,425</u>	<u>88,000</u>	<u>85,224</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,183	1,000	1,008
	<u>1,183</u>	<u>1,000</u>	<u>1,008</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset Short-term Bank Deposits	251,233	225,000	195,028
Total Investments	251,233	225,000	195,028

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Furniture and Equipment	101,079	11,335	-	-	(23,959)	88,455
Information and Communication	27,305	20,667	(2,014)	-	(19,834)	26,124
Leased Assets	-	14,824	-	-	(3,422)	11,402
Library Resources	9,538	1,606	-	-	(2,442)	8,702
Balance at 31 December 2019	137,922	48,432	(2,014)	-	(49,657)	134,683

The net carrying value of IT equipment held under a finance lease is \$7,432 (2018: \$48,164)

The net carrying value of furniture and equipment held under a finance lease is \$19,549 (2018: \$37,190)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Furniture and Equipment	435,246	(346,791)	88,455
Information and Communication	142,563	(116,439)	26,124
Leased Assets	14,824	(3,422)	11,402
Library Resources	77,282	(68,580)	8,702
Balance at 31 December 2019	669,915	(535,232)	134,683

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture and Equipment	52,669	70,441	-	-	(22,031)	101,079
Information and Communication					(24,847)	27,305
Technology	37,661	14,491	-	-	-	-
Leased Assets	-	-	-	-	-	-
Library Resources	7,109	4,597	-	-	(2,168)	9,538
Balance at 31 December 2018	97,439	89,529	-	-	(49,046)	137,922

The net carrying value of IT equipment held under a finance lease is \$48,164 (2017: \$38,040)

The net carrying value of furniture and equipment held under a finance lease is \$37,190 (2017: \$14,441)

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	423,912	(322,833)	101,079
Information and Communication Technology	135,981	(108,676)	27,305
Leased Assets	-	-	-
Library Resources	76,384	(66,846)	9,538
Balance at 31 December 2018	636,277	(498,355)	137,922

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	8,917	25,000	29,640
Accruals	4,872	6,472	4,738
Employee Entitlements - Salaries	98,351	85,000	88,843
Employee Entitlements - Leave Accrual	1,263	2,000	3,575
	113,403	118,472	126,796
Payables for Exchange Transactions	113,403	118,472	126,796
	113,403	118,472	126,796

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	14,609	-	-
Other	1,987	1,000	2,442
	16,596	1,000	2,442

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	32,902	32,902	32,391
Increase/ (decrease) to the Provision During the Year	6,716	7,000	6,581
Use of the Provision During the Year	(5,701)	(5,626)	(6,070)
Provision at the End of the Year	33,917	34,276	32,902
Cyclical Maintenance - Current	9,257	7,000	7,861
Cyclical Maintenance - Term	24,660	27,276	25,041
	33,917	34,276	32,902

17. 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	18,897	16,000	26,425
Later than One Year and no Later than Five Years	22,916	30,000	34,260
	<u>41,813</u>	<u>46,000</u>	<u>60,685</u>

18. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of the Proprietor - Current	3,779	2,700	2,910
	<u>3,779</u>	<u>2,700</u>	<u>2,910</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.

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.

The Proprietor of the School (Bishop of Auckland) 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".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues and special character donations payable to the Proprietor. The amounts collected in total were \$134,109 (2018: \$125,958). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$3,779, (2018: \$2,910).

In addition the school has entered into a Service Level Agreement with the Proprietor for the provision of services, including

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	5,580	5,240
Full-time equivalent members	0.18	0.17
<i>Leadership Team</i>		
Remuneration	327,843	315,087
Full-time equivalent members	3	3
Total key management personnel remuneration	333,423	320,327
Total full-time equivalent personnel	3.18	3.17

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	135 - 145	130 - 140
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2019 FTE Number	2018 FTE Number
0	0.00	0.00
	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	2018 Actual
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 no capital commitments
(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 IT Equipment (lease extension, now complete)
- (b) operating lease of an Eftpos Machine
- (c) operating lease of a Vistab Machine

No later than One Year

2019 Actual	2018 Actual
\$	\$
2,506	3,503
<u>2,506</u>	<u>3,503</u>

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	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	180,566	185,620	186,769
Receivables	102,425	88,000	85,224
Investments - Term Deposits	251,233	225,000	195,028
Total Financial assets measured at amortised cost	534,224	498,620	467,021

Financial liabilities measured at amortised cost

Payables	113,403	118,472	126,796
Finance Leases	41,776	46,000	52,393
Total Financial Liabilities Measured at Amortised Cost	155,179	164,472	179,189

26. Events After Balance Date

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

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

27. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

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

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