

Greenhithe School

Annual Report for the year ended 31 December 2019

Ministry Number:	1299
Principal:	Stephen Grady
School Address:	9 Isobel Road, Greenhithe, Auckland 0632
School Postal Address:	9 Isobel Road, Greenhithe, Auckland 0632
School Phone:	09 413 9838
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Service Provider:	Edtech Financial Services Ltd

Greenhithe School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board Gained	Occupation	Term expired/expires
Scott Rees	Chairperson	Elected June 2016	Marketing Manager	April 2022
Jason Willis	Parent Rep	Elected June 2016	Marketer	April 2022
Kathy Frame	Parent Rep	Elected June 2016	Self-Employed	April 2022
Suzanne Cresswell	Teacher Rep	Elected June 2016	Staff	April 2022
Stephen Grady	Principal	Elected July 2018	Principal	
Samantha Ebel-Brown	Parent Rep	Elected June 2019	Interior Designer/ Health Coach	April 2022
Angela Smith	Parent Rep	Elected June 2019	Accountant	April 2022
Bevan McDonald	Parent Rep	Elected June 2019	General Manager	April 2022
Greg Stewart	Former Chairperson	Elected June 2016	CFO Atlas Concrete	April 2019
Alesha Keeler	Parent Rep	Elected June 2016	Accountant	April 2019
James Iversen	Parent Rep	Elected June 2016	Logistics NZ Rugby	April 2019

Greenhithe School

Annual Report

For the year ended 31 December 2019

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Greenhithe 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.

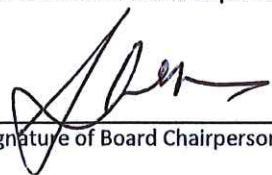
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

SCOTT MUNTEN REES

Full Name of Board Chairperson



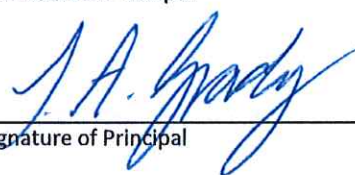
Signature of Board Chairperson

29 JULY 2020

Date:

STEPHEN ADRIAN GRADY

Full Name of Principal



Signature of Principal

29 JULY 2020

Date:

Greenhithe 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	3,977,485	4,007,811	3,979,916
Locally Raised Funds	3	260,257	231,135	256,472
Interest Income		9,321	5,000	12,274
International Students	4	476,198	372,000	399,815
		<u>4,723,261</u>	<u>4,615,946</u>	<u>4,648,477</u>
Expenses				
Locally Raised Funds	3	96,012	112,185	188,075
International Students	4	164,916	110,000	199,953
Learning Resources	5	2,838,368	2,804,040	2,930,076
Administration	6	174,487	204,100	197,889
Finance		16,878	2,280	7,009
Property	7	1,224,170	1,267,573	1,262,668
Depreciation	8	139,202	114,020	137,267
Loss on Disposal of Property, Plant and Equipment		10,928	-	3,366
		<u>4,664,961</u>	<u>4,614,198</u>	<u>4,926,303</u>
Net Surplus / (Deficit) for the year		58,300	1,748	(277,826)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>58,300</u>	<u>1,748</u>	<u>(277,826)</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.

Greenhithe School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Balance at 1 January		1,121,689	1,121,689	1,399,515
Total comprehensive revenue and expense for the year		58,300	1,748	(277,826)
Equity at 31 December	25	1,179,989	1,123,437	1,121,689
Retained Earnings		1,179,989	1,123,437	1,121,689
Equity at 31 December		1,179,989	1,123,437	1,121,689

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.

Greenhithe 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	357,901	281,925	423,225
Accounts Receivable	10	275,385	153,300	151,968
GST Receivable		36,038	10,000	12,124
Prepayments		19,673	5,000	1,913
Inventories	11	2,768	10,000	9,734
Investments	12	290,217	100,000	90,000
		<u>981,982</u>	<u>560,225</u>	<u>688,964</u>
Current Liabilities				
Accounts Payable	14	346,934	248,000	247,283
Revenue Received In Advance	15	200,740	155,000	196,613
Provision for Cyclical Maintenance	16	37,215	39,575	101,264
Finance Lease Liability - Current Portion	17	41,205	21,891	38,673
Funds Held in Trust	18	28,850	20,000	20,386
Funds Held for Capital Works Projects	19	184,736	-	38,145
		<u>839,680</u>	<u>484,466</u>	<u>642,364</u>
Working Capital Surplus/(Deficit)		<u>142,302</u>	<u>75,759</u>	<u>46,600</u>
Non-current Assets				
Property, Plant and Equipment	13	1,091,165	1,057,237	1,131,257
Capital Works in Progress		69,648	-	-
		<u>1,160,813</u>	<u>1,057,237</u>	<u>1,131,257</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	71,094	9,334	17,834
Finance Lease Liability	17	52,032	225	38,334
		<u>123,126</u>	<u>9,559</u>	<u>56,168</u>
Net Assets		<u>1,179,989</u>	<u>1,123,437</u>	<u>1,121,689</u>
Equity	25	<u>1,179,989</u>	<u>1,123,437</u>	<u>1,121,689</u>

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

Greenhithe 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		778,862	757,811	826,750
Locally Raised Funds		254,571	228,236	260,715
International Students		486,711	333,486	449,297
Goods and Services Tax (net)		(23,914)	2,124	(13,121)
Payments to Employees		(631,868)	(608,127)	(739,277)
Payments to Suppliers		(584,860)	(713,845)	(782,095)
Cyclical Maintenance Payments in the year		(23,290)	-	(4,390)
Interest Paid		(16,878)	(2,280)	(11,012)
Interest Received		7,969	4,717	13,359
Net cash from Operating Activities		247,303	2,122	226
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(99,559)
Purchase of PPE (and Intangibles)		(37,146)	(176,840)	-
Purchase of Investments		(200,217)	-	212,693
Proceeds from Sale of Investments		-	(10,000)	-
Net cash from Investing Activities		(237,363)	(186,840)	113,134
Cash flows from Financing Activities				
Finance Lease Payments		(47,032)	81,949	(30,303)
Funds Administered on Behalf of Third Parties		8,464	(386)	(1,649)
Funds Held for Capital Works Projects		(36,696)	(38,145)	(5,089)
Net cash from Financing Activities		(75,264)	43,418	(37,041)
Net Increase/(decrease) in cash and cash equivalents		(65,324)	(141,300)	76,319
Cash and cash equivalents at the beginning of the year	9	423,225	423,225	346,906
Cash and cash equivalents at the end of the year	9	357,901	281,925	423,225

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.

Greenhithe School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

Greenhithe 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.

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 28.

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.

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

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.

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.

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.

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.

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

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.

Investments

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

Prior Year Policy

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

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

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the School may incur on sale or other disposal.

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

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 \$300 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.

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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:

Buildings - School	40 years
Furniture and equipment	5-10 years
Information and communication technology	3-5 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 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.

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.

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.

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Revenue Received in Advance

Revenue received in advance relates to fees received from international students 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

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).

Financial Assets and Liabilities

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

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

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

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	665,674	664,316	689,630
Teachers' Salaries Grants	2,208,902	2,200,000	2,184,450
Use of Land and Buildings Grants	980,091	1,050,000	958,907
Resource Teachers Learning and Behaviour Grants	4,259	-	600
Other MoE Grants	107,983	93,495	146,329
Other Government Grants	10,576	-	-
	3,977,485	4,007,811	3,979,916

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	99,116	93,000	56,873
Activities	131,465	126,635	151,261
Trading	26,380	11,500	35,317
Fundraising	3,296	-	13,021
	260,257	231,135	256,472
Expenses			
Activities	64,277	109,385	126,049
Trading	21,670	2,800	44,899
Fundraising (Costs of Raising Funds)	10,065	-	17,127
	96,012	112,185	188,075
Surplus/ (Deficit) for the year Locally Raised Funds	164,245	118,950	68,397

4 International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	11	0	11
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	476,198	372,000	399,815
Expenses			
Commissions	65,512	55,000	61,595
International Student Levy	9,331	-	5,300
Employee Benefit - Salaries	62,439	25,000	59,378
Other Expenses	27,634	30,000	73,680
	164,916	110,000	199,953
Surplus/ (Deficit) for the year International Students	311,282	262,000	199,862

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	107,887	67,040	124,276
Information and Communication Technology	46,434	49,000	38,640
Library Resources	779	1,000	2,166
Employee Benefits - Salaries	2,623,677	2,637,000	2,722,896
Staff Development	59,591	50,000	42,098
	<u>2,838,368</u>	<u>2,804,040</u>	<u>2,930,076</u>

6 Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,384	8,000	6,198
Board of Trustees Fees	3,540	7,000	3,790
Board of Trustees Expenses	9,372	8,500	1,597
Communication	4,625	6,900	7,063
Consumables	8,234	13,000	13,344
Operating Lease	2,706	20,000	28,506
Other	18,382	28,500	19,833
Employee Benefits - Salaries	105,573	97,000	102,504
Insurance	7,022	7,200	6,189
Service Providers, Contractors and Consultancy	8,649	8,000	8,865
	<u>174,487</u>	<u>204,100</u>	<u>197,889</u>

7 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	11,378	12,550	16,992
Consultancy and Contract Services	66,559	56,000	63,559
Cyclical Maintenance Expense	12,501	6,173	72,172
Grounds	14,216	10,750	8,423
Heat, Light and Water	41,382	43,500	43,721
Rates	96	100	88
Repairs and Maintenance	25,241	31,000	41,465
Use of Land and Buildings	980,091	1,050,000	958,907
Security	10,553	7,500	9,026
Employee Benefits - Salaries	62,153	50,000	48,315
	<u>1,224,170</u>	<u>1,267,573</u>	<u>1,262,668</u>

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

8 Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	23,889	22,345	22,603
Furniture and Equipment	51,405	51,310	54,385
Information and Communication Technology	13,355	14,195	23,545
Leased Assets	47,577	26,170	33,324
Library Resources	2,976	-	3,410
	<u>139,202</u>	<u>114,020</u>	<u>137,267</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

9 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	-	-
Bank Current Account	56,689	81,925	55,048
Bank Call Account	301,012	-	268,185
Short-term Bank Deposits	-	200,000	99,992
Cash and cash equivalents for Cash Flow Statement	<u>357,901</u>	<u>281,925</u>	<u>423,225</u>

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

Of the \$357,901 Cash and Cash Equivalents, \$156,483 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

10 Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	500	700
Receivables from the Ministry of Education	113,639	-	-
Interest Receivable	1,869	800	517
Teacher Salaries Grant Receivable	<u>159,877</u>	<u>152,000</u>	<u>150,751</u>
	<u>275,385</u>	<u>153,300</u>	<u>151,968</u>
Receivables from Exchange Transactions	1,869	1,300	1,217
Receivables from Non-Exchange Transactions	<u>273,516</u>	<u>152,000</u>	<u>150,751</u>
	<u>275,385</u>	<u>153,300</u>	<u>151,968</u>

11 Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	2,768	10,000	9,734
	<u>2,768</u>	<u>10,000</u>	<u>9,734</u>

12 Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	290,217	100,000	90,000
Total Investments	<u>290,217</u>	<u>100,000</u>	<u>90,000</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	721,408	-	-	-	(23,889)	697,519
Furniture and Equipment	283,883	20,529	-	-	(51,405)	253,007
Information and Communication Technology	26,811	13,437	(3)	-	(13,355)	26,890
Leased Assets	75,286	72,896	(7,690)	-	(47,577)	92,915
Library Resources	23,869	3,176	(3,235)	-	(2,976)	20,834
Balance at 31 December 2019	1,131,257	110,038	(10,928)	-	(139,202)	1,091,165

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	955,578	(258,059)	697,519
Furniture and Equipment	904,331	(651,324)	253,007
Information and Communication Technology	234,825	(207,935)	26,890
Leased Assets	167,479	(74,564)	92,915
Library Resources	48,278	(27,444)	20,834
Balance at 31 December 2019	2,310,491	(1,219,326)	1,091,165

The net carrying value of equipment held under a finance lease is \$92,915 (2018: \$75,286).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	682,260	61,751	-	-	(22,603)	721,408
Furniture and Equipment	313,122	25,146	-	-	(54,385)	283,883
Information and Communication Technology	44,995	5,659	(298)	-	(23,545)	26,811
Leased Assets	67,400	41,210	-	-	(33,324)	75,286
Library Resources	23,343	7,003	(3,067)	-	(3,410)	23,869
Balance at 31 December 2018	1,131,120	140,769	(3,365)	-	(137,267)	1,131,257

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	955,578	(234,170)	721,408
Furniture and Equipment	883,801	(599,918)	283,883
Information and Communication Technology	242,118	(215,307)	26,811
Leased Assets	136,840	(61,554)	75,286
Library Resources	52,175	(28,306)	23,869
Balance at 31 December 2018	2,270,512	(1,139,255)	1,131,257

14 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	148,858	70,000	71,405
Employee Entitlements - Salaries	177,436	165,000	163,224
Employee Entitlements - Leave Accrual	20,640	13,000	12,654
	346,934	248,000	247,283
Payables for Exchange Transactions	346,934	248,000	247,283
	346,934	248,000	247,283

The carrying value of payables approximates their fair value.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

15 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	199,027	150,000	188,514
Other	1,713	5,000	8,099
	<u>200,740</u>	<u>155,000</u>	<u>196,613</u>

16 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	119,098	119,098	51,316
Increase/(decrease) to the Provision During the Year	12,501	6,173	72,172
Use of the Provision During the Year	(23,290)	(76,362)	(4,390)
Provision at the End of the Year	<u>108,309</u>	<u>48,909</u>	<u>119,098</u>
Cyclical Maintenance - Current	37,215	39,575	101,264
Cyclical Maintenance - Term	<u>71,094</u>	<u>9,334</u>	<u>17,834</u>
	<u>108,309</u>	<u>48,909</u>	<u>119,098</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for teacher laptops, computer equipment and photocopiers.

Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	50,360	21,891	46,977
Later than One Year and no Later than Five Years	58,675	225	43,108
	<u>109,035</u>	<u>22,116</u>	<u>90,085</u>

18 Funds held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	28,850	20,000	20,386
	<u>28,850</u>	<u>20,000</u>	<u>20,386</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.

Greenhithe School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

19 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:

					BOT Contribution/ (Write-off to R&M)	Closing Balances
	2019	Opening Balances \$	Receipts from MoE \$	Payments \$		\$
Refurbishment Rms 1/2	<i>In progress</i>	54,045	-	2,475	-	51,570
Field	<i>In progress</i>	(15,900)	176,600	343,987	69,648	(113,639)
ILE Project	<i>In progress</i>	-	133,166	-	-	133,166
Totals		38,145	309,766	346,462	69,648	71,097

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

184,736

(113,639)

71,097

					BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	\$	\$
Refurbishment Rms 1/2	<i>In progress</i>	43,234	21,749	10,938	-	54,045
Field	<i>In progress</i>	-	32,248	48,148	-	(15,900)
Totals		43,234	53,997	59,086	-	38,145

20 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

21 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 \$
Board Members		
Remuneration	3,540	3,790
Full-time equivalent members	0.15	0.26
Leadership Team		
Remuneration	337,232	319,340
Full-time equivalent members	3.00	4.00
Total key management personnel remuneration	340,772	323,130
Total full-time equivalent personnel	3.15	4.26

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
Principal 1		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	-	70 - 80
Benefits and Other Emoluments	-	0 - 5
Termination Benefits	-	-
Principal 2		
Salary and Other Payments	130-140	60 - 70
Benefits and Other Emoluments	0-5	0 - 5
Termination Benefits		

Other Employees

No other employee received total remuneration over \$100,000 (2018: Nil).

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

22 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

23 Contingencies

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

24 Commitments

(a) Capital Commitments

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

(a) A \$465,585 contract for the field upgrade to be completed in 2020 which will be partially funded by the Ministry of Education. \$208,848 has been received and \$392,135 has been spent on the project to date.

(b) A contract for the refurbishment of Rooms 1/2 to be completed in 2020 which will be fully funded by the Ministry of Education. \$70,719 has been received of which \$19,148 has been spent on the project to date.

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

(a) A \$465,585 contract for the field upgrade to be completed in 2019 which will be partially funded by the Ministry of Education. \$32,248 has been received and \$48,148 has been spent on the project to date.

(b) A contract for the refurbishment of Rooms 1/2 to be completed in 2019 which will be fully funded by the Ministry of Education. \$70,719 has been received of which \$16,674 has been spent on the project to date.

25 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

26 Financial Instruments

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	357,901	281,925	423,225
Receivables	275,385	153,300	151,968
Investments - Term Deposits	290,217	100,000	90,000
Total Financial assets measured at amortised cost	923,503	535,225	665,193
Financial liabilities measured at amortised cost			
Payables	346,934	248,000	247,283
Finance Leases	93,237	22,116	77,007
Total Financial Liabilities Measured at Amortised Cost	440,171	270,116	324,290

27 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.

28 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 10 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 12 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

29 Failure to comply with section 87C of the Education Act 1989

The Board of Trustees has failed to comply with Section 87C of the Education Act 1989, as the Board were unable to provide 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.