

Independent Auditor's Report

To the Readers of Tahatai Coast School's Financial Statements

For the Year Ended 31 December 2020

The Auditor-General is the auditor of Tahatai Coast School (the School). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 21, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 8 June 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS

The Collective
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Tauranga 3112, New Zealand
Telephone: +64 7 927 1234
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William Buck Audit (NZ) Limited

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1, 22 and on pages 26 to 38, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Richard Dey
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Tauranga, New Zealand

TAHATAI COAST SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Ministry Number: 6742

Principal: Matt Skilton

School Address: 45 Evans Road, Papamoa, Tauranga

School Postal Address: 45 Evans Road, Papamoa, Tauranga

School Phone: 07 572 4600

School Email: tcs@tahatai.school.nz

Members of the Board of Trustees

Name	Position
	Chairperson - Tim Acker
	Principal - Matt Skilton
	Finance Rep - Donna Te Wheoro
	Staff Rep - Eliot Hall
	Parent Rep - Dan Elliott
	Parent Rep - Tony Burnette
	Parent Rep - Ali Teo

Accountant: Findex (NZ) Limited

TAHATAI COAST SCHOOL

Annual Report - For the year ended 31 December 2020

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Tahatai Coast School

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

TIMOTHY LEWIS ACKER

Full Name of Board Chairperson



Signature of Board Chairperson

1/6/21

Date:

MATTHEW SKILTON

Full Name of Principal



Signature of Principal

1/6/21

Date:

Tahatai Coast School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	6,151,023	5,538,076	5,543,256
Locally Raised Funds	3	208,087	5,000	268,819
Interest income		1,741	6,500	7,517
International Students	4	209,881	176,000	264,523
		<hr/>	<hr/>	<hr/>
		6,570,732	5,725,576	6,084,114
Expenses				
Locally Raised Funds	3	201,221	16,500	209,563
International Students	4	54,912	35,000	117,353
Learning Resources	5	4,133,149	3,802,073	3,887,107
Administration	6	231,390	310,049	225,423
Finance		27,301	9,000	11,924
Property	7	1,377,027	1,274,588	1,277,739
Depreciation	8	235,583	130,000	180,497
Loss on Disposal of Property, Plant and Equipment		12,742	-	-
Amortisation of Intangible Assets	13	1,620	-	540
		<hr/>	<hr/>	<hr/>
		6,274,945	5,577,210	5,910,146
Net Surplus / (Deficit) for the year		295,787	148,366	173,968
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		295,787	148,366	173,968

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

Tahatai Coast School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		742,851	742,851	562,326
Total comprehensive revenue and expense for the year		295,787	148,366	173,968
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	6,557
Equity at 31 December	23	1,038,638	891,217	742,851

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.

Tahatai Coast School

Statement of Financial Position

As at 31 December 2020

		2020	2020 Budget	2019
	Notes	Actual \$	(Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	9	952,112	540,617	530,126
Accounts Receivable	10	352,540	310,000	283,049
GST Receivable		23,119	10,000	-
Prepayments		5,317	8,000	10,016
Inventories	11	14,746	15,000	19,417
Funds held for Capital Works Projects	18	-	-	93,963
		<hr/> 1,347,834	<hr/> 883,617	<hr/> 936,571
Current Liabilities				
GST Payable		-		20,182
Accounts Payable	14	628,827	378,500	400,313
Revenue Received in Advance	15	171,133	180,000	215,761
Finance Lease Liability - Current Portion	17	79,141	50,000	32,906
Funds held for Capital Works Projects	18	137,254	110,000	-
		<hr/> 1,016,355	<hr/> 718,500	<hr/> 669,162
Working Capital Surplus/(Deficit)		331,479	165,117	267,409
Non-current Assets				
Property, Plant and Equipment	12	826,780	879,000	618,860
Intangible Assets	13	5,940	7,100	7,560
		<hr/> 832,720	<hr/> 886,100	<hr/> 626,420
Non-current Liabilities				
Provision for Cyclical Maintenance	16	8,284	70,000	76,534
Finance Lease Liability	17	117,281	90,000	74,444
		<hr/> 125,565	<hr/> 160,000	<hr/> 150,978
Net Assets		<hr/> <hr/> 1,038,638	<hr/> <hr/> 891,217	<hr/> <hr/> 742,851
Equity	23	<hr/> <hr/> 1,038,638	<hr/> <hr/> 891,217	<hr/> <hr/> 742,851

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

Tahatai Coast School

Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,549,130	1,152,188	1,210,208
Locally Raised Funds	197,041	228,049	234,871
International Students	165,253	140,239	310,497
Goods and Services Tax (net)	(43,302)	(30,182)	(23,301)
Payments to Employees	(788,322)	(793,690)	(501,153)
Payments to Suppliers	(571,691)	(504,012)	(740,201)
Cyclical Maintenance Payments in the year	(69,952)	(26,534)	(31,533)
Interest Paid	(27,301)	(9,000)	(11,924)
Interest Received	1,741	6,500	7,517
Net cash from/(to) Operating Activities	412,597	163,558	454,981
Cash flows from Investing Activities			
Purchase of Property Plant & Equipment (and Intangibles)	(281,893)	(282,104)	(326,383)
Net cash from/(to) Investing Activities	(281,893)	(282,104)	(326,383)
Cash flows from Financing Activities			
Furniture and Equipment Grant	-	-	6,557
Finance Lease Payments	(85,281)	(74,926)	(41,728)
Funds Held for Capital Works Projects	376,564	203,963	(220,589)
Net cash from/(to) Financing Activities	291,283	129,037	(255,760)
Net increase/(decrease) in cash and cash equivalents	421,987	10,491	(127,161)
Cash and cash equivalents at the beginning of the year	9	530,126	530,126
Cash and cash equivalents at the end of the year	9	952,112	530,126

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

Tahatai Coast School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Tahatai Coast School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 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'.

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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

b) Basis of Preparation continued

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.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) Inventories

Inventories are consumable items held for sale and comprised 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) 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.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	4% Diminshing Value
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

k) Intangible Assets

International Program Video

Costs incurred in creating this video are capitalised up until the point where the video is available to be used. The carrying value of video is amortised on a straight line basis over its useful life. The useful life of video is estimated as five years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

o) 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 international students, should the School be unable to provide the services to which they relate.

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents and accounts receivable. All of these financial assets are categorised as 'financial assets measured at amortised cost' 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.

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.

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,251,751	947,026	921,469
Teachers' Salaries Grants	3,484,764	3,300,000	3,296,613
Use of Land and Buildings Grants	1,117,129	1,021,000	1,036,435
Resource Teachers Learning and Behaviour Grants	266,073	150,700	272,115
Other MoE Grants	31,306	119,350	16,624
	<u>6,151,023</u>	<u>5,538,076</u>	<u>5,543,256</u>

The school has opted in to the donations scheme for this year. Total amount received was \$105,900.

Other MOE Grants total includes additional COVID-19 funding totalling \$17,678 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	44,569	-	79,033
Activities	59,659	-	118,304
Trading	86,234	-	56,559
Fundraising	13,480	-	823
Other Revenue	4,145	5,000	14,100
	<u>208,087</u>	<u>5,000</u>	<u>268,819</u>
Expenses			
Activities	108,316	16,500	138,596
Trading	92,905	-	70,967
	<u>201,221</u>	<u>16,500</u>	<u>209,563</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>6,866</u>	<u>(11,500)</u>	<u>59,256</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	19	31	21
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	209,881	176,000	264,523
Expenses			
Advertising	-	-	1,505
Commissions	30,850	-	29,602
Recruitment	-	-	24,936
Employee Benefit - Salaries	15,669	35,000	21,337
Other Expenses	8,393	-	39,973
	54,912	35,000	117,353
<i>Surplus/ (Deficit) for the year International Students</i>	154,969	141,000	147,169

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	40,735	76,500	45,612
Equipment Repairs	24	10,000	8,336
Information and Communication Technology	7,497	24,000	12,644
Library Resources	466	14,000	316
Employee Benefits - Salaries	4,060,763	3,627,323	3,780,721
Staff Development	23,664	50,250	39,478
	4,133,149	3,802,073	3,887,107

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	9,551	6,000	5,762
Board of Trustees Fees	3,200	4,500	2,500
Board of Trustees Expenses	5,394	4,000	9,491
Communication	15,564	17,500	16,985
Consumables	9,080	11,750	15,113
Operating Lease	(1,666)	64,166	(2,049)
Other	63,813	27,005	57,076
Employee Benefits - Salaries	108,188	160,228	100,843
Insurance	8,566	8,900	7,963
Service Providers, Contractors and Consultancy	9,700	6,000	11,738
	231,390	310,049	225,423

7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	16,672	10,000	12,193
Consultancy and Contract Services	78,283	68,500	77,159
Cyclical Maintenance Provision	1,702	20,000	17,815
Grounds	26,551	35,000	19,843
Heat, Light and Water	39,780	37,788	36,714
Rates	10,091	8,300	8,320
Repairs and Maintenance	31,582	20,000	18,461
Use of Land and Buildings	1,117,129	1,021,000	1,036,435
Security	11,441	10,000	10,900
Employee Benefits - Salaries	43,796	44,000	39,899
	<u>1,377,027</u>	<u>1,274,588</u>	<u>1,277,739</u>

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

8. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	3,591	-	998
Furniture and Equipment	99,077	130,000	90,135
Information and Communication Technology	27,615	-	29,003
Leased Assets	92,805	-	41,668
Library Resources	12,495	-	18,693
	<u>235,583</u>	<u>130,000</u>	<u>180,497</u>

9. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	270	-	-
Bank Current Account	951,842	540,617	450,126
Short-term Bank Deposits	-	-	80,000
	<u>952,112</u>	<u>540,617</u>	<u>530,126</u>

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

10. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	66,829	60,000	55,783
Teacher Salaries Grant Receivable	285,711	250,000	227,266
	<u>352,540</u>	<u>310,000</u>	<u>283,049</u>
Receivables from Exchange Transactions	66,829	60,000	55,783
Receivables from Non-Exchange Transactions	285,711	250,000	227,266
	<u>352,540</u>	<u>310,000</u>	<u>283,049</u>

11. Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	14,746	15,000	19,417
	<u>14,746</u>	<u>15,000</u>	<u>19,417</u>

The school incurred a trading loss on uniforms of \$8,088 (2019:\$13,330). During the 2020 year, the school implemented an inventory management system and through the use of this reporting function it was identified stock was being sold at cost less the GST effective of 15% thus contributing to the loss occurred in 2020. Also contributing to the loss is the purchase of the Whare Shirts which is recognised at a net realisable value of nil because the majority of the shirts are donated to new students.

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	62,023	117,160	-	-	(3,591)	175,592
Furniture and Equipment	387,045	155,140	(12,742)	-	(99,077)	430,366
Information and Communication Technology	47,753	3,834	-	-	(27,615)	23,972
Leased Assets	98,397	174,352	-	-	(92,805)	179,944
Library Resources	23,641	5,760	-	-	(12,495)	16,906
Balance at 31 December 2020	618,860	456,246	(12,742)	-	(235,583)	826,780

The net carrying value of equipment held under a finance lease is \$179,944 (2019: \$98,397)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	180,312	(4,720)	175,592
Furniture and Equipment	982,813	(552,447)	430,366
Information and Communication Technology	178,998	(155,026)	23,972
Leased Assets	316,777	(136,833)	179,944
Library Resources	163,430	(146,524)	16,906
Balance at 31 December 2020	1,822,330	(995,550)	826,780

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	12,959	50,062	-	-	(998)	62,023
Furniture and Equipment	219,771	257,409	-	-	(90,135)	387,045
Information and Communication Technology	72,578	4,178	-	-	(29,003)	47,753
Leased Assets	72,328	114,288	(46,551)	-	(41,668)	98,397
Library Resources	35,700	6,634	-	-	(18,693)	23,642
Balance at 31 December 2019	413,336	432,572	(46,551)	-	(180,497)	618,860

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is \$98,397 (2018: \$72,328)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	63,152	(1,129)	62,023
Furniture and Equipment	1,263,076	(876,031)	387,045
Information and Communication Technology	387,946	(340,193)	47,753
Leased Assets	142,424	(44,027)	98,397
Library Resources	161,646	(138,005)	23,642
Balance at 31 December 2019	2,018,244	(1,399,385)	618,860

13. Intangible Assets

The School's Intangible Assets are made up of International Program Video.

	Internally generated software	Total \$
Cost		
Balance at 1 January 2019	8,100	8,100
Additions	-	-
Balance at 31 December 2020	8,100	8,100
Accumulated Amortisation and impairment losses		
Balance at 1 January 2019	540	540
Amortisation expense	1,620	1,620
Disposals	-	-
Balance at 31 December 2019 / 1 January 2020	2,160	2,160
Impairment losses	-	-
Balance at 31 December 2020	2,160	2,160
Carrying amounts		
At 1 January 2019	7,560	7,560
At 31 December 2019 / 1 January 2020	7,560	7,560
At 31 December 2020	5,940	5,940

Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2019: \$nil)

14. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	234,005	20,000	19,456
Accruals	99,578	100,000	80,330
Employee Entitlements - Salaries	285,711	250,000	227,266
Employee Entitlements - Leave Accrual	9,533	8,500	8,373
Bank Staffing Overuse	-	-	64,888
	<u>628,827</u>	<u>378,500</u>	<u>400,313</u>
Payables for Exchange Transactions	628,827	378,500	400,313
	<u>628,827</u>	<u>378,500</u>	<u>400,313</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	171,133	180,000	215,761
	<u>171,133</u>	<u>180,000</u>	<u>215,761</u>

16. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	76,534	76,534	90,252
Increase/ (decrease) to the Provision During the Year	1,702	20,000	17,815
Use of the Provision During the Year	(69,952)	-	(31,533)
Provision at the End of the Year	<u>8,284</u>	<u>96,534</u>	<u>76,534</u>
Cyclical Maintenance - Term	8,284	70,000	76,534
	<u>8,284</u>	<u>70,000</u>	<u>76,534</u>

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:

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	88,975		41,642
Later than One Year and no Later than Five Years	120,331		85,980
	<u>209,306</u>	<u>-</u>	<u>127,622</u>

18. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
5YA / Drainage	<i>in progress</i>	7,473	-	-	(7,473)	-
Tower Building	<i>in progress</i>	(40,719)	57,736	(17,537)	-	(520)
Admin Building	<i>in progress</i>	(37,366)	751,739	(646,368)	-	68,005
Fencing	<i>completed</i>	6,664	-	(6,664)	-	-
Ramps	<i>completed</i>	(840)	7,189	(6,349)	-	-
Basketball Court	<i>in progress</i>	-	24,842	(33,840)	-	(8,998)
B.H.K & Korora Remedial	<i>in progress</i>	(29,175)	195,809	(87,868)	-	78,766
Totals		(93,963)	1,037,315	(798,625)	(7,473)	137,254

Represented by:

Funds Held on Behalf of the Ministry of Education

146,771

Funds Due from the Ministry of Education

(9,517)

137,254

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
5YA / Drainage	<i>in progress</i>	7,473	-	-	-	7,473
Tower Building	<i>in progress</i>	119,153	364,555	524,427	-	(40,719)
Admin Building	<i>in progress</i>	-	92,115	129,481	-	(37,366)
Fencing	<i>in progress</i>	-	144,678	138,014	-	6,664
B.H.K & Korora Remedial	<i>in progress</i>	-	-	29,175	-	(29,175)
Ramps	<i>in progress</i>	-	-	840	-	(840)
Totals		126,626	601,348	821,937	-	(93,963)

19. Related Party Transactions

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

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

20. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,200	2,500
Full-time equivalent members	0.18	0.18
<i>Leadership Team</i>		
Remuneration	488,466	458,785
Full-time equivalent members	4	4
Total key management personnel remuneration	<u>491,666</u>	<u>461,285</u>
Total full-time equivalent personnel	<u>4.18</u>	<u>4.18</u>

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	0-5	2-3

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
111 - 120	1.00	0.00
100 - 110	3.00	1.00
	<u>4.00</u>	<u>1.00</u>

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

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$578,227 contract for the 5YA / Tower Building, this is fully funded by the Ministry. \$578,140 (2019: \$520,404) has been received of which \$578,659 (2019: \$561,123) has been spent on the project to date.

(b) \$220,000 contract for Basketball Court. This is fully funded by the Ministry and \$24,842 (2019: \$0) has been received of which \$33,840 (2019: \$0) has been spent on the project to date.

(c) There was no definitive contract value for Admin Mould. This is fully a very complex situation as the budget continues to move as new things are discovered/developments. We have been allowed to manage this as a BOT project (with the appointment of our own Project Manager - Greg Ward from Frequency). The original weather tightness budget for the admin building was set at \$1.2 million with a completion date of April 2021. The revised budget is expected to be \$1.6 million as further issues have been discovered. The completion date remains the same. \$843,854 (2019: \$92,115) has been received from the Ministry of which \$775,849 (2019: \$129,481) has been spent on the project to date. It is expected that the school will be topping up this spend to the extent of \$40,000 using the School Investment Package Funding. It is also expected that the board will fund an additional \$50,000 to cover some additional expenditure such as furniture and additional spaces (Capital commitments at 31 December 2019:\$0)

(d) There was no definitive value placed on the B.H.K & Korora Remedial Works projects as these spaces were checked for air quality and possible leaking. \$195,809 (2019: \$0) has been received of which \$117,043 (2019: \$29,175) has been spent on the project to date.

(Capital commitments at 31 December 2019: \$865,116)

23. 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.

24. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	952,112	540,617	530,126
Receivables	352,540	310,000	283,049
Total Financial assets measured at amortised cost	<u>1,304,652</u>	<u>850,617</u>	<u>813,175</u>

Financial liabilities measured at amortised cost

Payables	628,827	378,500	400,313
Finance Leases	196,422	140,000	107,350
Total Financial Liabilities Measured at Amortised Cost	<u>825,249</u>	<u>518,500</u>	<u>507,663</u>

25. Events After Balance Date

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

26. Comparatives

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