

# WHATAWHATA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

**Ministry Number:** 2087

**Principal:** Matthew Stockton

**School Address:**

**School Postal Address:** 9 Kura Street , RD 9, Hamilton, 3289

**School Phone:** 07 829 8820

**School Email:** breees@whatawhata.school.nz

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expires/ Expired</b>
Renee Kenyon	Chairperson	Appointed	May 2019
Matt Stockton	Principal	ex Officio	
Laurel Benn	Staff Rep	Appointed	May 2019
Joe Kingston	Other	Elected	May 2019
Lisa Hansen	Other	Co-opted	Apr 2021
Naomi Pocock	Other	Co-opted	Apr 2021
Peter Van Elzaker	Other	Elected	May 2019

**Accountant / Service Provider:** Education Services Ltd

# WHATAWHATA SCHOOL

Annual Report - For the year ended 31 December 2018

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# Whatawhata School

## Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Renée Claire Kenyon  
Full Name of Board Chairperson

Renée Kenyon  
Signature of Board Chairperson

19/06/19  
Date:

MATTHEW STOKTON  
Full Name of Principal

[Signature]  
Signature of Principal

17/6/19.  
Date:

**Whatawhata School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,804,068	1,552,625	1,710,989
Locally Raised Funds	3	186,597	98,750	172,040
Interest Earned		852	3,000	6,691
		<u>1,991,517</u>	<u>1,654,375</u>	<u>1,889,720</u>
<b>Expenses</b>				
Locally Raised Funds	3	114,960	64,000	83,923
Learning Resources	4	1,308,461	1,074,569	1,205,738
Administration	5	102,301	95,312	114,714
Finance Costs		703	384	583
Property	6	426,130	378,627	405,180
Depreciation	7	50,638	31,690	33,376
Loss on Disposal of Property, Plant and Equipment		244	-	633
		<u>2,003,437</u>	<u>1,644,582</u>	<u>1,844,147</u>
<b>Net Surplus / (Deficit)</b>		(11,920)	9,793	45,573
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(11,920)</u>	<u>9,793</u>	<u>45,573</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.



**Whatawhata School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	<u>346,858</u>	<u>287,552</u>	<u>281,785</u>
Total comprehensive revenue and expense for the year	(11,920)	9,793	45,573
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	7,954	-	19,500
<b>Equity at 31 December</b>	<u>342,892</u>	<u>297,345</u>	<u>346,858</u>
Retained Earnings	342,892	297,345	346,858
<b>Equity at 31 December</b>	<u>342,892</u>	<u>297,345</u>	<u>346,858</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



**Whatawhata School**  
**Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	66,283	33,464	528,640
Accounts Receivable	9	80,476	88,968	65,722
GST Receivable		1,254	8,330	67,383
Prepayments		401	2,863	922
Inventories	10	1,500	128	250
Investments	11	-	80,000	-
Funds owed for Capital Works Projects	18	48,633	-	-
		<u>198,547</u>	<u>213,753</u>	<u>662,917</u>
<b>Current Liabilities</b>				
Accounts Payable	13	112,796	98,804	323,873
Revenue Received in Advance	14	5,354	-	3,503
Provision for Cyclical Maintenance	15	4,532	1,490	2,980
Painting Contract Liability - Current Portion	16	2,457	2,457	4,195
Finance Lease Liability - Current Portion	17	11,493	6,762	6,956
Funds held for Capital Works Projects	18	-	-	195,844
		<u>136,632</u>	<u>109,513</u>	<u>537,351</u>
<b>Working Capital Surplus/(Deficit)</b>		61,915	104,240	125,566
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	312,016	212,649	246,273
		<u>312,016</u>	<u>212,649</u>	<u>246,273</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	17,576	18,071	15,252
Painting Contract Liability	16	-	-	718
Finance Lease Liability	17	13,463	1,473	9,011
		<u>31,039</u>	<u>19,544</u>	<u>24,981</u>
<b>Net Assets</b>		<u>342,892</u>	<u>297,345</u>	<u>346,858</u>
<b>Equity</b>		<u>342,892</u>	<u>297,345</u>	<u>346,858</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**Whatawhata School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

	2018	2018	2017
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
<b>Cash flows from Operating Activities</b>			
Government Grants	366,087	325,921	349,613
Locally Raised Funds	184,120	98,750	180,263
Goods and Services Tax (net)	66,129	-	(59,053)
Payments to Employees	(187,891)	(146,560)	(142,185)
Payments to Suppliers	(352,269)	(210,696)	(287,839)
Cyclical Maintenance Payments in the year	-	(1,738)	-
Interest Paid	(703)	(384)	(583)
Interest Received	902	3,000	7,079
Net cash from / (to) the Operating Activities	76,375	68,293	47,295
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(107,439)	(30,000)	(21,151)
Purchase of Investments	-	-	80,000
Net cash from / (to) the Investing Activities	(107,439)	(30,000)	58,849
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	7,954	-	19,500
Finance Lease Payments	(8,185)	(3,180)	(864)
Painting contract payments	(2,456)	(4,195)	(4,363)
Funds Held for Capital Works Projects	(428,606)	-	405,677
Net cash from Financing Activities	(431,293)	(7,375)	419,950
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(462,357)</b>	<b>30,918</b>	<b>526,094</b>
Cash and cash equivalents at the beginning of the year	8 528,640	2,546	2,546
<b>Cash and cash equivalents at the end of the year</b>	<b>8 66,283</b>	<b>33,464</b>	<b>528,640</b>

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



# Whatawhata School

## Notes to the Financial Statements

### For the year ended 31 December 2018

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Whatawhata School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 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".

###### *PBE Accounting Standards Reduced Disclosure Regime*

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### *Measurement Base*

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### *Presentation Currency*

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

###### *Specific Accounting Policies*

The accounting policies used in the preparation of these financial statements are set out below.





### ***Critical Accounting Estimates And Assumptions***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### ***Useful lives of property, plant and equipment***

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

#### ***Recognition of grants***

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

## **c) Revenue Recognition**

### ***Government Grants***

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

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

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

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

### ***Other Grants***

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



**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**i) Inventories**

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





#### **j) Investments**

Bank term deposits 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 of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

#### **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$500 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.

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

### **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	33 years
Furniture and Equipment	5-15 years
Information and Communication	4-5 years
Library Resources	12.5% dv

Leased assets are depreciated over the life of the lease.

### **l) Intangible Assets**

#### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

#### **m) 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.



#### **n) 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.

#### **o) 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.

#### **p) Revenue Received in Advance**

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

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

#### **q) Funds Held in Trust**

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

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) 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).



**t) Financial Assets and Liabilities**

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

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

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

**u) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**v) 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.

**w) Budget Figures**

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

**x) 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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	358,299	325,921	315,358
Teachers' salaries grants	1,119,055	933,269	1,071,629
Use of Land and Buildings grants	305,529	290,968	310,456
Other MoE Grants	16,355	2,467	13,546
Other government grants	4,830	-	-
	<u>1,804,068</u>	<u>1,552,625</u>	<u>1,710,989</u>

## 3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	26,323	7,000	53,315
Bequests & Grants	-	-	10,000
Activities	35,375	-	28,886
Trading	6,313	8,750	3,057
Fundraising	704	-	87
After School Care	117,882	83,000	76,695
	<u>186,597</u>	<u>98,750</u>	<u>172,040</u>
<b>Expenses</b>			
Activities	30,375	5,500	30,550
Trading	7,212	7,000	2,565
Fundraising costs	640	-	-
After School Care	76,733	51,500	50,808
	<u>114,960</u>	<u>64,000</u>	<u>83,923</u>
	<u>71,637</u>	<u>34,750</u>	<u>88,117</u>

Surplus for the year Locally raised funds

## 4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	48,085	43,360	44,192
Library resources	809	1,200	533
Employee benefits - salaries	1,249,211	1,011,309	1,146,411
Staff development	10,356	18,700	14,602
	<u>1,308,461</u>	<u>1,074,569</u>	<u>1,205,738</u>



## 5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,500	3,200	3,200
Board of Trustees Fees	3,685	2,400	2,910
Board of Trustees Expenses	4,050	1,050	8,128
Communication	1,416	350	1,576
Consumables	11,950	7,950	12,602
Operating Lease	1,615	10,445	8,543
Other	25,370	14,801	30,213
Employee Benefits - Salaries	37,224	45,000	35,843
Insurance	2,955	-	2,183
Service Providers, Contractors and Consultancy	10,536	10,116	9,516
	<u>102,301</u>	<u>95,312</u>	<u>114,714</u>

## 6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	6,384	5,200	5,781
Cyclical Maintenance Expense	3,876	4,309	5,512
Grounds	281	30	34
Heat, Light and Water	27,507	12,500	12,147
Repairs and Maintenance	32,074	22,700	20,194
Use of Land and Buildings	305,529	290,968	310,456
Security	3,430	2,500	2,691
Employee Benefits - Salaries	25,336	23,520	32,596
Consultancy & Contract Service	21,713	16,900	15,769
	<u>426,130</u>	<u>378,627</u>	<u>405,180</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.

## 7. Depreciation

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	1,870	1,776	1,870
Building Improvements	293	278	293
Furniture and Equipment	32,134	18,565	19,552
Information and Communication Technology	5,470	5,933	6,249
Leased Assets	9,073	3,812	4,015
Library Resources	1,798	1,326	1,397
	<u>50,638</u>	<u>31,690</u>	<u>33,376</u>



**8. Cash and Cash Equivalents**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	84	-	84
Westpac 01 Main A/c	66,191	33,425	149,517
Westpac 00 A/c	-	-	75
Westpac 02 On Line Saver	8	39	8
Westpac Trust - 30 Day	-	-	378,956
Cash equivalents for Cash Flow Statement	<u>66,283</u>	<u>33,464</u>	<u>528,640</u>

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

Of the \$66,283 Cash and Cash Equivalents, \$3,606 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

**9. Accounts Receivable**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	-	4,720	-
Receivables from the Ministry of Education	5,799	27,169	-
Interest Receivable	-	438	50
Teacher Salaries Grant Receivable	74,677	56,641	65,672
	<u>80,476</u>	<u>88,968</u>	<u>65,722</u>
Receivables from Exchange Transactions	-	5,158	50
Receivables from Non-Exchange Transactions	80,476	83,810	65,672
	<u>80,476</u>	<u>88,968</u>	<u>65,722</u>

**10. Inventories**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	1,500	128	250
	<u>1,500</u>	<u>128</u>	<u>250</u>



## 11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	-	80,000	-

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	39,851	-	-	-	(1,870)	37,981
Building Improvements	7,434	-	-	-	(293)	7,141
Furniture and Equipment	163,110	86,160	(244)	-	(32,134)	216,892
Information and Communication Techni	10,177	7,456	-	-	(5,470)	12,163
Leased Assets	15,430	19,933	-	-	(9,073)	26,289
Library Resources	10,271	3,077	-	-	(1,798)	11,550
<b>Balance at 31 December 2018</b>	<b>246,273</b>	<b>116,626</b>	<b>(244)</b>	<b>-</b>	<b>(50,638)</b>	<b>312,016</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	62,336	(24,355)	37,981
Building Improvements	9,782	(2,641)	7,141
Furniture and Equipment	362,200	(145,308)	216,892
Information and Communication	49,728	(37,565)	12,163
Leased Assets	40,705	(14,416)	26,289
Library Resources	33,528	(21,978)	11,550
<b>Balance at 31 December 2018</b>	<b>558,279</b>	<b>(246,263)</b>	<b>312,016</b>



2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	41,721	-	-	-	(1,870)	39,851
Building Improvements	7,728	-	-	-	(293)	7,434
Furniture and Equipment	148,044	34,618	-	-	(19,552)	163,110
Information and Communication Techni	12,734	4,325	(633)	-	(6,249)	10,177
Leased Assets	6,806	12,638	-	-	(4,015)	15,430
Library Resources	8,981	2,686	-	-	(1,397)	10,271
<b>Balance at 31 December 2017</b>	<b>226,014</b>	<b>54,267</b>	<b>(633)</b>	<b>-</b>	<b>(33,376)</b>	<b>246,273</b>

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	62,336	(22,485)	39,851
Building Improvements	9,782	(2,348)	7,434
Furniture and Equipment	292,951	(129,841)	163,110
Information and Communication	59,860	(49,683)	10,177
Leased Assets	20,772	(5,342)	15,430
Library Resources	30,451	(20,180)	10,271
<b>Balance at 31 December 2017</b>	<b>476,152</b>	<b>(229,879)</b>	<b>246,273</b>





### 13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	14,330	32,249	224,113
Accruals	3,500	3,565	3,200
Capital accruals for PPE items	9,691	-	23,503
Employee Entitlements - salaries	74,677	56,641	65,672
Employee Entitlements - leave accrual	10,598	6,349	7,385
	<u>112,796</u>	<u>98,804</u>	<u>323,873</u>
Payables for Exchange Transactions	112,796	98,804	323,873
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>112,796</u>	<u>98,804</u>	<u>323,873</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Income in Advance	5,354	-	3,503
	<u>5,354</u>	<u>-</u>	<u>3,503</u>

### 15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	18,232	15,252	14,171
Increase to the Provision During the Year	3,876	4,309	4,061
Provision at the End of the Year	<u>22,108</u>	<u>19,561</u>	<u>18,232</u>
Cyclical Maintenance - Current	4,532	1,490	2,980
Cyclical Maintenance - Term	17,576	18,071	15,252
	<u>22,108</u>	<u>19,561</u>	<u>18,232</u>



**16. Painting Contract Liability**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	2,457	2,457	4,195
Non Current Liability	-	-	718
	<u>2,457</u>	<u>2,457</u>	<u>4,913</u>

In 2006 the Board signed an agreement with Programmed Maintenance Ltd (the contractor) for an agreed programme of work covering a 14 year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2006, with regular maintenance in subsequent years. The agreement has an annual commitment of \$4,195. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

**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:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	11,494	6,762	6,956
Later than One Year and no Later than Five Years	13,463	1,473	9,011
	<u>24,957</u>	<u>8,235</u>	<u>15,967</u>

### 18. Funds Owed (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:

2018		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
New Classrooms Project # 5714	<i>in progress</i>	(203,823)	-	244,607	-	40,784
A Block Classroom Upgrade - 5794	<i>in progress</i>	7,979	72,126	75,602	-	11,455
Te Kakano Refurbished Toilet	<i>in progress</i>	-	25,347	21,741	-	(3,606)
<b>Totals</b>		<b>(195,844)</b>	<b>97,473</b>	<b>341,950</b>	<b>-</b>	<b>48,633</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	(3,606)
Funds Due from the Ministry of Education	52,239
	<b>48,633</b>

2017		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
New Classrooms Project # 5714	<i>in progress</i>	500	696,340	492,017	-	(203,823)
A Block Classroom Upgrade - 5794	<i>in progress</i>	-	-	7,979	-	7,979
<b>Totals</b>		<b>500</b>	<b>696,340</b>	<b>499,996</b>	<b>-</b>	<b>(195,844)</b>

### 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.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,685	2,910
Full-time equivalent members	0.07	0.04
<i>Leadership Team</i>		
Remuneration	223,079	331,749
Full-time equivalent members	2.00	3.00
Total key management personnel remuneration	226,764	334,659
Total full-time equivalent personnel	2.07	3.04

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	0.00	0.00
	0.00	0.00

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

## 21. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	\$6,000
Number of People	-	1



## 22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

## 23. Commitments

### (a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

#### (a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	3,187
Later than One Year and No Later than Five Years	-	5,000
Later than Five Years	-	-
	-	8,187

(b) The School has entered into an agreement with Programmed Maintenance Services Ltd for painting of the School's buildings.  
The amount committed on the contract is:

	2018 Actual \$	2017 Actual \$
No later than One Year	-	1,738
Later than One Year and No Later than Five Years	-	1,738
Later than Five Years	-	-
	-	3,476



#### 24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

#### 25. Financial Instruments

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

##### Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	66,283	33,464	528,640
Receivables	80,476	88,968	65,722
Investments - Term Deposits	-	80,000	-
Total Loans and Receivables	<u>146,759</u>	<u>202,432</u>	<u>594,362</u>

##### Financial liabilities measured at amortised cost

Payables	112,796	98,804	323,873
Borrowings - Loans	-	-	-
Finance Leases	24,956	8,235	15,967
Painting Contract Liability	2,457	2,457	4,913
Total Financial Liabilities Measured at Amortised Cost	<u>140,209</u>	<u>109,496</u>	<u>344,753</u>

#### 26. Events After Balance Date

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

#### 27. Comparatives

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





## **Whatawhata School**

For the year 31 December 2018

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2018, the school received total Kiwisport funding of **\$3,608.61** (excluding GST). The funding was spent on sporting endeavours.