

- 6 JUN 2019



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number: 1520

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Ofa Katoa	Chairperson	Elected May 2016	May 2019
Iosua Esera	Principal	Ex officio	
Taniela Fangai'uiha	Parent Representative	Elected May 2016	May 2019
Deepanjali Raj	Parent Representative	Elected May 2016	May 2019
Epenesa Sooula	Parent Representative	Elected May 2016	May 2019
Ioelu Tautaiolefua	Parent Representative	Elected May 2016	May 2019
Naomi TeWhare	Parent Representative	Elected Sep 2017	May 2019
Tania Lakokiperitania	Staff Representative	Elected May 2016	May 2019

School Address: 89 Vine Street
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SUTTON PARK PRIMARY SCHOOL

Financial Statements - For the year ended 31 December 2018

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Sutton Park Primary 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.

Ms OFA KATWA
Full Name of Board Chairperson

Mr JOSUA ESERA
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

31 May 2019
Date:

31 May 2019
Date:

Sutton Park Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,362,588	4,249,175	4,297,062
Locally Raised Funds	3	218,829	105,212	170,075
Interest Earned		13,429	10,000	12,030
International Students	4	5,078	1,000	1,538
		<u>4,599,925</u>	<u>4,365,387</u>	<u>4,480,705</u>
Expenses				
Locally Raised Funds	3	161,447	52,500	82,976
International Students	4	263	1,000	-
Learning Resources	5	3,138,443	2,964,741	3,079,319
Administration	6	238,533	232,540	211,876
Finance Costs		6,585	8,309	6,623
Property	7	944,480	964,450	973,691
Depreciation	8	164,192	151,643	149,280
Loss on Disposal of Property, Plant and Equipment		-	-	12,905
		<u>4,653,944</u>	<u>4,375,183</u>	<u>4,516,670</u>
Net Surplus / (Deficit)		(54,019)	(9,796)	(35,965)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(54,019)</u>	<u>(9,796)</u>	<u>(35,965)</u>

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

Sutton Park Primary School Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	815,993	815,993	851,958
Total comprehensive revenue and expense for the year	(54,019)	(9,795)	(35,965)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	36,282	-	-
Equity at 31 December	<u>798,256</u>	<u>806,197</u>	<u>815,993</u>
Retained Earnings	798,256	806,197	815,993
Reserves	-	-	-
Equity at 31 December	<u>798,256</u>	<u>806,197</u>	<u>815,993</u>

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

Sutton Park Primary School Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	249,817	134,134	(68,530)
Accounts Receivable	10	160,550	150,542	181,041
GST Receivable		18,873	19,614	19,614
Prepayments		11,177	14,548	14,548
Inventories	11	538	-	-
Investments	12	285,061	250,000	400,000
Funds due for Capital Works Projects	19	138,775	-	2,906
		<u>864,792</u>	<u>568,838</u>	<u>549,579</u>
Current Liabilities				
Accounts Payable	14	318,564	234,266	234,266
Painting Contract Liability - Current Portion	16	-	17,533	26,630
Finance Lease Liability - Current Portion	17	39,243	37,942	39,258
Grants in Advance	18	-	-	20,000
Funds held for Capital Works Projects	19	243,953	-	14,950
		<u>601,759</u>	<u>289,741</u>	<u>335,104</u>
Working Capital Surplus/(Deficit)		263,033	279,097	214,475
Non-current Assets				
Property, Plant and Equipment	13	757,007	751,191	834,073
		<u>757,007</u>	<u>751,191</u>	<u>834,073</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	204,618	204,616	183,565
Painting Contract Liability	16	-	4,175	13,208
Finance Lease Liability	17	17,166	15,300	35,782
		<u>221,784</u>	<u>224,091</u>	<u>232,555</u>
Net Assets		<u>798,256</u>	<u>806,197</u>	<u>815,993</u>
Equity		<u>798,256</u>	<u>806,197</u>	<u>815,993</u>

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

Sutton Park Primary School Statement of Cash Flows

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		1,329,189	1,315,122	1,310,114
Locally Raised Funds		232,348	105,212	157,833
International Students		5,078	1,000	
Goods and Services Tax (net)		741	5,272	5,272
Payments to Employees		(736,103)	(662,626)	(728,134)
Payments to Suppliers		(585,771)	(591,112)	(623,508)
Interest Paid		(6,585)	(8,309)	(6,623)
Interest Received		17,267	5,439	8,918
Net cash from / (to) the Operating Activities		256,164	169,999	123,872
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(63,484)	(88,211)	(111,356)
Purchase of Investments		114,938	(64,825)	(214,825)
Net cash from / (to) the Investing Activities		51,453	(153,036)	(326,181)
Cash flows from Financing Activities				
Furniture and Equipment Grant		36,282	-	-
Finance Lease Payments		(42,272)	(20,390)	(34,233)
Painting contract payments		-	(18,132)	(22,306)
Funds Administered on Behalf of Third Parties		(20,000)	-	66,072
Funds Held for Capital Works Projects		36,720	-	-
Net cash from Financing Activities		10,730	(38,522)	9,533
Net increase/(decrease) in cash and cash equivalents		318,347	(21,559)	(192,776)
Cash and cash equivalents at the beginning of the year	9	(68,530)	155,693	124,246
Cash and cash equivalents at the end of the year	9	249,817	134,134	(68,530)

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 omitted.

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

Sutton Park Primary School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Sutton Park Primary 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 13.

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.

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 \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

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:

Building improvements – Crown	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 - 4 years
Library resources	12.5% Diminishing value

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.

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

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the 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 Assets and Liabilities

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

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

r) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2 Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	1,147,584	1,135,223	1,157,021
Teachers' salaries grants	2,306,518	2,234,289	2,260,523
Use of Land and Buildings grants	723,004	699,764	699,764
Other MoE Grants	185,482	179,899	179,754
	<u>4,362,588</u>	<u>4,249,175</u>	<u>4,297,062</u>

3 Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	40,074	70,000	71,882
Fundraising	89,781	10,500	71,318
Trading	19,157	18,712	19,073
Activities	69,817	6,000	7,802
	<u>218,829</u>	<u>105,212</u>	<u>170,075</u>
Expenses			
Activities	133,045	51,500	54,487
Trading	4,597	1,000	2,006
Fundraising (costs of raising funds)	23,805	-	26,483
	<u>161,447</u>	<u>52,500</u>	<u>82,976</u>
<i>Surplus for the year Locally raised funds</i>	<u>57,383</u>	<u>52,712</u>	<u>87,099</u>

During the year ended 31 December 2018 there were the following overseas trips organised by Sutton Park School:

China Trip – A group of 30 consisting of 25 students, 3 teachers and 2 parents (including a Board Parent Representative) visited their sister school in China. The trip was funded by funds raised by students and family (\$42,500), use of Crown funding (\$15,285).

Samoa Trip – A group of 7 students, 3 teachers and 1 parent travelled to Samoa to learn about the Samoan culture, how to live as a Samoan and how to integrate with Samoans. Students spent a day at Samoa Primary and St Joseph School in Samoa. The income generated for this trip was (\$18,594) and the expense incurred was (\$16,145).

4 International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	0	0	0
Revenue			
International student fees	5,078	1,000	1,538
Expenses			
International student levy	263	1,000	-
	<u>263</u>	<u>1,000</u>	<u>-</u>
<i>Surplus for the year International Students</i>	<u>4,815</u>	<u>-</u>	<u>1,538</u>

5 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	191,308	191,502	198,161
Equipment repairs	1,508	2,500	2,656
Information and communication technology	6,068	2,026	8,696
Library resources	800	1,300	852
Employee benefits - salaries	2,913,926	2,731,413	2,843,721
Staff development	24,833	36,000	25,233
	<u>3,138,443</u>	<u>2,964,741</u>	<u>3,079,319</u>

During the year ended 31 December 2018 there were the following overseas trips organised by Sutton Park School:

Tonga Trip – This was part of a relief effort given the aftermath of cyclone Gita where the school had delivered one aid container to Kuini Salote College in Tonga. Included in professional development costs were the travel costs of \$2,784 for 3 teachers who travelled to Tonga to gift the aid container in person, funded by the Board.

6 Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	6,500	6,500	6,160
Board of Trustees Fees	6,771	8,000	6,050
Board of Trustees Expenses	16,309	14,900	14,718
Communication	8,836	11,100	9,505
Consumables	20,871	23,000	21,234
Operating Lease	5,520	5,520	5,520
Other	23,653	22,050	27,840
Employee Benefits - Salaries	128,204	119,396	98,661
Insurance	7,796	8,000	8,500
Service Providers, Contractors and Consultancy	14,074	14,074	13,688
	<u>238,533</u>	<u>232,540</u>	<u>211,876</u>

7 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	24,255	25,000	28,735
Consultancy and Contract Services	58,412	58,000	69,769
Cyclical Maintenance Provision	(3,211)	29,551	33,386
Grounds	6,489	10,800	4,894
Heat, Light and Water	42,046	35,000	36,817
Repairs and Maintenance	48,055	57,887	51,100
Use of Land and Buildings - Non Integrated	723,004	699,764	699,764
Employee Benefits - Salaries	45,430	48,448	49,226
	<u>944,480</u>	<u>964,450</u>	<u>973,691</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Building Improvements - Crown	45,148	45,861	45,146
Furniture and Equipment	52,378	50,452	49,666
Information and Communication Technology	22,567	17,975	17,695
Leased Assets	41,621	34,505	33,967
Library Resources	2,479	2,850	2,806
	<u>164,192</u>	<u>151,643</u>	<u>149,280</u>

9 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	74	-	-
Bank Current Account	249,744	134,134	-
Bank Overdraft	-	-	(68,530)
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>249,817</u>	<u>134,134</u>	<u>(68,530)</u>

Of the \$249,817 Cash and Cash Equivalents, \$105,178 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.

10 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	630	-	40,441
Interest Receivable	3,674	5,287	3,838
Teacher Salaries Grant Receivable	156,246	145,255	136,762
	<u>160,550</u>	<u>150,542</u>	<u>181,041</u>
Receivables from Exchange Transactions	4,304	5,287	17,618
Receivables from Non-Exchange Transactions	156,246	145,255	163,423
	<u>160,550</u>	<u>150,542</u>	<u>181,041</u>

11 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	538	-	-
	<u>538</u>	<u>-</u>	<u>-</u>

12 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	285,061	250,000	400,000

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	356,908	-	-	-	(45,148)	311,760
Furniture and Equipment	310,478	35,746	-	-	(52,378)	293,846
Information and Communication Technology	71,436	27,550	-	-	(22,567)	76,419
Leased Assets	75,611	23,641	-	-	(41,621)	57,632
Library Resources	19,640	190	-	-	(2,479)	17,351
Balance at 31 December 2018	834,073	87,127	-	-	(164,192)	757,007

Accumulated Depreciation 2018	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building Improvements	902,951	(591,191)	311,760
Furniture and Equipment	1,012,685	(718,839)	293,846
Information and Communication Technology	298,593	(222,174)	76,419
Leased Assets	137,629	(79,997)	57,632
Library Resources	62,755	(45,404)	17,351
Balance at 31 December 2018	2,414,613	(1,657,606)	757,007

The net carrying value of equipment held under a finance lease is **\$49,522**.

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	402,054	-	-	-	(45,146)	356,908
Furniture and Equipment	281,659	78,485	-	-	(49,666)	310,478
Information and Communication Technology	71,527	29,936	(12,332)	-	(17,695)	71,436
Leased Assets	45,652	63,926	-	-	(33,967)	75,611
Library Resources	20,084	2,935	(573)	-	(2,806)	19,640
Balance at 31 December 2017	820,976	175,282	(12,905)	-	(149,280)	834,073

Accumulated Depreciation 2017	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building Improvements	902,951	(546,043)	356,908
Furniture and Equipment	976,939	(666,461)	310,478
Information and Communication Technology	271,043	(199,607)	71,436
Leased Assets	113,987	(38,376)	75,611
Library Resources	62,565	(42,925)	19,640
Balance at 31 December 2017	2,327,485	(1,493,412)	834,073

The net carrying value of equipment held under a finance lease is **\$75,611**.

14 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	105,523	81,587	75,327
Accruals	6,600	-	6,260
Banking staffing overuse	33,000	-	-
Employee Entitlements - salaries	166,246	145,255	145,255
Employee Entitlements - leave accrual	7,195	7,424	7,424
	<u>318,564</u>	<u>234,266</u>	<u>234,266</u>
Payables for Exchange Transactions	318,564	234,266	234,266
	<u>318,564</u>	<u>234,266</u>	<u>234,266</u>

The carrying value of payables approximates their fair value.

15 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	183,565	183,565	162,515
Increase to the Provision During the Year	21,051	21,051	21,051
Adjustment to the Provision	2	-	(1)
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>204,618</u>	<u>204,616</u>	<u>183,565</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	204,618	204,616	183,565
	<u>204,618</u>	<u>204,616</u>	<u>183,565</u>

16 Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	-	17,533	26,630
Non Current Liability	-	4,175	13,208
	<u>-</u>	<u>21,708</u>	<u>39,838</u>

In 2018 the Board cancelled its contract with Programmed Property Services Ltd. As a result, the provisions for future-year painting have been removed from the accounts.

(2017: In 2006 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2006, with regular maintenance in subsequent years. The agreement has an annual commitment of \$26,630. 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. Minimum lease payments payable:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	39,243	37,942	39,258
Later than One Year and no Later than Five Years	17,166	15,300	35,782
Later than Five Years	-	-	-
	<u>56,409</u>	<u>53,242</u>	<u>75,040</u>

18 Grants in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Grants received in advance	-	-	20,000
	<u>-</u>	<u>-</u>	<u>20,000</u>

19 Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Modernisation <i>in progress</i>		14,950	64,675	(91,641)	-	(12,016)
Roof Replacement <i>in progress</i>		(2,906)	-	(2,558)	-	(5,464)
Emergency Roof Replacement <i>in progress</i>		-	-	(8,820)	-	(8,820)
Temporary Accommodation <i>in progress</i>		-	-	(112,475)	-	(112,475)
Block 1 Modernisation <i>in progress</i>		-	247,109	(3,157)	-	243,953
Totals		<u>12,044</u>	<u>311,784</u>	<u>(218,651)</u>	<u>-</u>	<u>105,178</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	243,953
Funds Due from the Ministry of Education	<u>(138,775)</u>
	<u>105,178</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Modernisation <i>in progress</i>		(42,792)	85,717	(27,975)	-	14,950
Roof Replacement <i>in progress</i>		(1,236)	-	(1,670)	-	(2,906)
Totals		<u>(44,028)</u>	<u>85,717</u>	<u>(29,645)</u>	<u>-</u>	<u>12,044</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	14,950
Funds Due from the Ministry of Education	<u>(2,906)</u>
	<u>12,044</u>

20 Related Party Transactions

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

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

21 Remuneration

Key management personnel compensation

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

	2018	2017
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	6,771	6,050
Full-time equivalent members	0.08	0.08
<i>Leadership Team</i>		
Remuneration	346,868	330,237
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	353,639	336,287
Total full-time equivalent personnel	3.08	3.08

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2018	2017
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	0	0

Other Employees

One other employee received total remuneration over \$100,000.

Remuneration	2018	2017
\$000	FTE Number	FTE Number
100 - 110	1.00	0.00
	1.00	0.00

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

22 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	2017
	Actual	Actual
	\$10,000	\$0
Total	\$10,000	\$0
Number of People	1	0

23 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.

24 Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has no capital commitments.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

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

(a) 1 operating lease with Advaro Limited for a phone system.

	2018 Actual \$	2017 Actual \$
No later than One Year	5,520	8,086
Later than One Year and No Later than Five Years	2,760	5,520
Later than Five Years	-	2,760
	8,280	16,366

25 Managing Capital

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

26 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	249,817	134,134	(68,530)
Receivables	160,550	150,542	181,041
Investments - Term Deposits	285,061	250,000	400,000
Total Loans and Receivables	695,429	534,676	512,511

Financial liabilities measured at amortised cost

Payables	318,564	234,266	234,266
Finance Leases	56,409	53,242	75,040
Painting Contract Liability	-	21,708	39,838
Total Financial Liabilities Measured at Amortised Cost	374,973	309,216	349,144

27 Events After Balance Date

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

28 Breach of Law - Breach of Borrowings Limit

As at 31 December 2018, the Board have not breached the borrowings limit. (2017: The school has entered into overdraft agreements with their bank, which is considered borrowings under the accounting standards. The board of trustees are allowed to borrow funds to the extent that their repayments in any financial year do not exceed 10% of their operations grant. The repayments of borrowings in the current year amounted to 12% of the operations grant and therefore require ministerial approval. As the school has not obtained the appropriate ministerial approval, this represents a breach of Regulation 12 of the Crown Entities (Financial Powers) Regulations 2005.)



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Principal: Fa'atili Iosua Esera

Statement of Kiwi Sport Funding

Kiwisport is a Government funded initiative to support student participation in organised sport. In 2018 the school received total Kiwisport funding of \$7,457.79 (excluding GST). The funding was put towards the purchase of Sports Gear, Sport activities and transports the total cost of which was \$8,000.00

The number of students participating in organised sport at the end of the school year was 100% of the school roll.

Iosua Esera
Principal