



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 1520

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Ofa Katoa	Chairperson	Re-elected Jun 2019	May 2022
Iosua Esera	Principal	Ex officio	
Julia Belford	Parent Representative	Elected Jun 2019	
Taniela Fangai'uiha	Parent Representative	Re-elected Jun 2019	May 2022
Charlene Peters	Parent Representative	Elected Jun 2019	May 2022
Deepanjali Raj	Parent Representative	Re-elected Jun 2019	May 2022
Ioelu Tautaiolefua	Parent Representative	Re-elected Jun 2019	May 2022
Naomi TeWhare	Parent Representative	Re-elected Jun 2019	May 2022
Tania Lakokiperitania	Staff Representative	Re-elected Jun 2019	May 2022
<i>Epenesa Sooula</i>	<i>Parent Representative</i>	<i>Elected May 2016</i>	<i>May 2019</i>

School Address: 89 Vine Street
Mangere East, Auckland 2024
School Phone: (09) 276 4560
School Email: principal@suttonpark.school.nz



1d Lady Ruby Drive
East Tamaki, Auckland 2013
Ph: 09 265 0854

SUTTON PARK PRIMARY SCHOOL

Financial Statements - For the year ended 31 December 2019

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Sutton Park Primary School Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

MRS OYA H. KATOYA
Full Name of Board Chairperson

MR JOSUA F. ESERA
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

01/08/2020
Date:

7 August 2020
Date:

Sutton Park Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	4,575,677	4,377,645	4,362,588
Locally Raised Funds	3	205,682	166,100	218,829
Interest Earned		12,858	10,000	13,429
International Students	4	-	5,000	5,078
		<u>4,794,217</u>	<u>4,558,745</u>	<u>4,599,925</u>
Expenses				
Locally Raised Funds	3	137,447	59,500	161,447
International Students	4	530	4,500	263
Learning Resources	5	3,205,329	3,179,177	3,138,443
Administration	6	234,477	252,358	238,533
Finance Costs		3,175	5,844	6,585
Property	7	1,038,439	993,762	944,480
Depreciation	8	164,629	160,000	164,192
Loss on Disposal of Property, Plant and Equipment		17,351	-	-
		<u>4,801,376</u>	<u>4,655,142</u>	<u>4,653,944</u>
Net Surplus / (Deficit)		(7,159)	(96,397)	(54,019)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(7,159)</u>	<u>(96,397)</u>	<u>(54,019)</u>

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

Sutton Park Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	798,256	798,256	815,993
Total comprehensive revenue and expense for the year	(7,159)	(96,397)	(54,019)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	36,282
Equity at 31 December	791,098	701,859	798,256
Retained Earnings	791,098	701,859	798,256
Reserves	-	-	-
Equity at 31 December	791,098	701,859	798,256

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which forms part of these financial statements.

Sutton Park Primary School Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	9	114,134	46,538	249,817
Accounts Receivable	10	183,345	160,550	160,550
GST Receivable		23,124	18,873	18,873
Prepayments		9,182	11,177	11,177
Inventories	11	-	538	538
Investments	12	275,000	235,061	285,061
Funds due for Capital Works Projects	20	312,776	-	138,775
		<u>917,562</u>	<u>472,737</u>	<u>864,792</u>
Current Liabilities				
Accounts Payable	14	222,529	219,149	318,564
Revenue Received in Advance	15	1,287	-	-
Provision for Cyclical Maintenance	16	174,411	-	-
Finance Lease Liability - Current Portion	18	13,017	21,482	39,243
Grants in Advance	19	5,477	-	-
Funds held for Capital Works Projects	20	282,171	-	243,953
		<u>698,892</u>	<u>240,631</u>	<u>601,759</u>
Working Capital Surplus/(Deficit)		218,670	232,106	263,033
Non-current Assets				
Property, Plant and Equipment	13	630,181	717,343	757,007
		<u>630,181</u>	<u>717,343</u>	<u>757,007</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	51,257	225,669	204,618
Finance Lease Liability	18	6,497	21,921	17,166
		<u>57,754</u>	<u>247,590</u>	<u>221,784</u>
Net Assets		<u>791,098</u>	<u>701,859</u>	<u>798,256</u>
Equity		<u>791,098</u>	<u>701,859</u>	<u>798,256</u>

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

Sutton Park Primary School
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		1,336,493	1,348,123	1,329,189
Locally Raised Funds		205,651	165,470	232,348
International Students		-	5,000	5,078
Goods and Services Tax (net)		(4,251)	741	741
Payments to Employees		(699,827)	(794,190)	(736,103)
Payments to Suppliers		(759,487)	(667,807)	(585,771)
Interest Paid		(3,175)	(5,844)	(6,585)
Interest Received		12,161	11,613	17,267
Net cash from / (to) the Operating Activities		87,564	63,105	256,164
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(52,401)	(126,152)	(63,484)
Proceeds from Sale of Investments		10,061	14,939	114,938
Net cash from / (to) the Investing Activities		(42,340)	(111,213)	51,453
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	36,282
Finance Lease Payments		(39,649)	(9,839)	(42,272)
Painting contract payments		-	(21,708)	-
Funds Administered on Behalf of Third Parties		(5,477)	-	(20,000)
Funds Held for Capital Works Projects		(135,782)	-	36,720
Net cash from Financing Activities		(180,907)	(31,547)	10,730
Net increase/(decrease) in cash and cash equivalents		(135,683)	(79,655)	318,347
Cash and cash equivalents at the beginning of the year	9	249,817	126,193	(68,530)
Cash and cash equivalents at the end of the year	9	114,134	46,538	249,817

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 which form part of these financial statements.

Sutton Park Primary School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2019

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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 29.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives: Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

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. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

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) Revenue Received in Advance

Revenue received in advance relates to student payments for Camp, 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 Camp, should the School be unable to provide the services to which they relate.

p) 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.

q) 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).

r) 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, 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.

s) 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.

t) Budget Figures

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

u) Services received in-kind

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

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	1,179,366	1,175,123	1,147,584
Teachers' salaries grants	2,420,691	2,306,518	2,306,518
Use of Land and Buildings grants	785,494	723,004	723,004
Other MoE Grants	190,126	173,000	185,482
	<u>4,575,677</u>	<u>4,377,645</u>	<u>4,362,588</u>

3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	15,393	91,000	40,074
Fundraising	107,131	51,500	89,781
Trading	15,186	13,600	19,157
Activities	67,973	10,000	69,817
	<u>205,682</u>	<u>166,100</u>	<u>218,829</u>
Expenses			
Activities	119,907	54,500	133,045
Trading	3,587	2,000	4,597
Fundraising (costs of raising funds)	13,953	3,000	23,805
	<u>137,447</u>	<u>59,500</u>	<u>161,447</u>
<i>Surplus for the year Locally raised funds</i>	<u>68,235</u>	<u>106,600</u>	<u>57,383</u>

During the year ended 31 December 2019 there were the following overseas trips organised by Sutton Park Primary 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.

Tonga Trip: A group of 7 students, 3 teachers and 1 parent travelled to Tonga to learn about the Tongan culture, how to live as a Tongan and how to integrate with Tongans. These trips were funded by funds raised by students and family of \$71,574 and the expenses incurred was \$69,205.

During the year ended 31 December 2018 there were the following overseas trips organised by Sutton Park Primary 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) and 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

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	0	0	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International student fees	-	5,000	5,078
Expenses			
Other Expenses	530	4,500	263
	<u>530</u>	<u>4,500</u>	<u>263</u>
<i>Surplus for the year International Students</i>	<u>(530)</u>	<u>500</u>	<u>4,815</u>

5 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	219,289	223,242	191,308
Equipment repairs	1,562	2,500	1,508
Information and communication technology	-	-	6,068
Library resources	963	1,300	800
Employee benefits - salaries	2,937,691	2,916,135	2,913,926
Staff development	45,824	36,000	24,833
	<u>3,205,329</u>	<u>3,179,177</u>	<u>3,138,443</u>

During the year ended 31 December 2019 there were the following overseas trips organised by Sutton Park Primary School:

Tonga Trip: Included in professional development costs were the travel costs of \$4,155 for 5 teachers who travelled to Tonga to attend professional development training, funded by the Board.

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,140	6,800	6,500
Board of Trustees Fees	7,212	8,000	6,771
Board of Trustees Expenses	14,461	18,000	16,309
Communication	7,269	12,120	8,836
Consumables	19,336	19,000	20,871
Operating Lease	5,520	5,520	5,520
Other	22,784	23,550	23,653
Employee Benefits - Salaries	132,059	137,345	128,204
Insurance	5,672	8,000	7,796
Service Providers, Contractors and Consultancy	14,024	14,024	14,074
	<u>234,477</u>	<u>252,358</u>	<u>238,533</u>

7 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	24,355	25,000	24,255
Consultancy and Contract Services	58,765	58,000	58,412
Cyclical Maintenance Provision	21,050	34,151	(3,211)
Grounds	12,146	10,800	6,489
Heat, Light and Water	42,266	37,500	42,046
Repairs and Maintenance	46,944	58,307	48,055
Use of Land and Buildings - Non Integrated	785,494	723,004	723,004
Employee Benefits - Salaries	47,419	47,000	45,430
	<u>1,038,439</u>	<u>993,762</u>	<u>944,480</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	45,362	43,995	45,148
Furniture and Equipment	55,775	51,041	52,378
Information and Communication Technology	25,530	21,990	22,567
Leased Assets	37,963	40,558	41,621
Library Resources	-	2,415	2,479
	<u>164,629</u>	<u>160,000</u>	<u>164,192</u>

9 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	81	-	74
Bank Current Account	114,053	46,538	249,744
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>114,134</u>	<u>46,538</u>	<u>249,817</u>

Of the \$114,134 Cash and Cash Equivalents plus \$275,000 Short-term Bank Deposits, \$282,171 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

10 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	1,949	630	630
Interest Receivable	4,371	3,674	3,674
Teacher Salaries Grant Receivable	177,026	156,246	156,246
	<u>183,345</u>	<u>160,550</u>	<u>160,550</u>
Receivables from Exchange Transactions	6,319	4,304	4,304
Receivables from Non-Exchange Transactions	177,026	156,246	156,246
	<u>183,345</u>	<u>160,550</u>	<u>160,550</u>

11 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	-	538	538
	<u>-</u>	<u>538</u>	<u>538</u>

12 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	275,000	235,061	285,061

13 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	311,760	5,655	-	-	(45,362)	272,053
Furniture and Equipment	293,846	46,029	-	-	(55,775)	284,100
Information and Communication Technology	76,419	717	-	-	(25,530)	51,606
Leased Assets	57,632	2,754	-	-	(37,963)	22,423
Library Resources	17,351	-	(17,351)	-	-	-
Balance at 31 December 2019	757,007	55,154	(17,351)	-	(164,629)	630,181

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Accumulated Depreciation			
2019			
Building Improvements	908,606	(636,553)	272,053
Furniture and Equipment	1,058,714	(774,614)	284,100
Information and Communication Technology	299,309	(247,704)	51,606
Leased Assets	91,094	(68,671)	22,423
Library Resources	-	-	-
Balance at 31 December 2019	2,357,724	(1,727,542)	630,181

The net carrying value of equipment held under a finance lease is **\$51,606**.

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	356,907	-	-	-	(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	23,642	-	-	(41,621)	57,632
Library Resources	19,640	190	-	-	(2,479)	17,351
Balance at 31 December 2018	834,072	87,127	-	-	(164,192)	757,007

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Accumulated Depreciation			
2018			
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 **\$57,632**.

14 Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating creditors	25,208	55,708	105,523
Accruals	6,450	-	6,600
Banking staffing overuse	5,633	-	33,000
Employee Entitlements - salaries	177,026	156,246	166,246
Employee Entitlements - leave accrual	8,213	7,195	7,195
	<u>222,529</u>	<u>219,149</u>	<u>318,564</u>
Payables for Exchange Transactions	222,529	219,149	318,564
	<u>222,529</u>	<u>219,149</u>	<u>318,564</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Other	1,287	-	-
	<u>1,287</u>	<u>-</u>	<u>-</u>

16 Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	204,618	204,618	183,565
Increase to the Provision During the Year	21,051	21,051	21,051
Adjustment to the Provision	(1)	-	2
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>225,668</u>	<u>225,669</u>	<u>204,618</u>
Cyclical Maintenance - Current	174,411	-	-
Cyclical Maintenance - Term	51,257	225,669	204,618
	<u>225,668</u>	<u>225,669</u>	<u>204,618</u>

17 Painting Contract Liability

In 2018 the Board cancelled its contract with Programmed Property Services Ltd.

18 Finance Lease Liability

The School has entered into a number of finance lease agreements for computers. Minimum lease payments payable:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
No Later than One Year	13,017	21,482	39,243
Later than One Year and no Later than Five Years	6,497	21,921	17,166
	<u>19,513</u>	<u>43,403</u>	<u>56,409</u>

19 Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	5,477	-	-
	<u>5,477</u>	<u>-</u>	<u>-</u>

These funds are held in trust for the Teacher-Led Innovation Fund and for Homestay students.

20 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:

		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Block 1 Modernisation	<i>in progress</i>	243,953	39,947	(2,980)	1,252	282,171
Block 1 & 12 Roof/Drainage	<i>completed</i>	-	31,770	(62,325)	30,555	-
Emergency Roof Replacement	<i>completed</i>	(8,820)	-	-	8,820	-
ILE/Toilet Upgrade/Roof Replacement	<i>completed</i>	-	55,412	(10,741)	(44,671)	-
Modernisation	<i>in progress</i>	(12,016)	16,412	(2,976)	(1,420)	-
Roof Replacement	<i>in progress</i>	(5,464)	-	-	5,464	-
Temporary Accommodation	<i>in progress</i>	(112,475)	-	(200,301)	-	(312,776)
Totals		<u>105,178</u>	<u>143,541</u>	<u>(279,323)</u>	<u>(0)</u>	<u>(30,604)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	282,171
Funds Due from the Ministry of Education	<u>(312,776)</u>
	<u>(30,604)</u>

		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Block 1 Modernisation	<i>in progress</i>	-	247,110	(3,157)	-	243,953
Emergency Roof Replacement	<i>in progress</i>	-	-	(8,820)	-	(8,820)
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)
Temporary Accommodation	<i>in progress</i>	-	-	(112,475)	-	(112,475)
Totals		<u>12,044</u>	<u>311,785</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>

21 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.

22 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	7,212	6,771
Full-time equivalent members	0.08	0.08
<i>Leadership Team</i>		
Remuneration	356,456	346,868
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>363,668</u>	<u>353,639</u>
Total full-time equivalent personnel	<u>3.08</u>	<u>3.08</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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	140 - 150
Benefits and Other Emoluments	1 - 5	1 - 5
Termination Benefits	0	0

Other Employees

Three other employees received total remuneration over \$100,000 in 2019.

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	3.00	1.00
	<u>3.00</u>	<u>1.00</u>

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

23 Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$	2018 Actual \$
Total	\$0	\$10,000
Number of People	0	1

24 Contingencies

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

(Contingent liabilities and assets at 31 December 2018 - as below:)

Holidays Act Compliance - schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

To the extent that any obligation cannot reasonably be quantified at 31 December 2019 and 31 December 2018, a contingent liability for the school may exist.

25 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into the following capital commitments:

- (a) Contract for Block 1 Modernisation to be completed in 2020, which will be fully funded by the Ministry of Education. \$541,042 has been received of which \$258,870 has been spent on the project to date; and
- (a) Contract for Temporary Accommodation to be completed in 2020, which will be fully funded by the Ministry of Education. \$0 has been received and \$312,776 has been spent on the project to date.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contract:

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

	2019 Actual \$	2018 Actual \$
No later than One Year	2,760	5,520
Later than One Year and No Later than Five Years	-	2,760
Later than Five Years	-	-
	2,760	8,280

26 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.

27 Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash and Cash Equivalents	114,134	46,538	249,817
Receivables	183,345	160,550	160,550
Investments - Term Deposits	275,000	235,061	285,061
Total Financial assets measured at amortised cost	<u>572,480</u>	<u>442,149</u>	<u>695,429</u>

Financial liabilities measured at amortised cost

Payables	222,529	219,149	318,564
Finance Leases	19,513	43,403	56,409
Total Financial Liabilities Measured at Amortised Cost	<u>242,043</u>	<u>262,552</u>	<u>374,973</u>

28 Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

29 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

30 Failure to comply with section 87 of the Education Act 1989

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.