

MATIPO SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	1365
Principal:	Paul Wright
School Address:	63B Matipo Road, Te Atatu Peninsula, Waitakere 0610.
School Postal Address:	63B Matipo Road, Te Atatu Peninsula, Waitakere 0610.
School Phone:	09 834 6909
School Email:	shelley@staff.matipo.school.nz
Members of the Board of Trustees	Commissioner: Dennis Finn
Accountant / Service Provider:	Top Class Financial Management Services. Avril Denton

MATIPO SCHOOL

Annual Report - For the year ended 31 December 2018

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Matipo 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.

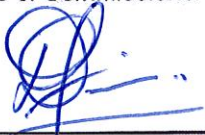
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

DENNIS GRAHAM FINN

Full Name of Commissioner



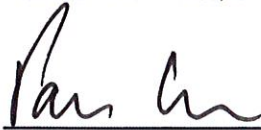
Signature of Commissioner

28-3-19

Date:

PAUL JOSEPH WRIGHT

Full Name of Principal



Signature of Principal

28-3-19.

Date:

Matipo School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	4,536,717	4,365,329	4,369,268
Locally Raised Funds	3	228,231	95,400	139,414
Interest Earned		16,740	12,000	13,945
International Students	4	48,737	26,500	24,688
		<u>4,830,425</u>	<u>4,499,229</u>	<u>4,547,315</u>
Expenses				
Locally Raised Funds	3	152,089	47,400	76,642
International Students	4	11,193	2,500	485
Learning Resources	5	2,764,205	2,776,710	2,733,057
Administration	6	224,143	185,057	207,854
Finance Costs		5,243	4,500	3,262
Property	7	1,444,945	1,350,500	1,478,059
Depreciation	8	106,439	79,000	86,165
Loss on Disposal of Property, Plant and Equipment		9,916	-	49,405
		<u>4,718,173</u>	<u>4,445,667</u>	<u>4,634,929</u>
Net Surplus / (Deficit)		112,252	53,562	(87,614)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>112,252</u>	<u>53,562</u>	<u>(87,614)</u>

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

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

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>954,040</u>	<u>941,872</u>	<u>1,041,654</u>
Total comprehensive revenue and expense for the year	112,252	53,562	(87,614)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	13,093	-	-
Equity at 31 December	<u>1,079,385</u>	<u>995,434</u>	<u>954,040</u>
Retained Earnings	1,079,385	995,434	954,040
Reserves	-	-	-
Equity at 31 December	<u>1,079,385</u>	<u>995,434</u>	<u>954,040</u>

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

Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	193,800	250,587	152,081
Accounts Receivable	10	190,092	64,321	142,597
GST Receivable		21,942	8,495	8,495
Prepayments		8,593	4,266	4,268
Inventories	11	-	1,143	1,142
Investments	12	366,179	368,432	358,432
		<hr/>	<hr/>	<hr/>
		780,606	697,244	667,015
Current Liabilities				
Accounts Payable	14	212,728	95,862	208,834
Revenue Received in Advance	15	-	5,215	5,215
Provision for Cyclical Maintenance	16	28,389	40,340	31,360
Finance Lease Liability - Current Portion	17	24,322	25,000	15,110
Funds held for Capital Works Projects	18	6,316	4,680	4,680
		<hr/>	<hr/>	<hr/>
		271,755	171,097	265,199
Working Capital Surplus/(Deficit)		508,851	526,147	401,816
Non-current Assets				
Property, Plant and Equipment	13	804,086	707,092	748,308
		<hr/>	<hr/>	<hr/>
		804,086	707,092	748,308
Non-current Liabilities				
Provision for Cyclical Maintenance	16	205,207	209,405	158,709
Finance Lease Liability	17	28,345	28,400	37,375
		<hr/>	<hr/>	<hr/>
		233,552	237,805	196,084
Net Assets		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		1,079,385	995,434	954,040
Equity		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		1,079,385	995,434	954,040

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

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

		2018	2018	2017
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		848,312	815,329	850,549
Locally Raised Funds		228,231	95,400	132,457
International Students		43,522	26,500	29,903
Goods and Services Tax (net)		(13,447)	-	9,592
Payments to Employees		(323,377)	(324,610)	(385,087)
Payments to Suppliers		(588,641)	(475,557)	(400,056)
Interest Paid		(5,243)	(4,500)	(3,262)
Interest Received		17,329	12,000	15,034
Net cash from / (to) the Operating Activities		206,686	144,562	249,130
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		10,296	(1,191)	(28,792)
Purchase of PPE (and Intangibles)		(164,486)	(35,783)	(41,828)
Purchase of Investments		(7,747)	(10,000)	(58,432)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(161,937)	(46,974)	(129,052)
Cash flows from Financing Activities				
Furniture and Equipment Grant		13,093	-	-
Finance Lease Payments		(17,761)	915	(10,313)
Funds Administered on Behalf of Third Parties		1,636	-	4,680
Net cash from Financing Activities		(3,032)	915	(5,633)
Net increase/(decrease) in cash and cash equivalents		41,717	98,503	114,445
Cash and cash equivalents at the beginning of the year	9	152,081	152,079	37,634
Cash and cash equivalents at the end of the year	9	193,798	250,582	152,079

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.

Matipo School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Matipo 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 16.

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.

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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of 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:

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

l) 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.

m) 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.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from other sources 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.

o) 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).

p) 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.

q) 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.

r) Budget Figures

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

s) 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	786,683	760,229	745,960
Teachers' salaries grants	2,476,037	2,400,000	2,418,143
Use of Land and Buildings grants	1,185,436	1,150,000	1,145,736
Other MoE Grants	88,561	55,100	59,429
	4,536,717	4,365,329	4,369,268

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	22,239	23,100	26,545
Fundraising	28,774	23,500	17,535
Trading	-	100	10,968
Activities	177,218	48,700	84,366
	228,231	95,400	139,414
Expenses			
Activities	138,464	43,700	54,875
Trading	1,143	100	9,856
Fundraising (costs of raising funds)	12,482	3,600	11,911
	152,089	47,400	76,642
<i>Surplus for the year Locally raised funds</i>	76,142	48,000	62,772

4. International Student Revenue and Expenses

	Actual Number	Budget (Unaudited) Number	Actual Number
International Student Roll		2	
	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
Revenue			
International student fees	48,737	26,500	24,688
Expenses			
International Student Levy	11,193	2,500	485
<i>Surplus/(Deficit) for the year International Students'</i>	37,544	24,000	24,203

5. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	62,796	89,100	36,857
Information and communication technology	23,496	24,100	17,812
Extra-curricular activities	6,560	10,160	8,164
Library resources	383	3,950	597
Employee benefits - salaries	2,636,078	2,583,400	2,658,172
Staff development	34,892	66,000	11,455
	<u>2,764,205</u>	<u>2,776,710</u>	<u>2,733,057</u>

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	11,313	5,250	23,997
Board of Trustees Fees	2,635	4,500	4,070
Board of Trustees Expenses	24,446	3,200	7,816
Communication	3,976	5,300	4,342
Consumables	6,919	15,000	15,601
Operating Lease	4,243	4,247	11,219
Other	27,085	36,050	19,035
Employee Benefits - Salaries	130,762	101,210	88,475
Insurance	7,864	4,600	7,653
Service Providers, Contractors and Consultancy	4,900	5,700	25,646
	<u>224,143</u>	<u>185,057</u>	<u>207,854</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	13,737	11,800	13,344
Consultancy and Contract Services	71,046	80,100	60,166
Cyclical Maintenance Provision	43,527	12,000	131,643
Grounds	28,359	16,000	6,839
Heat, Light and Water	34,782	32,000	29,843
Rates	87	100	88
Repairs and Maintenance	22,649	5,500	32,766
Use of Land and Buildings	1,185,436	1,150,000	1,145,736
Security	7,480	3,000	3,546
Employee Benefits - Salaries	37,842	40,000	54,088
	<u>1,444,945</u>	<u>1,350,500</u>	<u>1,478,059</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	18,632	13,829	18,695
Furniture and Equipment	32,108	23,831	24,223
Information and Communication Technology	34,267	25,433	23,729
Motor Vehicles	1,604	1,191	2,169
Leased Assets	18,882	14,014	15,787
Library Resources	946	702	1,562
	<u>106,439</u>	<u>79,000</u>	<u>86,165</u>

9. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	100	100	100
Bank Current Account	193,645	250,487	151,926
Bank Call Account	55	-	55
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>193,800</u>	<u>250,587</u>	<u>152,081</u>

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

Of the \$193,800 Cash and Cash Equivalents, \$6,316 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 from the Ministry of Education	28,628	1,696	1,696
Interest Receivable	534	1,123	1,123
Teacher Salaries Grant Receivable	160,930	61,502	139,778
	<u>190,092</u>	<u>64,321</u>	<u>142,597</u>
Receivables from Exchange Transactions	534	1,123	1,123
Receivables from Non-Exchange Transactions	189,558	63,198	141,474
	<u>190,092</u>	<u>64,321</u>	<u>142,597</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	-	1,143	1,142
	<u>-</u>	<u>1,143</u>	<u>1,142</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	366,179	368,432	358,432

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	416,898	5,784	-	-	(18,632)	404,050
Furniture and Equipment	202,542	51,398	(3,727)	-	(32,108)	218,105
Information and Communication Technology	55,738	102,482	(6,253)	-	(34,267)	117,700
Motor Vehicles	15,092	-	(2,036)	-	(1,604)	11,452
Leased Assets	47,097	17,943	-	-	(18,882)	46,158
Library Resources	10,941	1,251	(4,625)	-	(946)	6,621
Balance at 31 December 2018	748,308	178,858	(16,641)	-	(106,439)	804,086

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	759,615	(355,565)	404,050
Furniture and Equipment	620,029	(401,923)	218,106
Information and Communication Technology	492,336	(374,636)	117,700
Motor Vehicles	21,850	(10,398)	11,452
Leased Assets	82,763	(36,606)	46,157
Library Resources	54,658	(48,037)	6,621
Balance at 31 December 2018	2,031,251	(1,227,165)	804,086

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	433,986	1,607	-	-	(18,695)	416,898
Furniture and Equipment	164,373	62,633	(241)	-	(24,223)	202,542
Information and Communication Technology	123,445	4,802	(48,780)	-	(23,729)	55,738
Motor Vehicles	17,645	-	(384)	-	(2,169)	15,092
Leased Assets	16,660	46,224	-	-	(15,787)	47,097
Library Resources	10,927	2,074	(498)	-	(1,562)	10,941
Balance at 31 December 2017	767,036	117,340	(49,903)	-	(86,165)	748,308

The net carrying value of equipment held under a finance lease is \$ (2017: \$49,491).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	753,831	(336,933)	416,898
Furniture and Equipment	575,622	(373,079)	202,543
Information and Communication Technology	400,276	(344,538)	55,738
Motor Vehicles	24,676	(9,584)	15,092
Leased Assets	64,820	(17,724)	47,096
Library Resources	92,512	(81,571)	10,941
Balance at 31 December 2017	1,911,737	(1,163,429)	748,308

14. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	7,048	14,455	30,675
Accruals	30,436	10,859	29,335
Employee Entitlements - salaries	169,372	66,948	145,224
Employee Entitlements - leave accrual	5,872	3,600	3,600
	<u>212,728</u>	<u>95,862</u>	<u>208,834</u>
Payables for Exchange Transactions	212,728	95,862	208,834
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)		-	-
	<u>212,728</u>	<u>95,862</u>	<u>208,834</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	-	5,215	5,215
	<u>-</u>	<u>5,215</u>	<u>5,215</u>

16. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	190,069	190,069	61,826
Increase to the Provision During the Year	43,527	59,676	131,643
Use of the Provision During the Year	-	-	(3,400)
Provision at the End of the Year	<u>233,596</u>	<u>249,745</u>	<u>190,069</u>
Cyclical Maintenance - Current	28,389	40,340	31,360
Cyclical Maintenance - Term	205,207	209,405	158,709
	<u>233,596</u>	<u>249,745</u>	<u>190,069</u>

17. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	23,821	25,000	15,110
Later than One Year and no Later than Five Years	35,428	28,400	37,375
Later than Five Years	-	-	-
	<u>59,249</u>	<u>53,400</u>	<u>52,485</u>

18. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Repairs to Tiger Turf	<i>in progress</i>	4,680	-	-	-	4,680
Upgrade of Security	<i>in progress</i>	-	69,927	(68,291)	-	1,636
Totals		4,680	69,927	(68,291)	-	6,316

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

6,316

-

6,316

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Modern Learning Environment	<i>completed</i>	-	51,061	(51,061)	-	-
Repairs to Tiger Turf	<i>in progress</i>	-	10,680	(6,000)	-	(4,680)
Totals		-	61,741	(57,061)	-	(4,680)

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.

(2017: Kris Bainbridge, who is contracted to the Board to do IT support work, is the son of Retired Principal, Wayne Bainbridge. The cost of this contract for the year was \$48,393. Cara Baibrige, who was employed as an office manager, is the daughter of the retired Principal, Wayne Bainbridge. Wages paid to Cara for the year amounted to \$51,307).

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	2,635	4,125
Full-time equivalent members	-	0.05
<i>Leadership Team</i>		
Remuneration	551,489	146,682
Full-time equivalent members	7.00	2.00
Total key management personnel remuneration	554,124	150,807
Total full-time equivalent personnel	7.00	2.05

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	150 - 160	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
110 - 120	0.00	0.00
100 - 110	-	-
	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 \$0	2017 Actual \$0
Total Number of People	-	-

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.

(b) Operating Commitments

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

- (a) operating lease of a photocopier; and
- (b) operating lease of laptops.

	2018 Actual \$	2017 Actual \$
No later than One Year	1,888	4,243
Later than One Year and No Later than Five Years	-	1,888
Later than Five Years	-	-
	1,888	6,131

23. Managing Capital

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

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	193,800	250,587	152,081
Receivables	190,092	64,321	142,597
Investments - Term Deposits	#REF!	#REF!	#REF!
Total Cash and Receivables	#REF!	#REF!	#REF!

Financial liabilities measured at amortised cost

Payables	212,728	95,862	208,834
Finance Leases	52,667	53,400	52,485
Total Financial Liabilities Measured at Amortised Cost	265,395	149,262	261,319

25. Events After Balance Date

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

26. Comparatives

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

Kiwi Sport Report

During the year Matipo Primary School received \$8,233 funding from the Ministry of Education.

This money was used for mini busses to transport children to various sporting events, which benefited the whole school.