

HOROTIU SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1746

Principal: Leo Spaans

School Address:

School Postal Address:

School Phone: 07 829 9892

School Email: office@horotiu.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
David Kimber	Chairperson	Elected	June 2019
Leo Spaans	Principal	ex Officio	
Fraser Marcroft	Parent Rep	Elected	June 2019
Dwayne King	Parent Rep	Elected	June 2019
Charlotte Manning	Parent Rep	Elected	June 2019
Heather Vincent	Parent Rep	Elected	June 2019
Kim Crook	Staff Rep	Elected	June 2019

Accountant / Service Provider: Education Services Ltd

HOROTIU SCHOOL

Annual Report - For the year ended 31 December 2018

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 19	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Horotiu 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.

David Kimber

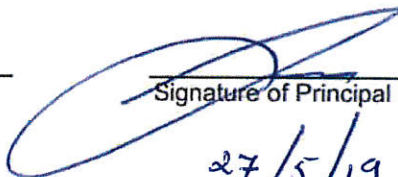
Full Name of Board Chairperson

LEO SPAAN

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

27/5/19

Date:

27/5/19

Date:

Horotiu School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	1,551,184	1,453,754	1,698,083
Locally Raised Funds	3	192,484	107,600	182,860
Interest Earned		344	500	375
Gain on Sale of Property, Plant and Equipment		-	-	1,972
		<u>1,744,012</u>	<u>1,561,854</u>	<u>1,883,290</u>
Expenses				
Locally Raised Funds	3	114,148	92,600	106,015
Learning Resources	4	1,016,324	1,001,600	1,107,926
Administration	5	85,868	102,560	85,170
Finance Costs		1,445	453	1,354
Property	6	352,761	335,409	336,455
Depreciation	7	41,947	35,000	42,483
Loss on Disposal of Property, Plant and Equipment		14,502	-	-
		<u>1,626,995</u>	<u>1,567,622</u>	<u>1,679,403</u>
Net Surplus / (Deficit)		117,017	(5,768)	203,887
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>117,017</u>	<u>(5,768)</u>	<u>203,887</u>

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



Horotiu 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	758,059	552,977	545,736
Total comprehensive revenue and expense for the year	117,017	(5,768)	203,887
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	3,645	-	-
SNUP MOE portion	-	-	8,436
Equity at 31 December	878,721	547,209	758,059
 Retained Earnings	 878,721	 547,209	 758,059
Equity at 31 December	878,721	547,209	758,059

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



Horotiu School
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	487,296	184,391	371,034
Accounts Receivable	9	91,376	96,352	99,463
GST Receivable		3,784	32,957	2,137
Prepayments		7,099	6,013	4,479
Inventories	10	2,892	558	2,740
Funds owed for Capital Works Projects	16	-	-	9,891
		592,447	320,271	489,744
Current Liabilities				
Accounts Payable	12	85,553	82,867	78,031
Revenue Received in Advance	13	223	21,887	6,309
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability - Current Portion	15	8,432	5,461	7,855
		94,208	110,215	92,195
Working Capital Surplus/(Deficit)		498,239	210,056	397,549
Non-current Assets				
Property, Plant and Equipment	11	412,541	361,904	389,771
		412,541	361,904	389,771
Non-current Liabilities				
Provision for Cyclical Maintenance	14	22,188	24,751	17,750
Finance Lease Liability	15	9,871	-	11,511
		32,059	24,751	29,261
Net Assets		878,721	547,209	758,059
Equity		878,721	547,209	758,059

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



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

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		421,171	375,283	445,880
Locally Raised Funds		172,181	108,100	183,440
Goods and Services Tax (net)		(1,647)	-	30,820
Payments to Employees		(185,792)	(237,900)	(184,574)
Payments to Suppliers		(217,085)	(171,928)	(219,675)
Interest Paid		(1,445)	-	(1,354)
Interest Received		345	500	375
Net cash from / (to) the Operating Activities		187,728	74,055	254,912
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(68,795)	(28,900)	(83,438)
Net cash from / (to) the Investing Activities		(68,795)	(28,900)	(83,438)
Cash flows from Financing Activities				
Furniture and Equipment Grant		3,645	-	-
Finance Lease Payments		(6,316)	-	(7,554)
Funds Held for Capital Works Projects		-	-	67,878
Net cash from Financing Activities		(2,671)	-	60,324
Net increase/(decrease) in cash and cash equivalents		116,262	45,155	231,798
Cash and cash equivalents at the beginning of the year	8	371,034	139,236	139,236
Cash and cash equivalents at the end of the year	8	487,296	184,391	371,034

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

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



Horotiu School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Horotiu 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 11.

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 15.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 years
Building Improvements	40 Years
Furniture and Equipment	5-15 years
Information and Communication	5 years
Library Resources	12.5% DV

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	355,937	352,723	358,851
Teachers' salaries grants	915,310	850,000	1,022,604
Use of Land and Buildings grants	237,877	228,471	248,195
Resource teachers learning and behaviour grants	4,152	-	3,001
Other MoE Grants	25,979	22,560	58,904
Other government grants	11,929	-	6,528
	<u>1,551,184</u>	<u>1,453,754</u>	<u>1,698,083</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	16,591	5,000	35,688
Activities	123,508	99,900	110,349
Trading	4,185	2,700	3,485
Fundraising	35,103	-	33,338
Other Revenue	13,097	-	-
	<u>192,484</u>	<u>107,600</u>	<u>182,860</u>
Expenses			
Activities	100,075	90,000	98,931
Trading	5,717	2,600	1,021
Fundraising costs	8,356	-	6,063
	<u>114,148</u>	<u>92,600</u>	<u>106,015</u>
<i>Surplus for the year Locally raised funds</i>	<u>78,336</u>	<u>15,000</u>	<u>76,845</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	14,562	28,200	13,156
Library resources	1,135	1,100	716
Employee benefits - salaries	990,723	953,000	1,084,999
Staff development	9,904	19,300	9,055
	<u>1,016,324</u>	<u>1,001,600</u>	<u>1,107,926</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,700	3,300	3,400
Board of Trustees Fees	3,900	4,500	2,470
Board of Trustees Expenses	5,242	6,550	2,340
Communication	8,346	8,325	7,917
Consumables	4,904	8,300	4,488
Operating Lease	1,085	1,085	2,244
Other	12,819	14,800	20,569
Employee Benefits - Salaries	33,998	44,000	29,599
Insurance	4,314	4,000	5,535
Service Providers, Contractors and Consultancy	7,560	7,700	6,608
	<u>85,868</u>	<u>102,560</u>	<u>85,170</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,783	4,500	3,747
Cyclical Maintenance Expense	4,438	4,438	4,437
Grounds	10,530	11,600	4,437
Heat, Light and Water	11,464	15,100	13,575
Rates	377	400	62
Repairs and Maintenance	32,176	16,500	9,533
Use of Land and Buildings	237,877	228,471	248,195
Security	1,891	2,500	3,621
Employee Benefits - Salaries	51,225	51,900	48,848
	<u>352,761</u>	<u>335,409</u>	<u>336,455</u>

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

7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	4,679	3,855	4,679
Building Improvements	3,075	1,890	2,294
Furniture and Equipment	15,248	11,076	13,444
Information and Communication Technology	9,578	9,147	11,103
Leased Assets	8,792	5,242	6,363
Library Resources	575	3,790	4,600
	<u>41,947</u>	<u>35,000</u>	<u>42,483</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	245	-	245
Transfer Holding Account	234,824	184,391	314,100
Westpac Call account	252,227	-	52,042
Gala Bank account	-	-	4,647
Cash equivalents for Cash Flow Statement	<u>487,296</u>	<u>184,391</u>	<u>371,034</u>

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

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	14,217	-	-
Receivables from the Ministry of Education	11,127	46,867	38,594
Interest Receivable	-	1	1
Teacher Salaries Grant Receivable	66,032	49,484	60,868
	<u>91,376</u>	<u>96,352</u>	<u>99,463</u>
Receivables from Exchange Transactions	14,217	1	1
Receivables from Non-Exchange Transactions	77,159	96,351	99,462
	<u>91,376</u>	<u>96,352</u>	<u>99,463</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	89	558	497
T-Shirts	2,803	-	2,243
	<u>2,892</u>	<u>558</u>	<u>2,740</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	106,471	-	-	-	(4,679)	101,792
Building Improvements	89,031	27,585	-	-	(3,075)	113,540
Furniture and Equipment	146,087	27,794	(14,502)	-	(15,248)	144,131
Information and Communication Tech	24,970	16,348	-	-	(9,578)	31,740
Leased Assets	0	18,647	7,462	-	(8,792)	17,317
Library Resources	4,565	30	-	-	(575)	4,021
Balance at 31 December 2018	<u>389,771</u>	<u>79,219</u>	<u>(14,502)</u>	<u>-</u>	<u>(41,947)</u>	<u>412,541</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	187,166	(85,374)	101,792
Building Improvements	136,727	(23,187)	113,540
Furniture and Equipment	243,717	(99,586)	144,131
Information and Communication	80,617	(48,877)	31,740
Leased Assets	34,363	(17,046)	17,317
Library Resources	36,890	(32,869)	4,021
Balance at 31 December 2018	<u>719,480</u>	<u>(306,939)</u>	<u>412,541</u>

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	111,150	-	-	-	(4,679)	106,471
Building Improvements	66,360	24,965	-	-	(2,294)	89,031
Furniture and Equipment	109,131	50,400	-	-	(13,444)	146,087
Information and Communication Tech	21,844	16,389	(2,160)	-	(11,103)	24,970
Leased Assets	10,753	14,257	-	-	(6,363)	18,647
Library Resources	9,045	120	-	-	(4,600)	4,565
Balance at 31 December 2017	328,283	106,131	(2,160)	-	(42,483)	389,771

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	187,166	(80,695)	106,471
Building Improvements	109,142	(20,111)	89,031
Furniture and Equipment	261,717	(115,630)	146,087
Information and Communication	64,269	(39,299)	24,970
Leased Assets	26,901	(8,254)	18,647
Library Resources	36,860	(32,295)	4,565
Balance at 31 December 2017	686,055	(296,284)	389,771

12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	6,744	17,812	11,261
Accruals	3,700	6,210	3,400
Capital accruals for PPE items	2,962	-	-
Employee Entitlements - salaries	66,032	49,485	60,868
Employee Entitlements - leave accrual	6,115	9,360	2,502
	85,553	82,867	78,031
Payables for Exchange Transactions	85,553	82,867	78,031
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	85,553	82,867	78,031

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue in advance	223	21,887	6,309
	223	21,887	6,309

14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	17,750	20,313	13,313
Increase to the Provision During the Year	4,438	4,438	4,437
Provision at the End of the Year	<u>22,188</u>	<u>24,751</u>	<u>17,750</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	22,188	24,751	17,750
	<u>22,188</u>	<u>24,751</u>	<u>17,750</u>

15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	9,091	5,461	8,514
Later than One Year and no Later than Five Years	9,889	-	12,187
	<u>18,980</u>	<u>5,461</u>	<u>20,701</u>

16. Funds Owed (Held) for Capital Works Projects

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

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block A, Toilet Refurb, Cladding C&H <i>completed</i>	9,891	-	-	(9,891)	-
0					
Totals	<u>9,891</u>	<u>-</u>	<u>-</u>	<u>(9,891)</u>	<u>-</u>

Represented by:

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

2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block A, Toilet Refurb, Cladding C&H <i>in progress</i>	77,769	93,165	25,287	-	9,891
Totals	<u>77,769</u>	<u>93,165</u>	<u>25,287</u>	<u>-</u>	<u>9,891</u>

17. 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.

18. 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 \$
Board Members		
Remuneration	3,900	2,470
Full-time equivalent members	0.92	0.89
Leadership Team		
Remuneration	302,850	305,210
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	306,750	307,680
Total full-time equivalent personnel	3.92	3.89

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	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

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

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

19. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

20. 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.

21. Commitments

(a) Capital Commitments

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

(b) Operating Commitments

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

(a) operating lease of laptops;

0
No later than One Year
Later than One Year and No Later than Five Years
Later than Five Years

2018 Actual \$	2017 Actual \$
-	445
-	476
-	-
-	921

22. 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.

23. 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	487,296	184,391	371,034
Receivables	91,376	96,352	99,463
Investments - Term Deposits	-	-	-
Total Loans and Receivables	578,672	280,743	470,497

Financial liabilities measured at amortised cost

Payables	85,553	82,867	78,031
Borrowings - Loans	-	-	-
Finance Leases	18,303	5,461	19,366
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	103,856	88,328	97,397

24. Events After Balance Date

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

25. Comparatives

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

Kiwisport:

Kiwisport is a Government funding initiative to support the student's participation in organised sport. In 2018 Horotiu Primary School received a total of \$3176.30 (excluding GST) in total of Kiwisport funding. The funding was spent on sporting endeavours.