

Leabank School

Annual Report for the year ended 31 December 2018

Ministry Number:	1339
Principal:	Rex Maddren
School Address:	7 Dr Pickering Avenue, Manurewa, Auckland 2012
School Postal Address:	7 Dr Pickering Avenue, Manurewa, Auckland 2012
School Phone:	09 267 6939
School Email:	admin@leabank.school.nz
Service Provider:	Edtech Financial Services Ltd

Board of Trustees 2018

Name	Position	How position was gained	Occupation	Term Expiry date
Brendon Crompton	Chairperson	Elected Dec 2017	Manager	Dec 2020
Kesa Edwards	Bot member	Elected Dec 2017	Administrator	Dec 2020
Louise Stowers	Bot member	Elected Dec 2017	Real Estate Agent	Dec 2020
Luise Ieti	Bot member	Co-opted Nov/Dec 2017	Banker	Dec 2020
Vienna Parker	Staff representative	Elected June 2016	Teacher / Senior Syndicate Leader	June 2019
Rex Maddren	Principal		Principal	Ongoing

Leabank School

Annual Report

For the year ended 31 December 2018

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Leabank 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.

Louise Stowers

Full Name of Board Chairperson

REX MADDREN

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

30/5/2019.

Date:

30/05/2019

Date:

Leabank School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	3,554,604	3,176,951	3,370,723
Locally Raised Funds	3	72,781	68,500	96,172
Interest Earned		8,795	8,000	8,420
Gain on Sale of Property, Plant and Equipment		4,141	-	-
		<u>3,640,321</u>	<u>3,253,451</u>	<u>3,475,315</u>
Expenses				
Locally Raised Funds	3	16,183	500	43,690
Learning Resources	4	2,319,406	2,033,000	2,264,764
Administration	5	220,930	235,500	226,727
Finance Costs		1,933	-	3,314
Property	6	944,175	900,968	897,976
Depreciation	7	85,356	80,000	81,098
Loss on Disposal of Property, Plant and Equipment		4,298	-	519
		<u>3,592,281</u>	<u>3,249,968</u>	<u>3,518,088</u>
Net Surplus / (Deficit) for the year		48,040	3,483	(42,773)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>48,040</u>	<u>3,483</u>	<u>(42,773)</u>

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

Leabank School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	448,258	448,258	491,031
Total comprehensive revenue and expense for the year	48,040	3,483	(42,773)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	5,353	-	-
Equity at 31 December	501,651	451,741	448,258
Retained Earnings	501,651	451,741	448,258
Equity at 31 December	501,651	451,741	448,258

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

Leabank School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	202,219	135,064	186,887
Accounts Receivable	9	155,259	132,000	138,276
GST Receivable		9,903	1,600	1,639
Prepayments		3,535	12,300	12,271
Inventories	10	1,395	300	326
Investments	11	-	-	12,919
		<u>372,311</u>	<u>281,264</u>	<u>352,318</u>
Current Liabilities				
Accounts Payable	13	178,331	166,100	161,822
Provision for Cyclical Maintenance	14	60,000	76,200	52,350
Finance Lease Liability - Current Portion	15	15,295	9,338	15,923
Funds Held for Capital Works Projects	16	2,500	-	77,485
		<u>256,126</u>	<u>251,638</u>	<u>307,580</u>
Working Capital Surplus/(Deficit)		116,185	29,626	44,738
Non-current Assets				
Property, Plant and Equipment	12	429,618	477,317	477,317
		<u>429,618</u>	<u>477,317</u>	<u>477,317</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	39,800	50,850	54,150
Finance Lease Liability	15	4,352	4,352	19,647
		<u>44,152</u>	<u>55,202</u>	<u>73,797</u>
Net Assets		<u>501,651</u>	<u>451,741</u>	<u>448,258</u>
Equity		<u>501,651</u>	<u>451,741</u>	<u>448,258</u>

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

Leabank 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		970,088	976,983	873,557
Locally Raised Funds		71,235	67,000	93,279
Goods and Services Tax (net)		(8,264)	(4,100)	(4,024)
Payments to Employees		(645,765)	(669,800)	(691,948)
Payments to Suppliers		(270,506)	(252,800)	(363,991)
Interest Paid		(1,933)	-	(3,314)
Interest Received		8,675	8,400	8,589
Net cash from / (to) the Operating Activities		123,530	125,683	(87,852)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(157)	-	-
Purchase of PPE (and Intangibles)		(77,030)	(92,377)	(66,540)
Purchase of Investments		12,919	-	(482)
Proceeds from Sale of Investments		-	12,500	-
Net cash from / (to) the Investing Activities		(64,268)	(79,877)	(67,022)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,353	-	-
Finance Lease Payments		25,702	(371)	(4,649)
Funds Held for Capital Works Projects		(74,985)	-	(8,826)
Net cash from / (to) Financing Activities		(43,930)	(371)	(13,475)
Net increase/(decrease) in cash and cash equivalents		15,332	45,435	(168,349)
Cash and cash equivalents at the beginning of the year	8	186,887	89,629	355,236
Cash and cash equivalents at the end of the year	8	202,219	135,064	186,887

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.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

Leabank 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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

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.

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.

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 under Schedule 6 Paragraph 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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 - School	40 years
Furniture and equipment	10-18 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 are 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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

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).

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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

2 Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	906,260	876,983	892,661
Teachers' salaries grants	1,804,886	1,500,000	1,702,014
Use of Land and Buildings grants	754,626	699,968	699,968
Other MoE Grants	88,832	100,000	76,080
	<u>3,554,604</u>	<u>3,176,951</u>	<u>3,370,723</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	14,986	42,000	32,588
Fundraising	860	-	-
Trading	11,977	2,000	10,718
Activities	44,958	24,500	52,866
	<u>72,781</u>	<u>68,500</u>	<u>96,172</u>
Expenses			
Activities	5,257	500	33,298
Trading	10,566	-	10,392
Fundraising costs	360	-	-
	<u>16,183</u>	<u>500</u>	<u>43,690</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u>56,598</u>	<u>68,000</u>	<u>52,482</u>

4 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	48,221	67,500	37,654
Equipment repairs	72	-	-
Information and communication technology	17,963	28,500	26,724
Library resources	2,160	1,500	507
Employee benefits - salaries	2,248,429	1,935,500	2,182,431
Staff development	2,561	-	-
Overseas Travel	-	-	17,448
	<u>2,319,406</u>	<u>2,033,000</u>	<u>2,264,764</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

5 Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	4,690	4,500	4,500
Board of Trustees Fees	2,880	3,000	2,595
Board of Trustees Expenses	5,337	12,000	8,428
Communication	4,068	5,000	3,157
Consumables	17,653	18,000	18,021
Other	24,411	26,500	21,003
Employee Benefits - Salaries	147,247	153,000	154,069
Insurance	5,579	6,500	8,090
Service Providers, Contractors and Consultancy	9,065	7,000	6,864
	<u>220,930</u>	<u>235,500</u>	<u>226,727</u>

6 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	15,691	14,000	18,808
Consultancy and Contract Services	29,793	5,000	29,625
Cyclical Maintenance Expense	17,719	23,000	19,134
Grounds	2,894	3,000	2,507
Heat, Light and Water	18,058	16,000	16,348
Rates	10,234	12,000	14,757
Repairs and Maintenance	30,673	35,000	24,794
Use of Land and Buildings	754,626	699,968	699,968
Security	8,709	9,000	9,693
Employee Benefits - Salaries	55,778	84,000	62,342
	<u>944,175</u>	<u>900,968</u>	<u>897,976</u>

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

7 Depreciation

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	3,613	3,474	3,522
Furniture and Equipment	31,448	32,643	33,091
Information and Communication Technology	30,188	27,822	28,204
Leased Assets	14,005	10,082	10,220
Library Resources	6,102	5,979	6,061
	<u>85,356</u>	<u>80,000</u>	<u>81,098</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

8 Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	88,877	35,064	86,887
Short-term Bank Deposits	113,342	100,000	100,000
Cash and cash equivalents for Cash Flow Statement	<u>202,219</u>	<u>135,064</u>	<u>186,887</u>

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

Of the \$202,219 Cash and Cash Equivalents, \$2,500 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	2,196	1,500	2,080
Interest Receivable	820	500	700
Bank Staffing Underuse	25,152	-	8,666
Teacher Salaries Grant Receivable	<u>127,091</u>	<u>130,000</u>	<u>126,830</u>
	<u>155,259</u>	<u>132,000</u>	<u>138,276</u>
Receivables from Exchange Transactions	3,016	2,000	2,780
Receivables from Non-Exchange Transactions	<u>152,243</u>	<u>130,000</u>	<u>135,496</u>
	<u>155,259</u>	<u>132,000</u>	<u>138,276</u>

10 Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	1,395	300	326
	<u>1,395</u>	<u>300</u>	<u>326</u>

11 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset	-	-	12,919
Short-term Bank Deposits	<u>-</u>	<u>-</u>	<u>12,919</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	122,691	-	-	-	(3,613)	119,078
Furniture and equipment	214,210	9,608	(4,704)	-	(31,448)	187,666
Information and communication technology	61,548	26,368	-	-	(30,188)	57,728
Leased assets	36,440	-	-	-	(14,005)	22,435
Library resources	42,428	6,839	(454)	-	(6,102)	42,711
Balance at 31 December 2018	477,317	42,815	(5,158)	-	(85,356)	429,618

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	144,534	(25,456)	119,078
Furniture and equipment	453,079	(265,413)	187,666
Information and communication technology	136,597	(78,869)	57,728
Leased assets	48,630	(26,195)	22,435
Library resources	106,229	(63,518)	42,711
Balance at 31 December 2018	889,069	(459,451)	429,618

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$22,435 (2017: \$36,440).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	121,865	4,348	-	-	(3,522)	122,691
Furniture and equipment	228,497	18,804	-	-	(33,091)	214,210
Information and communication technology	56,275	33,477	-	-	(28,204)	61,548
Leased assets	21,122	25,538	-	-	(10,220)	36,440
Library resources	40,181	8,827	(519)	-	(6,061)	42,428
Balance at 31 December 2017	467,940	90,994	(519)	-	(81,098)	477,317

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	144,534	(21,843)	122,691
Furniture and equipment	490,636	(276,426)	214,210
Information and communication technology	243,870	(182,322)	61,548
Leased assets	81,737	(45,297)	36,440
Library resources	100,465	(58,037)	42,428
Balance at 31 December 2017	1,061,242	(583,925)	477,317

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

13 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	37,474	25,000	14,333
Accruals	4,500	4,800	4,500
Capital accruals for PPE items	-	-	7,696
Employee Entitlements - salaries	131,288	130,000	129,070
Employee Entitlements - leave accrual	5,069	6,300	6,223
	<u>178,331</u>	<u>166,100</u>	<u>161,822</u>
Payables for Exchange Transactions	178,331	166,100	161,822
	<u>178,331</u>	<u>166,100</u>	<u>161,822</u>

The carrying value of payables approximates their fair value.

14 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	106,500	106,500	129,350
Increase to the Provision During the Year	17,719	23,000	19,134
Use of the Provision During the Year	(24,419)	(2,450)	(41,984)
Provision at the End of the Year	<u>99,800</u>	<u>127,050</u>	<u>106,500</u>
Cyclical Maintenance - Current	60,000	76,200	52,350
Cyclical Maintenance - Term	39,800	50,850	54,150
	<u>99,800</u>	<u>127,050</u>	<u>106,500</u>

15 Finance Lease Liability

The school has entered into a number of finance lease agreements for TELA laptops and ICT equipment
 Minimum lease payments payable (includes interest portion):

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	16,633	-	18,962
Later than One Year and no Later than Five Years	4,516	-	21,254
	<u>21,149</u>	<u>-</u>	<u>40,216</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

16 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 \$
Roofing Block 4	<i>in progress</i>	77,485	-	77,485	-	-
Intercom System	<i>in progress</i>	-	2,500	-	-	2,500
Totals		77,485	2,500	77,485	-	2,500

Represented by:

Funds Held on Behalf of the Ministry of Education

2,500

2,500

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
5YA Recarpet Admin	<i>completed</i>	11,126	-	11,126	-	-
10 Year Property Plan	<i>completed</i>	(5,520)	-	-	5,520	-
Security Cameras	<i>completed</i>	(1,535)	-	-	1,535	-
Block 3-4 Refurbishment	<i>completed</i>	85,000	8,807	93,807	-	-
Intercom System	<i>completed</i>	(2,760)	-	(1,218)	1,542	-
Roofing Block 4	<i>in progress</i>	-	77,485	-	-	77,485
Totals		86,311	86,292	103,715	8,597	77,485

17 Funds Held on Behalf of the Manurewa ICT Cluster

Leabank School is the lead school and holds the funds on behalf of the Manurewa ICT cluster, a group of schools funded by the local charities to share ICT resources.

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	-	-	60,000
Funds Spent on Behalf of the Cluster	-	-	60,000
Funds Held at Year End	-	-	-

18 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

19 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	2,880	2,595
Full-time equivalent members	1.60	0.05
<i>Leadership Team</i>		
Remuneration	329,047	328,675
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	331,927	331,270
Total full-time equivalent personnel	4.60	3.05

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	140-150	140-150
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2017: Nil).

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

20 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

21 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as 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.

22 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2017: nil)

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:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Loans and Receivables			
Cash and Cash Equivalents	202,219	135,064	186,887
Receivables	155,259	132,000	138,276
Investments - Term Deposits	-	-	12,919
Total Loans and Receivables	357,478	267,064	338,082
Financial liabilities measured at amortised cost			
Payables	178,331	166,100	161,822
Finance Leases	19,647	13,690	35,570
Total Financial Liabilities Measured at Amortised Cost	197,978	179,790	197,392

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.