



Chapel Downs Primary School

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 1581

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Bryce Turner	Chairperson	Re-elected Jun 2019	Jun 2022
Vaughan Van Rensburg	Principal	Ex officio	
Shirley Chapman	Parent Representative	Re-elected Jun 2019	Jun 2022
Amanda Faraimo	Parent Representative	Elected Jun 2019	Jun 2022
Semisi Telefoni	Parent Representative	Elected Jun 2019	Jun 2022
Amy Tusa	Parent Representative	Elected Jun 2019	Jun 2022
Gillian Roberts-York	Staff Representative	Re-elected Jun 2019	Jun 2022
Jason Papali'i	Parent Representative	Elected May 2016	May 2019
Tipaleia Sioeli	Parent Representative	Elected June 2016	May 2019

School Address: 170 Dawson Road
East Tamaki, Auckland 2023

Postal Address: PO Box 217069
Botany Junction, Auckland 2164

School Phone: 09 274 8002

School Email: vaughanv@chapeldowns.school.nz



Level 1, 1D Lady Ruby Drive
East Tamaki, Auckland
Ph 09 265 0854
www.cessl.org.nz

CHAPEL DOWNS PRIMARY SCHOOL

Financial Statements - For the year ended 31 December 2019

Index

Page	Statement
2	Statement of Responsibility
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
	Notes to the Financial Statements, incorporating:
7 - 11	Statement of Accounting Policies
12 - 20	Other Notes and Disclosures
21	Kiwisport Report
22- 38	Principal's Reports/Analysis of Variance
39	Auditor's Report

Chapel Downs Primary School Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Bryce M. Turner.

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

6/8/2020

Date:

V. Swan-Rensberg

Full Name of Principal

[Signature]

Signature of Principal

6/8/2020

Date:

Chapel Downs Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	5,248,645	4,963,025	4,946,372
Locally Raised Funds	3	288,315	253,500	264,998
Interest Earned		28,857	15,000	31,815
		<u>5,565,817</u>	<u>5,231,525</u>	<u>5,243,186</u>
Expenses				
Locally Raised Funds	3	111,878	102,318	99,930
Learning Resources	4	3,350,423	3,152,728	3,223,250
Administration	5	243,090	251,232	235,617
Finance Costs		7,213	8,500	9,718
Property	6	1,474,166	1,566,403	1,599,020
Depreciation	7	193,193	222,568	222,203
Loss on Disposal of Property, Plant and Equipment		3,866	-	25,446
		<u>5,383,828</u>	<u>5,303,749</u>	<u>5,415,184</u>
Net Surplus / (Deficit)		181,988	(72,224)	(171,998)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>181,988</u>	<u>(72,224)</u>	<u>(171,998)</u>

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	1,625,861	1,625,862	1,783,778
Total comprehensive revenue and expense for the year	181,988	(72,224)	(171,998)
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	10,584	-	14,082
Equity at 31 December	1,818,434	1,553,638	1,625,861
Retained Earnings	1,818,434	1,553,638	1,625,861
Reserves	-	-	-
Equity at 31 December	1,818,434	1,553,638	1,625,861

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

Chapel Downs Primary School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	33,501	88,240	112,319
Accounts Receivable	9	220,985	181,538	181,538
GST Receivable		9,992	-	-
Prepayments		20,383	24,107	24,107
Inventories	10	22,389	28,162	28,162
Investments	11	843,074	624,637	724,637
Funds due for Capital Works Projects	17	4,736	-	-
		<u>1,155,059</u>	<u>946,684</u>	<u>1,070,762</u>
Current Liabilities				
GST Payable		-	20,282	20,282
Accounts Payable	13	249,989	263,231	280,364
Revenue Received in Advance	14	2,000	-	2,899
Provision for Cyclical Maintenance	15	2,501	2,501	124,281
Finance Lease Liability - Current Portion	16	27,683	23,939	33,290
Funds held for Capital Works Projects	17	-	-	25,321
		<u>282,173</u>	<u>309,953</u>	<u>486,436</u>
Working Capital Surplus/(Deficit)		872,885	636,731	584,326
Non-current Assets				
Property, Plant and Equipment	12	<u>1,059,472</u>	<u>1,063,022</u>	<u>1,142,032</u>
		1,059,472	1,063,022	1,142,032
Non-current Liabilities				
Provision for Cyclical Maintenance	15	72,950	91,282	53,783
Finance Lease Liability	16	<u>40,973</u>	<u>54,833</u>	<u>46,714</u>
		113,923	146,115	100,497
Net Assets		<u>1,818,434</u>	<u>1,553,638</u>	<u>1,625,861</u>
Equity		<u>1,818,434</u>	<u>1,553,638</u>	<u>1,625,861</u>

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

Chapel Downs Primary School
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		1,247,431	1,353,721	1,100,349
Locally Raised Funds		288,267	249,752	266,357
Goods and Services Tax (net)		(30,274)	(9,929)	(9,929)
Payments to Employees		(716,958)	(680,310)	(742,022)
Payments to Suppliers		(550,820)	(693,293)	(562,701)
Interest Paid		(7,213)	(8,500)	(9,718)
Cyclical Maintenance Payments		(74,437)	(124,281)	(51,289)
Interest Received		28,943	18,657	31,815
Net cash from / (to) the Operating Activities		184,938	105,817	22,862
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(91,211)	(100,011)	(154,212)
Purchase of Investments		(118,437)	-	-
Proceeds from Sale of Investments		-	101,666	201,666
Net cash from / (to) the Investing Activities		(209,648)	1,655	47,454
Cash flows from Financing Activities				
Furniture and Equipment Grant		10,584	14,082	14,082
Finance Lease Payments		(34,636)	807	(23,799)
Funds Administered on Behalf of Third Parties		(30,057)	(124)	(134,732)
Net cash from Financing Activities		(54,108)	14,765	(144,449)
Net increase/(decrease) in cash and cash equivalents		(78,817)	122,237	(74,133)
Cash and cash equivalents at the beginning of the year	8	112,319	(33,997)	186,452
Cash and cash equivalents at the end of the year	8	33,501	88,239	112,319

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

The above Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements.

Chapel Downs Primary School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

Chapel Downs Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

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.

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

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements – Crown	40 years
Furniture and equipment	10 years
Information and communication technology	3 years
Motor vehicles	20 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to a commission received from Red Coats Cleaning. The commission is recorded as revenue across the term of the contract.

p) Funds Held in Trust

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

q) Provision for Cyclical Maintenance

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

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

r) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "financial assets measured at amortised cost" 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.

s) 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.

t) 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.

u) Budget Figures

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

v) 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

Operational grants
Teachers' salaries grants
Use of Land and Buildings grants
Other MoE Grants

2019	2019 Budget	2018
Actual	(Unaudited)	Actual
\$	\$	\$
1,079,459	1,043,721	1,042,392
2,715,251	2,527,626	2,510,493
1,250,773	1,241,678	1,241,678
203,162	150,000	151,809
5,248,645	4,963,025	4,946,372

3 Locally Raised Funds

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

Revenue

Donations
Fundraising
Trading
Activities

2019	2019 Budget	2018
Actual	(Unaudited)	Actual
\$	\$	\$
19,987	26,000	37,593
95,915	77,500	80,185
145,585	127,000	126,239
26,828	23,000	20,981
288,315	253,500	264,998

Expenses

Activities
Trading
Fundraising (costs of raising funds)

2019	2019 Budget	2018
Actual	(Unaudited)	Actual
\$	\$	\$
28,691	24,000	21,913
83,098	77,318	77,015
88	1,000	1,002
111,878	102,318	99,930
176,437	151,182	165,068

Surplus for the year Locally Raised Funds

4 Learning Resources

Curricular
Equipment repairs
Information and communication technology
Library resources
Employee benefits - salaries
Staff development

2019	2019 Budget	2018
Actual	(Unaudited)	Actual
\$	\$	\$
98,753	107,878	101,369
-	1,000	1,302
19,575	18,000	19,882
4,867	4,000	5,624
3,212,622	2,995,350	3,071,133
14,606	26,500	23,940
3,350,423	3,152,728	3,223,250

5 Administration

Audit Fee
Board of Trustees Fees
Board of Trustees Expenses
Communication
Consumables
Operating Lease
Legal Fees
Other
Employee Benefits - Salaries
Insurance
Service Providers, Contractors and Consultancy

2019	2019 Budget	2018
Actual	(Unaudited)	Actual
\$	\$	\$
6,350	6,350	6,090
3,650	5,060	3,515
8,247	9,000	7,118
9,933	9,100	10,258
1,457	2,500	1,737
839	840	839
1,020	2,500	-
28,041	32,050	24,946
153,928	155,207	152,853
13,700	13,000	12,886
15,925	15,625	15,375
243,090	251,232	235,617

6 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	35,903	43,400	34,139
Consultancy and Contract Services	53,615	54,852	54,850
Cyclical Maintenance Provision	(64,977)	40,000	47,297
Grounds	12,004	29,400	24,207
Heat, Light and Water	45,407	52,000	64,043
Repairs and Maintenance	80,344	45,969	72,902
Use of Land and Buildings - Non Integrated	1,250,773	1,241,678	1,241,678
Employee Benefits - Salaries	61,097	59,104	59,904
	<u>1,474,166</u>	<u>1,566,403</u>	<u>1,599,020</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 of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	28,638	27,061	27,017
Furniture and Equipment	58,094	55,871	55,779
Information and Communication Technology	65,353	84,515	84,376
Motor Vehicles	1,954	1,957	1,954
Leased Assets	35,244	49,447	49,366
Library Resources	3,910	3,717	3,711
	<u>193,193</u>	<u>222,568</u>	<u>222,203</u>

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	33,427	88,240	112,245
Bank Call Account	74	-	74
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>33,501</u>	<u>88,240</u>	<u>112,319</u>

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	850	850
Receivables from the Ministry of Education	18,057	-	-
Interest Receivable	7,089	7,175	7,175
Teacher Salaries Grant Receivable	195,839	173,513	173,513
	<u>220,985</u>	<u>181,538</u>	<u>181,538</u>
Receivables from Exchange Transactions	7,089	8,025	8,025
Receivables from Non-Exchange Transactions	213,896	173,513	173,513
	<u>220,985</u>	<u>181,538</u>	<u>181,538</u>

10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	2,655	3,067	5,059
School Uniforms	19,734	25,095	23,102
	<u>22,389</u>	<u>28,162</u>	<u>28,162</u>

11 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset Short-term Bank Deposits	843,074	624,637	724,637

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	596,732	52,907	-	-	(28,638)	621,001
Furniture and Equipment	295,413	32,508	(607)	-	(58,094)	269,220
Information and Communication Technology	113,068	432	(3,200)	-	(65,353)	44,947
Motor Vehicles	36,945	-	-	-	(1,954)	34,991
Leased Assets	73,898	23,288	-	-	(35,244)	61,942
Library Resources	25,977	5,364	(59)	-	(3,910)	27,372
Balance at 31 December 2019	1,142,032	114,499	(3,866)	-	(193,193)	1,059,472

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	1,148,984	(527,984)	621,001
Furniture and Equipment	1,063,201	(793,981)	269,220
Information and Communication Technology	333,928	(288,981)	44,947
Motor Vehicles	39,075	(4,084)	34,991
Leased Assets	122,190	(60,248)	61,942
Library Resources	107,009	(79,637)	27,372
Balance at 31 December 2019	2,814,387	(1,754,915)	1,059,472

The net carrying value of equipment held under a finance lease is \$61,942 (2018: \$73,898).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	594,200	29,549	-	-	(27,017)	596,732
Furniture and Equipment	317,673	51,494	(16,975)	(1,000)	(55,779)	295,413
Information and Communication Technology	143,085	62,204	(7,845)	-	(84,376)	113,068
Motor Vehicles	38,899	-	-	-	(1,954)	36,945
Leased Assets	115,918	7,346	-	-	(49,366)	73,898
Library Resources	28,245	2,070	(627)	-	(3,711)	25,977
Balance at 31 December 2018	1,238,020	152,661	(25,446)	(1,000)	(222,203)	1,142,032

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	1,095,719	(498,987)	596,732
Furniture and Equipment	1,048,532	(753,120)	295,413
Information and Communication Technology	363,347	(250,279)	113,068
Motor Vehicles	39,075	(2,130)	36,945
Leased Assets	132,638	(58,740)	73,898
Library Resources	101,876	(75,899)	25,977
Balance at 31 December 2018	2,781,188	(1,639,155)	1,142,032

The net carrying value of equipment held under a finance lease is \$73,898 (2017: \$115,918).

13 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	27,450	77,322	58,614
Accruals	6,350	-	6,190
Banking staffing overuse	4,629	-	17,133
Employee Entitlements - salaries	195,839	173,513	186,030
Employee Entitlements - leave accrual	15,722	12,396	12,396
	<u>249,990</u>	<u>263,231</u>	<u>280,364</u>
Payables for Exchange Transactions	249,990	263,231	280,364
	<u>249,990</u>	<u>263,231</u>	<u>280,364</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	2,000	-	2,899
	<u>2,000</u>	<u>-</u>	<u>2,899</u>

15 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	178,064	178,064	182,056
Increase to the Provision During the Year	40,000	40,000	37,871
Adjustment to the Provision	(68,176)	-	9,426
Use of the Provision During the Year	(74,437)	(124,281)	(51,289)
Provision at the End of the Year	<u>75,451</u>	<u>93,783</u>	<u>178,064</u>
Cyclical Maintenance - Current	2,501	2,501	124,281
Cyclical Maintenance - Term	<u>72,950</u>	<u>91,282</u>	<u>53,783</u>
	<u>75,451</u>	<u>93,783</u>	<u>178,064</u>

16 Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	27,683	23,939	33,290
Later than One Year and no Later than Five Years	<u>40,973</u>	<u>54,833</u>	<u>46,714</u>
	<u>68,656</u>	<u>78,772</u>	<u>80,004</u>

17 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:

		BOT Contribution/ (Write-off to R&M)			
	2019	Opening Balances	Receipts from MoE	Payments	Closing Balances
		\$	\$	\$	\$
Block 9 Modernisation	<i>completed</i>	(13,325)	1,500	(64,401)	76,226
Class Upgrade Block 3, 4, 7	<i>completed</i>	-	-	(439)	439
Class Upgrade Block 2	<i>completed</i>	-	3,030	(6,281)	3,251
Class Upgrade Block 18 & 19	<i>in progress</i>	-	88,596	(93,062)	-
Heat Pumps	<i>in progress</i>	-	-	(269)	-
Urgent Roof Replacement Block 9	<i>completed</i>	38,646	-	(38,646)	-
Totals		25,321	93,126	(203,098)	79,916

Represented by:

Funds Due from the Ministry of Education

(4,736)

(4,736)

		BOT Contribution/ (Write-off to R&M)			
	2018	Opening Balances	Receipts from MoE	Payments	Closing Balances
		\$	\$	\$	\$
Block 9 Modernisation	<i>in progress</i>	-	-	(13,325)	-
Class Upgrade Block 3, 4, 7	<i>completed</i>	65,615	-	(64,695)	(920)
Class Upgrade Block 2	<i>completed</i>	59,776	-	(56,525)	(3,251)
Class Upgrade Block 5, 8, 19	<i>completed</i>	-	40,549	(40,549)	-
Heat Pumps	<i>completed</i>	14,538	-	(14,268)	(269)
Urgent Roof Replacement Block 9	<i>in progress</i>	-	38,646	-	-
Totals		139,929	79,195	(189,362)	(4,440)

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.

The Chapel Downs Family Service Centre Trust (The FSC) is a pre-school facility operating on school land and incorporated as a charitable trust. The FSC is considered a controlled entity of Chapel Downs School for the purposes of the Public Audit Act 2001 as the school Board has the power to appoint and remove trustees of the FSC by virtue of the FSC's trust deed. However, the school does not have any rights, directly or indirectly, to benefit from the FSC's activities, nor has the school obtained any direct or indirect benefit from the FSC in the past. FSC's objectives also do not appear to be congruent or complementary to those of the school. After careful consideration, the school believes while it satisfied the power element, through appointing or removing the Board of FSC, it does not satisfy the benefit element and therefore there is no control for financial reporting purposes under the applicable accounting standard *PBE IPSAS 35. Consolidated Financial Statements* which requires both the control and benefits test to be met for control to exist. Therefore the financial statements of the FSC and the school are not consolidated.

As a registered charity, the FSC prepares separate financial statements for their year-end which is 30 June. These have been audited by RSM Hayes Audit. The financial statements and founding documents of the FSC are available for public viewing on the Charities Register (Registered Charity Number CC47382).

The FSC is also considered as a related party due to the above and the fact that the school's Principal is a member of the key management personnel of both entities. During the year the FSC reimbursed the school \$62,080 for site rental and reimbursement of operational costs of the FSC paid on their behalf (2018: \$57,092). Any transactions with the FSC are on an arm's length basis. There were no amounts outstanding at year end (2018: nil).

The Board of Trustees considers that there are no other related party transactions in 2019 (2018: nil).

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,650	3,515
Full-time equivalent members	0.05	0.07
<i>Leadership Team</i>		
Remuneration	478,523	349,239
Full-time equivalent members	4.25	3.00
Total key management personnel remuneration	482,173	352,754
Total full-time equivalent personnel	4.30	3.07

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

Principal

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

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

Other Employees

One employee received total remuneration over \$100,000 (2018: One)

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	1.00
	1.00	1.00

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

20 Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$0	2018 Actual \$0
Total Number of People	0	0

21 Contingencies

There are no contingent liabilities (apart from those noted below) and no contingent assets as at 31 December 2019

(Contingent liabilities and assets at 31 December 2018 - 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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

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

22 Commitments

(a) Capital Commitments

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

- (a) Contract for roof replacement and modernisation to Block 9 to be completed in 2020, which will be fully funded by the Ministry of Education. \$1,500 has been received and \$39,080 has been spent on the project to date; and
- (b) Contract for heat pumps to be completed in 2020, which will be fully funded by the Ministry of Education. \$0 has been received and \$270 has been spent on the project to date; and
- (c) Contract for class upgrade to Block 18 & 19 to be completed in 2020, which will be fully funded by the Ministry of Education. \$88,596 has been received and \$93,062 has been spent on the project to date.

(Capital commitments at 31 December 2018:)

- (a) Contract for roof replacement to Block 9 to be completed in 2019, which will be fully funded by the Ministry of Education. \$0 has been received and \$13,325 has been spent on the project to date; and
- (b) Contract for urgent roof replacement to Block 9 to be completed in 2019, which will be fully funded by the Ministry of Education. \$38,646 has been received of which \$0 has been spent on the project to date.

(b) Operating Commitments

As at 31 December 2019 the Board has no operating commitments.

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:

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	33,501	88,240	112,319
Receivables	220,985	181,538	181,538
Investments - Term Deposits	843,074	624,637	724,637
Total Cash and Receivables	1,097,559	894,415	1,018,494

Financial liabilities measured at amortised cost

Payables	249,990	263,231	280,364
Finance Leases	68,656	78,772	80,004
Total Financial Liabilities Measured at Amortised Cost	318,646	342,003	360,368

25 Events After Balance Date - Covid-19

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

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

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

26 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

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

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



KIWI SPORT REPORT 2019

Target	<ul style="list-style-type: none">• Physical Education/Sports• Kiwi Sports funding delivery
Action	<ul style="list-style-type: none">• Run swimming programme for Years 3 to 6 in conjunction with Learn to Swim and Field of Dreams• Run junior sports programme.• PALs programme• Senior Sports programme• Otara Sports<ul style="list-style-type: none">- Touch Rugby- Netball- Rugby (boys & girls teams)- Soccer
Delegation (Lead in bold)	Leadership Team Hannes Louw Sarah Want Counties Manukau Sports Primary Team
Analysis of Variance	<ul style="list-style-type: none">• Throughout the year MoE Kiwi Sport funding \$8,728.03 based on 643 students was used to support junior and senior PE & Sports programme• Staffing was allocated to sports and PE programmes across the junior and senior teams• Counties Manukau Sport provided support for touch rugby, rugby, soccer and netball• The seven week Learn to Swim programme was completed in Term 1 for Y4/Y5/Y6 and Term 2 for Y3, 2019