

BIRCHVILLE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



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Ministry Number: 2810

Accountant/Service Provider: Accounting for Schools Limited

BIRCHVILLE SCHOOL

Annual Report - For the year ended 31 December 2018

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BIRCHVILLE 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.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

BIRCHVILLE 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	1,463,194	1,394,307	1,377,500
Locally Raised Funds	3	128,624	8,000	58,014
Interest Earned		3,846	2,000	3,695
Gain on Revaluation of Shares		-	-	269
		<u>1,595,664</u>	<u>1,404,307</u>	<u>1,439,478</u>
Expenses				
Locally Raised Funds	3	28,506	-	20,427
Learning Resources	4	1,013,658	956,633	928,237
Administration	5	101,539	98,400	96,555
Property	6	383,749	353,955	308,836
Finance Costs		1,500	500	2,126
Depreciation	7	42,543	25,000	32,331
Loss on Disposal of Property, Plant and Equipment		297	-	354
Unrealised Loss on Revaluation of Shares		164	-	-
		<u>1,571,956</u>	<u>1,434,488</u>	<u>1,388,866</u>
Net Surplus / (Deficit)		23,708	(30,181)	50,612
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>23,708</u></u>	<u><u>(30,181)</u></u>	<u><u>50,612</u></u>

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

BIRCHVILLE 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	248,133	248,133	195,321
Total comprehensive revenue and expense for the year	23,708	(30,181)	50,612
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	4,641	-	2,200
Equity at 31 December	276,482	217,952	248,133
Retained Earnings	276,482	217,952	248,133
Equity at 31 December	276,482	217,952	248,133

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

BIRCHVILLE 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	262,654	242,747	136,084
Accounts Receivable	9	55,182	60,500	63,371
GST Receivable		-	4,000	4,395
Investments	10	-	-	100,882
Prepayments		3,847	3,200	4,580
		321,683	310,447	309,312
Current Liabilities				
Accounts Payable	12	70,396	53,000	57,105
Finance Lease Liability - Current Portion	15	8,577	14,000	14,042
Funds held for Capital Works Projects	16	120,886	-	2,215
GST Payable		6,183	-	-
Revenue Received in Advance	13	3,521	500	164
Provision for Cyclical Maintenance	14	18,896	80,995	80,995
		228,459	148,495	154,521
Working Capital Surplus		93,224	161,952	154,791
Non-current Assets				
Investments (more than 12 months)	10	3,893	4,000	4,056
Property, Plant and Equipment	11	219,769	103,000	125,410
		223,662	107,000	129,466
Non-current Liabilities				
Provision for Cyclical Maintenance	14	35,757	38,000	23,000
Finance Lease Liability	15	4,647	13,000	13,122
		40,404	51,000	36,122
Net Assets		276,482	217,952	248,135
Equity		276,482	217,952	248,133

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

BIRCHVILLE 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	382,505	294,753	341,481
Locally Raised Funds	130,677	8,336	72,634
Goods and Services Tax (net)	10,578	395	(14,473)
Payments to Employees	(206,842)	(150,029)	(114,154)
Payments to Suppliers	(183,457)	(144,192)	(189,529)
Cyclical Maintenance Payments in the year	(82,757)	-	-
Interest Paid	(1,500)	(500)	(2,125)
Interest Received	4,310	1,986	3,279
Net cash from / (to) the Operating Activities	53,514	10,749	97,113
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(137,198)	(2,589)	(29,429)
Purchase of Investments	100,881	100,882	(100,882)
Net cash from / (to) the Investing Activities	(36,317)	98,293	(130,311)
Cash flows from Financing Activities			
Furniture and Equipment Grant	4,641	-	2,200
Finance Lease Payments	(13,940)	(164)	(8,267)
Funds Held for Capital Works Projects	118,671	(2,215)	(68,090)
Net cash from Financing Activities	109,372	(2,379)	(74,157)
Net increase/(decrease) in cash and cash equivalents	126,570	106,663	(107,355)
Cash and cash equivalents at the beginning of the year	8 136,084	136,084	243,439
Cash and cash equivalents at the end of the year	8 262,654	242,747	136,084

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.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Birchville 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.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

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 carry forward 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.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

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) Investments

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

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

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

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

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

j) 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.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

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	5 - 30 years
Furniture & Equipment	5 - 10 years
Information Technology	3 - 5 years
Leased Assets	3 - 5 years
Library resources	12.5% Diminishing value

k) 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.

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

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

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

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

n) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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, should the School be unable to provide the services to which they relate.

o) Provision for Cyclical Maintenance

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

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

p) Financial Assets and Liabilities

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

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

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

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) Services received in-kind

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

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Operational grants	283,087	285,324	281,248
Other MoE Grants	78,969	8,983	32,794
Teachers' salaries grants	841,044	840,000	839,146
Use of Land and Buildings grants	260,094	260,000	224,312
	<u>1,463,194</u>	<u>1,394,307</u>	<u>1,377,500</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Revenue			
Activities	29,235	5,500	21,699
Donations	4,765	2,500	6,413
Donations - PTA	21,975	-	25,924
Fundraising	-	-	171
Community Grants	68,105	-	-
Trading	4,544	-	3,807
	<u>128,624</u>	<u>8,000</u>	<u>58,014</u>
Expenses			
Activities	26,422	-	14,755
Trading	2,084	-	5,672
	<u>28,506</u>	<u>-</u>	<u>20,427</u>
<i>Surplus for the year Locally raised funds</i>	<u>100,118</u>	<u>8,000</u>	<u>37,587</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Curricular	11,640	13,800	16,624
Employee benefits - salaries	978,486	916,813	882,694
Information and communication technology	9,070	17,170	9,846
Library resources	2,050	1,850	2,610
Staff development	12,412	7,000	16,463
	<u>1,013,658</u>	<u>956,633</u>	<u>928,237</u>

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	5,173	4,500	5,173
Board of Trustees Expenses	1,238	400	1,270
Board of Trustees Fees	4,085	4,600	2,725
Communication	2,236	2,220	2,065
Consumables	4,500	7,000	7,925
Employee Benefits - Salaries	53,897	56,200	56,945
Insurance	4,962	5,500	4,021
Other	17,966	13,480	10,519
Service Providers, Contractors and Consultancy	7,482	4,500	5,912
	<u>101,539</u>	<u>98,400</u>	<u>96,555</u>

6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	5,888	7,600	5,975
Consultancy and Contract Services	20,529	24,505	23,601
Cyclical Maintenance Provision	33,415	15,000	4,865
Employee Benefits - Salaries	15,971	15,600	15,077
Grounds	2,626	1,850	2,670
Heat, Light and Water	14,277	12,500	13,385
Rates	1,805	3,300	2,161
Repairs and Maintenance	25,913	12,000	14,782
Security	3,231	1,600	2,008
Use of Land and Buildings	260,094	260,000	224,312
	<u>383,749</u>	<u>353,955</u>	<u>308,836</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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	-	-	300
Furniture & Equipment	21,457	15,000	12,012
Information Technology	6,617	5,000	6,259
Leased Assets	13,315	4,000	12,441
Library Resources	1,154	1,000	1,319
	<u>42,543</u>	<u>25,000</u>	<u>32,331</u>

BIRCHVILLE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2018

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	202,749	182,747	76,448
Savings Account	59,905	60,000	59,636
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	262,654	242,747	136,084

Of the \$262,654 Cash and Cash Equivalents, \$120,886 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 from the Ministry of Education	-	20,000	20,449
Interest Receivable	22	500	486
Teacher Salaries Grant Receivable	55,160	40,000	42,436
	55,182	60,500	63,371
Receivables from Exchange Transactions	22	500	486
Receivables from Non-Exchange Transactions	55,160	60,000	62,885
	55,182	60,500	63,371

10. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Short-term Bank Deposits	-	-	100,882
Non-current Asset List Company Shares (Vector Limited)	3,893	4,000	4,056

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	-	-	-	-	-	-
Furniture & Fittings	67,021	121,031	(297)	-	(21,457)	166,298
Information Technology	22,792	16,166	-	-	(6,617)	32,341
Leased Assets	26,364	-	-	-	(13,314)	13,050
Library Resources	9,233	-	-	-	(1,153)	8,080
Balance at 31 December 2018	125,410	137,197	(297)	-	(42,541)	219,769

The net carrying value of equipment held under a finance lease is \$13,049 (2017: \$26,364).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	22,653	(22,653)	-
Furniture & Equipment	298,009	(131,711)	166,298
Information Technology	223,027	(190,686)	32,341
Leased Assets	47,452	(34,402)	13,050
Library Resources	36,920	(28,840)	8,080
Balance at 31 December 2018	628,061	(408,292)	219,769

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	301	-	-	-	(301)	-
Furniture & Equipment	57,608	21,425	-	-	(12,012)	67,021
Information Technology	25,186	3,865	-	-	(6,259)	22,792
Leased Assets	35,019	4,903	(1,117)	-	(12,441)	26,364
Library Resources	10,552	-	-	-	(1,319)	9,233
Balance at 31 December 2017	128,666	30,193	(1,117)	-	(32,332)	125,410

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	22,653	(22,653)	-
Electronic Equipment	-	-	-
Furniture & Fittings	212,177	(145,156)	67,021
Information Technology	208,442	(185,650)	22,792
Leased Assets	47,452	(21,088)	26,364
Library Resources	36,920	(27,687)	9,233
Balance at 31 December 2017	527,645	(402,234)	125,410

BIRCHVILLE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2018

12. Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	8,178	8,000	8,080
Accruals	5,173	5,000	5,173
Employee Entitlements - salaries	55,160	40,000	42,436
Employee Entitlements - leave accrual	1,885	-	1,416
	<u>70,396</u>	<u>53,000</u>	<u>57,105</u>
Payables for Exchange Transactions	68,511	53,000	55,689
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	1,885	-	1,416
	<u>70,396</u>	<u>53,000</u>	<u>57,105</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance	2,000	-	-
Other	1,304	-	-
Parent Contributions	217	500	164
	<u>3,521</u>	<u>500</u>	<u>164</u>

14. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	103,995	103,995	99,130
Increase to the Provision During the Year	33,415	15,000	4,865
Use of the Provision During the Year	(82,757)	-	-
Provision at the End of the Year	<u>54,653</u>	<u>118,995</u>	<u>103,995</u>
Cyclical Maintenance - Current	18,896	80,995	80,995
Cyclical Maintenance - Term	35,757	38,000	23,000
	<u>54,653</u>	<u>118,995</u>	<u>103,995</u>

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	8,577	14,000	14,042
Later than One Year and no Later than Five Years	4,647	13,000	13,122
	13,224	27,000	27,164

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Greenstone/Emerald Carpet	<i>Completed</i>	2,215	5,423	(7,638)	-	-
Special Needs Modifications	<i>In progress</i>	-	128,387	(7,501)	-	120,886
Totals		2,215	133,810	(15,139)	-	120,886

Represented by:

Funds Held on Behalf of the Ministry of Education	120,886
Funds Due from the Ministry of Education	-
	120,886

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block M Refurbishment	<i>Completed</i>	-	4,801	(4,893)	92	-
Moonshine Block Refurbishment	<i>Completed</i>	70,305	3,127	(73,432)	-	-
Greenstone/Emerald Carpet Exper	<i>In progress</i>	-	13,819	(11,604)	-	2,215
Totals		70,305	21,747	(89,929)	92	2,215

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

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 \$
<i>Board Members</i>		
Remuneration	4,085	2,725
Full-time equivalent members	0.22	0.25
<i>Leadership Team</i>		
Remuneration	293,419	264,925
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	297,504	267,650
Total full-time equivalent personnel	3.22	3.25

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(s)

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4

Other Employees

There were no other employees with remuneration greater than \$100,000 (2017: nil).
The disclosure for 'Other Employees' does not include remuneration of the Principal.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2018

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

As at 31 December 2018 the Board has entered into a contract agreement with the Ministry of Education for special needs modifications to the school amounting to \$142,652 of which \$7,501 had been spent at balance date. (Capital commitments at 31 December 2017: \$13,819 of which \$11,604 had been spent).

(b) Operating Commitments

As at 31 December 2018 the Board has no operating commitments.

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.

BIRCHVILLE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2018

23. 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	262,654	242,747	136,084
Receivables	55,182	60,500	63,371
Investments - Term Deposits	-	-	100,882
Total Cash and Receivables	317,836	303,247	300,337
Financial liabilities measured at amortised cost			
Payables	68,511	53,000	55,689
Finance Leases	13,224	27,000	27,164
Total Financial Liabilities Measured at Amortised Cost	81,735	80,000	82,853

24. Events After Balance Date

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

BIRCHVILLE SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How position on Board gained	Occupation	Term expired/expires
Belinda Walker	Chairperson	Re-elected June 2013, June 2016	International Homestay Manager	May 2019
Robyn Brown	Principal	Appointed September 2017	Principal	
Brooke Douglas	Parent Rep	Elected June 2016	Police Dispatcher	May 2019
Joel Tait	Parent Rep	Co-opted Sept 2017	Chef	May 2019
Jess Athukorala	Parent Rep	Co-opted Aug 2018	Teacher	May 2019
Cameron Thayer	Parent Rep	Elected June 2016	Auditor	May 2019
Helen Waterman	Parent Rep	Co-opted March 2014, re-elected June 2016	Librarian	May 2019
Lisa Webster	Staff Rep	Elected June 2016	Teacher	May 2019

BIRCHVILLE SCHOOL

Kiwisport Funding

For the year ended 31 December 2018

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2018 the School received funding of \$2,553 (2017: \$2,480).

2018 Kiwisport Funding - How this funding was used by Birchville School

In term 1 we continued to use a local school pool (Maoribank School) to provide swimming instruction at a cost of \$700 for pool costs and \$1,550 for transport to and from the pool.

One of strategic goals for 2018 was to develop a Health & Wellbeing whole school policy. We have had PD sessions with Kate Milburn from the Police College and Play Sport.

We looked at designing learning through movement and play programmes for the junior school. We have attended a course on play based approaches to learning (The Nitty Gritty per below) and used a portion of the funding for staff professional development in this area.

The Nitty Gritty: Timetabling, Curriculum and Balanced Teaching Approaches

A practical workshop examining the integration of the curriculum within a play-based learning; affordable ways to resource a classroom to provoke rich play opportunities; and timetabling to achieve the appropriate balance of explicit teaching and self-directed play, whilst looking in depth at the planning side of PBL.

The Kiwisport funding did not cover all the above expenses, so the balance was subsidised from the school through the bulk grant.

2018 Kiwisport Funding - How we will use this funding in 2019 at Birchville School

In term 1 2019 we will continue to use a local school pool (Maoribank School) to provide swimming instruction at a cost of \$700 for pool costs and \$1,550 for transport to and from the pool.

We are continuing to develop playbased learning across the junior classes and will use part of the fund to provide sporting equipment for the children to experiment with and develop their own games and activities.

We will also use part of the fund to buy new football posts for the children to play football with on the main sports field. This is a child based request.