



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	3223
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STOKE SCHOOL

Annual Report - For the year ended 31 December 2018

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Stoke School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Kathy McConnon	Chairperson	Elected	Mar 2019
Peter Mitchener	Principal		April 2018
Sarah Davies	Acting Principal Principal	Appointed Oct 2018	Sept 2018
Rachael Gray	Parent Rep	Elected	Mar 2019
Tim Madill	Parent Rep	Elected	Mar 2019
Stacey Fox	Parent Rep	Elected	Mar 2019
Toby Hoebergen	Parent Rep	Elected	Mar 2019
Frazer Clarke	Parent Rep	Elected	Mar 2019

Stoke 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	2,060,318	2,029,144	2,061,282
Locally Raised Funds	3	65,152	23,474	85,555
Interest Earned		4,635	2,500	4,349
		<u>2,130,105</u>	<u>2,055,118</u>	<u>2,151,186</u>
Expenses				
Locally Raised Funds	3	15,587	1,500	14,623
Learning Resources	4	1,380,368	1,366,385	1,443,924
Administration	5	142,385	143,100	131,652
Finance Costs		1,686	-	12,081
Property	6	528,341	516,741	518,669
Depreciation	7	50,338	-	46,590
		<u>2,118,705</u>	<u>2,027,726</u>	<u>2,167,539</u>
Net Surplus / (Deficit)		11,400	27,392	(16,353)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>11,400</u>	<u>27,392</u>	<u>(16,353)</u>

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

Stoke School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	496,103	496,103	488,831
Total comprehensive revenue and expense for the year	11,400	27,392	(16,353)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	23,625
Equity at 31 December	507,503	523,495	496,103
Retained Earnings	507,503	523,495	496,103
Equity at 31 December	507,503	523,495	496,103

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

Stoke 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	102,362	105,117	77,725
Accounts Receivable	9	42,407	72,714	72,714
GST Receivable		3,876	2,568	2,568
Prepayments		-	3,101	3,101
Investments	10	135,269	130,201	130,201
		<u>283,914</u>	<u>313,701</u>	<u>286,309</u>
Current Liabilities				
Accounts Payable	12	73,965	110,572	110,572
Revenue Received in Advance	13	9,332	-	-
Provision for Cyclical Maintenance	14	4,532	4,532	4,532
Painting Contract Liability - Current Portion	15	15,768	15,768	15,768
Finance Lease Liability - Current Portion	16	5,947	6,872	6,872
Funds held for Capital Works Projects	17	18,189	18,189	18,189
Funds Held on Behalf of Sports Cluster	18	394	394	394
		<u>128,127</u>	<u>156,327</u>	<u>156,327</u>
Working Capital Surplus/(Deficit)		155,787	157,374	129,982
Non-current Assets				
Property, Plant and Equipment	11	417,866	438,218	438,218
		<u>417,866</u>	<u>438,218</u>	<u>438,218</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	53,076	42,595	42,595
Painting Contract Liability	15	5,194	15,675	15,675
Finance Lease Liability	16	7,880	13,827	13,827
		<u>66,150</u>	<u>72,097</u>	<u>72,097</u>
Net Assets		<u>507,503</u>	<u>523,495</u>	<u>496,103</u>
Equity		<u>507,503</u>	<u>523,495</u>	<u>496,103</u>

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

Stoke 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		511,685	484,316	502,699
Locally Raised Funds		73,654	23,474	85,542
Goods and Services Tax (net)		(1,308)	-	(15,001)
Payments to Employees		(341,855)	(285,700)	(369,911)
Payments to Suppliers		(163,521)	(197,198)	(141,827)
Cyclical Maintenance Payments in the Year		(5,287)	-	(15,546)
Interest Received		5,362	2,500	3,759
Net cash from / (to) the Operating Activities		78,730	27,392	49,715
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(31,745)	-	(36,162)
Purchase of Investments		(5,068)	-	(3,596)
Net cash from / (to) the Investing Activities		(36,813)	-	(39,758)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	23,625
Finance Lease Payments		(6,799)	-	(17,639)
Painting contract payments		(10,481)	-	(11,970)
Funds Held for Capital Works Projects		-	-	(132,777)
Net cash from Financing Activities		(17,280)	-	(138,761)
Net increase/(decrease) in cash and cash equivalents				
		24,637	27,392	(128,804)
Cash and cash equivalents at the beginning of the year	8	77,725	77,725	206,529
Cash and cash equivalents at the end of the year	8	102,362	105,117	77,725

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.

Stoke School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

Stoke 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.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

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

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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.

1.10. Investments

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

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

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

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

1.11. 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.

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements – Crown	20 years
Furniture and equipment	7-20 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.12. 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 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.

1.13. 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.

1.14. Employment 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.

1.15. Revenue Received in Advance

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

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

1.16. Funds Held in Trust

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

1.17. Shared Funds

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

1.18. 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).

1.19. 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.

1.20. 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.

1.21. Budget Figures

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

1.22. Services received in-kind

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

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	403,994	397,606	387,738
Teachers' salaries grants	1,156,855	1,153,050	1,174,034
Use of Land and Buildings grants	391,778	391,778	384,549
Other MoE Grants	95,235	86,710	114,961
	<u>2,060,318</u>	<u>2,029,144</u>	<u>2,061,282</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	6,468	-	24,518
Fundraising	247	-	-
Other revenue	38,512	22,974	39,218
Trading	5,278	500	2,233
Activities	14,647	-	19,586
	<u>65,152</u>	<u>23,474</u>	<u>85,555</u>
Expenses			
Activities	11,884	1,500	10,332
Trading	3,703	-	4,291
	<u>15,587</u>	<u>1,500</u>	<u>14,623</u>
<i>Surplus for the year Locally raised funds</i>	<u>49,565</u>	<u>21,974</u>	<u>70,932</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	17,159	33,135	25,366
Equipment repairs	6,086	8,000	5,466
Information and communication technology	3,923	19,300	6,722
Library resources	284	800	630
Employee benefits - salaries	1,349,179	1,303,150	1,404,176
Staff development	3,737	2,000	1,564
	<u>1,380,368</u>	<u>1,366,385</u>	<u>1,443,924</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	12,547	4,000	3,463
Board of Trustees Fees	2,435	3,700	3,835
Board of Trustees Expenses	2,728	100	30
Communication	4,955	4,300	3,690
Consumables	6,001	6,000	4,465
Operating Lease	8,087	14,000	-
Other	6,024	8,000	6,255
Employee Benefits - Salaries	89,338	94,000	102,456
Insurance	5,831	6,000	4,985
Service Providers, Contractors and Consultancy	4,439	2,500	2,473
	<u>142,385</u>	<u>143,100</u>	<u>131,652</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,448	5,800	6,518
Consultancy and Contract Services	11,121	4,500	-
Cyclical Maintenance Provision	15,768	-	15,546
Grounds	4,919	8,000	17,011
Heat, Light and Water	29,793	29,000	25,776
Repairs and Maintenance	20,803	35,463	24,315
Use of Land and Buildings	391,778	391,778	384,549
Security	1,252	600	2,949
Employee Benefits - Salaries	43,459	41,600	42,005
	<u>528,341</u>	<u>516,741</u>	<u>518,669</u>

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

7. Depreciation of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	20,466	-	20,835
Furniture and Equipment	13,158	-	14,718
Information and Communication Technology	4,807	-	1,688
Motor Vehicles	3,477	-	2,709
Leased Assets	5,378	-	4,433
Library Resources	3,052	-	2,207
	<u>50,338</u>	<u>-</u>	<u>46,590</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	-	-	(927)
Bank Call Account	18,587	105,117	78,652
Short-term Bank Deposits	83,775	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>102,362</u>	<u>105,117</u>	<u>77,725</u>

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

Of the \$102,362 Cash and Cash Equivalents, \$18,189 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.

Of the \$102,362 Cash and Cash Equivalents, \$394 is held by the School on behalf of the Sports cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	830	-	-
Interest Receivable	485	1,212	1,212
Teacher Salaries Grant Receivable	41,092	71,502	71,502
	<u>42,407</u>	<u>72,714</u>	<u>72,714</u>
Receivables from Exchange Transactions	1,315	1,212	1,212
Receivables from Non-Exchange Transactions	41,092	71,502	71,502
	<u>42,407</u>	<u>72,714</u>	<u>72,714</u>

10. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	135,269	130,201	130,201

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	250,714	-	-	-	(20,466)	230,248
Furniture and Equipment	127,838	-	-	-	(13,158)	114,680
Information and Communication	7,658	21,015	-	-	(4,807)	23,866
Motor Vehicles	14,682	-	-	-	(3,477)	11,205
Leased Assets	21,879	-	-	-	(5,378)	16,501
Library Resources	15,447	8,971	-	-	(3,052)	21,366
Balance at 31 December 2018	438,218	29,986	-	-	(50,338)	417,866

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	495,612	(265,364)	230,248
Furniture and Equipment	299,307	(184,627)	114,680
Information and Communication	86,467	(62,601)	23,866
Motor Vehicles	17,391	(6,186)	11,205
Leased Assets	25,705	(9,204)	16,501
Library Resources	69,459	(48,093)	21,366
Balance at 31 December 2018	993,941	(576,075)	417,866

The net carrying value of equipment held under a finance lease is \$16,501 (2017: \$21,879)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	266,606	4,943	-	-	(20,835)	250,714
Furniture and Equipment	132,699	9,857	-	-	(14,718)	127,838
Information and Communication	6,916	2,430	-	-	(1,688)	7,658
Motor Vehicles	-	17,391	-	-	(2,709)	14,682
Leased Assets	6,322	19,990	-	-	(4,433)	21,879
Library Resources	16,114	1,540	-	-	(2,207)	15,447
Balance at 31 December 2017	428,657	56,151	-	-	(46,590)	438,218

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	495,612	(244,898)	250,714
Furniture and Equipment	299,307	(171,469)	127,838
Information and Communication	65,452	(57,794)	7,658
Motor Vehicles	17,391	(2,709)	14,682
Leased Assets	27,464	(5,585)	21,879
Library Resources	60,488	(45,041)	15,447
Balance at 31 December 2017	965,714	(527,496)	438,218

12. Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	28,997	18,353	18,353
Accruals	3,876	3,983	3,983
Employee Entitlements - salaries	41,092	71,502	71,502
Employee Entitlements - leave accrual	-	16,734	16,734
	<u>73,965</u>	<u>110,572</u>	<u>110,572</u>
Payables for Exchange Transactions	73,965	110,572	110,572
	<u>73,965</u>	<u>110,572</u>	<u>110,572</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	9,332	-	-
	<u>9,332</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	47,127	47,127	36,868
Increase to the Provision During the Year	15,768	-	-
Use of the Provision During the Year	(5,287)	-	(5,287)
Provision at the End of the Year	<u>57,608</u>	<u>47,127</u>	<u>31,581</u>
Cyclical Maintenance - Current	4,532	4,532	4,532
Cyclical Maintenance - Term	53,076	42,595	42,595
	<u>57,608</u>	<u>47,127</u>	<u>47,127</u>

15. Painting Contract Liability

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	15,768	15,768	15,768
Non Current Liability	5,194	15,675	15,675
	<u>20,962</u>	<u>31,443</u>	<u>31,443</u>

In 2013 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$15,788. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	6,995	8,558	8,558
Later than One Year and no Later than Five Years	8,614	15,609	15,609
Later than Five Years	-	-	-
	<u>15,609</u>	<u>24,167</u>	<u>24,167</u>

17. Funds Held for Capital Works

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 \$
Special needs mods - Boundary	In progress		18,189	-	-	-	18,189
Totals			<u>18,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,189</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	<u>18,189</u>
	<u>18,189</u>

		2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Special needs mods - Boundary	In progress		18,189	-	-	-	18,189
MOE new classrooms	Completed		132,777	7,123	140,580	680	-
Totals			<u>150,966</u>	<u>7,123</u>	<u>140,580</u>	<u>680</u>	<u>18,189</u>

18. Funds Held on Behalf of Sports Cluster

Stoke School is the lead school and holds funds on behalf of the Sports cluster.

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Funds Held at Beginning of the Year	394	394	394
Funds Held at Year End	<u>394</u>	<u>394</u>	<u>394</u>

19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

20. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, and Deputy Principals and Syndicate Leader.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	2,435	3,835
Full-time equivalent members	0.02	0.02
<i>Leadership Team</i>		
Remuneration	237,436	393,793
Full-time equivalent members	2.00	4.00
Total key management personnel remuneration	239,871	397,628
Total full-time equivalent personnel	2.02	4.02

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 - Principal 1	50 - 60	130-140
Salary and Other Payments - Principal 2	30 - 40	130-140
Benefits and Other Emoluments - Principal 1	0 - 2	0 - 0
Benefits and Other Emoluments - Principal 2	0 - 2	0 - 0
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

21. Compensation and Other Benefits Upon Leaving

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

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

22. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

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

(a) operating lease of a photocopier, phone system and laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	1,053	1,941
Later than One Year and No Later than Five Years	263	1,316
	<u>1,316</u>	<u>3,257</u>

24. 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.

25. Financial Instruments

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

Loans and Receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	102,362	105,117	77,725
Receivables	42,407	72,714	72,714
Investments - Term Deposits	135,269	130,201	130,201
Total Loans and Receivables	<u>280,038</u>	<u>308,032</u>	<u>280,639</u>

Financial liabilities measured at amortised cost

Payables	73,965	110,572	110,572
Finance Leases	13,827	20,699	20,699
Funds Held for Capital Works	18,189	18,189	18,189
Painting Contract Liability	20,962	31,443	31,443
Total Financial Liabilities Measured at Amortised Cost	<u>126,943</u>	<u>180,903</u>	<u>180,903</u>

26. Events After Balance Date

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