



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	3317
Principal:	Mike Agar
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CHRISTCHURCH EAST SCHOOL

Annual Report - For the year ended 31 December 2019

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Christchurch East 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 reflect the financial position and operations of the school.

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

Denis Cocks
Full Name of Board Chairperson

Denis Cocks
Signature of Board Chairperson

2 June 2020
Date:

Michael Agar
Full Name of Principal

[Signature]
Signature of Principal

2 June 2020
Date:

Christchurch East School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until	Occupation
Denis Cocks	Chairperson	Elected	May 2022	Retired
Grey May	Parent Rep	Elected	May 2022	Bar Owner
Caleb Martin	Parent Rep	Elected	May 2022	Designer
Michelle Stock	Staff Rep	Elected	May 2022	Teacher
Mike Agar	Principal	ex Officio		
Henare Manwatu	Ngai Tahu Trustee	Elected	May 2019	Ed Advisor Ngai Tahu
Joe Tonner	Parent Rep	Elected	May 2019	HR Advisor
In Attendance				
Catherine Bartlett	Secretary			

Christchurch East 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	2,861,891	2,848,169	2,561,072
Locally Raised Funds	3	130,204	132,149	150,333
Interest Income		10,167	7,500	10,970
		<u>3,002,262</u>	<u>2,987,818</u>	<u>2,722,375</u>
Expenses				
Locally Raised Funds	3	41,309	58,283	47,240
Learning Resources	4	2,172,617	2,270,944	1,892,990
Administration	5	168,601	177,916	144,515
Finance Costs		2,926	-	1,619
Property	6	482,103	595,730	609,240
Depreciation	7	97,812	110,000	93,213
Loss on Disposal of Property, Plant and Equipment		629	-	-
		<u>2,965,997</u>	<u>3,212,873</u>	<u>2,788,817</u>
Net (Deficit) / Surplus		36,265	(225,055)	(66,442)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>36,265</u>	<u>(225,055)</u>	<u>(66,442)</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.



Christchurch East 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	696,857	696,857	738,338
Total comprehensive revenue and expense for the year	36,265	(225,055)	(66,442)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	39,136	-	24,961
Equity at 31 December	772,258	471,802	696,857
Retained Earnings	772,258	471,802	696,857
Equity at 31 December	772,258	471,802	696,857

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



Christchurch East School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	8	155,017	33,621	148,676
Accounts Receivable	9	98,688	98,249	98,249
GST Receivable		8,343	9,795	9,795
Prepayments		18,158	14,875	14,875
Investments	10	250,000	250,000	250,000
		<u>530,206</u>	<u>406,540</u>	<u>521,595</u>
Current Liabilities				
Accounts Payable	12	138,801	124,419	124,419
Revenue Received in Advance	13	537	10,942	10,942
Finance Lease Liability - Current Portion	15	13,767	8,413	8,413
		<u>153,105</u>	<u>143,774</u>	<u>143,774</u>
Working Capital Surplus/(Deficit)		377,101	262,766	377,821
Non-current Assets				
Property, Plant and Equipment	11	419,410	318,521	428,521
		<u>419,410</u>	<u>318,521</u>	<u>428,521</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	106,614	106,614
Finance Lease Liability	15	24,253	2,871	2,871
		<u>24,253</u>	<u>109,485</u>	<u>109,485</u>
Net Assets		<u>772,258</u>	<u>471,802</u>	<u>696,857</u>
Equity		<u>772,258</u>	<u>471,802</u>	<u>696,857</u>

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



Christchurch East School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		707,121	693,399	643,251
Locally Raised Funds		113,973	132,149	168,543
Goods and Services Tax (net)		1,452	-	(2,684)
Payments to Employees		(428,565)	(392,712)	(377,386)
Payments to Suppliers		(375,014)	(555,391)	(397,458)
Interest Received		10,872	7,500	10,728
Net cash from Operating Activities		29,839	(115,055)	44,994
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(48,486)	-	(51,764)
Purchase of Investments		-	-	(250,000)
Net cash from Investing Activities		(48,486)	-	(301,764)
Cash flows from Financing Activities				
Furniture and Equipment Grant		39,136	-	24,961
Finance Lease Payments		(14,148)	-	(8,273)
Funds Administered on Behalf of Third Parties		-	-	(8,053)
Net cash from Financing Activities		24,988	-	8,635
Net increase/(decrease) in cash and cash equivalents		6,341	(115,055)	(248,135)
Cash and cash equivalents at the beginning of the year	8	148,676	148,676	396,811
Cash and cash equivalents at the end of the year	8	155,017	33,621	148,676

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.



Christchurch East School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Christchurch East 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 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 25.

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

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.

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

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 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 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.

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, except for sets of like items with a collective worth exceeding \$1,000.

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	18-40 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

1.12. 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.

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.

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

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.

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. 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).

1.18. Financial Assets and Liabilities

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

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

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

1.19. 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.

1.20. Budget Figures

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

1.21. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	556,766	543,300	522,444
Teachers' salaries grants	1,725,250	1,725,250	1,517,742
Use of Land and Buildings grants	424,432	424,432	401,965
Resource teachers learning and behaviour grants	20,801	5,780	10,726
Other MoE Grants	134,642	149,407	108,195
	<u>2,861,891</u>	<u>2,848,169</u>	<u>2,561,072</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	50,787	49,161	49,634
Fundraising	1,457	1,300	1,506
Bequests & Grants	22,784	41,642	32,085
Other revenue	20,680	4,680	30,666
Trading	5,274	5,636	6,044
Activities	29,222	29,730	30,398
	<u>130,204</u>	<u>132,149</u>	<u>150,333</u>
Expenses			
Activities	40,159	50,020	38,598
Trading	368	7,630	7,902
Fundraising (costs of raising funds)	782	633	740
	<u>41,309</u>	<u>58,283</u>	<u>47,240</u>
Surplus for the year Locally raised funds	<u>88,895</u>	<u>73,866</u>	<u>103,093</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	93,959	187,387	60,480
Equipment repairs	2,133	2,600	4,459
Information and communication technology	25,961	40,107	30,056
Library resources	858	2,700	1,130
Employee benefits - salaries	2,039,943	1,984,350	1,763,444
Staff development	9,763	53,800	33,421
	<u>2,172,617</u>	<u>2,270,944</u>	<u>1,892,990</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,914	3,915	3,750
Board of Trustees Fees	1,865	4,455	2,745
Board of Trustees Expenses	14,999	12,600	14,090
Communication	12,544	7,360	6,028
Consumables	9,631	13,400	7,997
Operating Lease	3,378	14,316	7,475
Legal Fees	1,800	2,000	913
Other	17,653	11,870	11,142
Employee Benefits - Salaries	82,710	91,500	76,540
Insurance	12,688	12,760	12,135
Service Providers, Contractors and Consultancy	7,419	3,740	1,700
	<u>168,601</u>	<u>177,916</u>	<u>144,515</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	3,654	2,980	3,004
Consultancy and Contract Services	53,903	48,500	46,474
Adjustment to the Provision	(106,614)	-	-
Grounds	8,870	8,980	44,847
Heat, Light and Water	26,148	36,000	28,080
Rates	5,573	4,700	4,957
Repairs and Maintenance	12,883	19,438	26,160
Use of Land and Buildings	424,432	424,432	401,965
Security	4,689	3,500	3,000
Employee Benefits - Salaries	48,565	47,200	50,753
	<u>482,103</u>	<u>595,730</u>	<u>608,240</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	13,721	15,000	13,721
Furniture and Equipment	34,508	40,000	32,840
Information and Communication Technology	31,982	35,000	35,438
Leased Assets	14,259	16,000	9,738
Library Resources	3,342	4,000	1,476
	<u>97,812</u>	<u>110,000</u>	<u>93,213</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	-	200
Bank Current Account	106,985	33,621	100,745
Bank Call Account	47,832	-	47,731
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>155,017</u>	<u>33,621</u>	<u>148,676</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	5,826	-	-
Interest Receivable	1,485	2,190	2,190
Teacher Salaries Grant Receivable	91,377	96,059	96,059
	<u>98,688</u>	<u>98,249</u>	<u>98,249</u>
Receivables from Exchange Transactions	7,311	2,190	2,190
Receivables from Non-Exchange Transactions	91,377	96,059	96,059
	<u>98,688</u>	<u>98,249</u>	<u>98,249</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	250,000	250,000	250,000
Total Investments	250,000	250,000	250,000

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	215,090	-	-	-	(13,721)	201,369
Furniture and Equipment	137,462	12,127	-	-	(34,508)	115,081
Information and Communication	53,899	19,285	-	-	(31,982)	41,202
Leased Assets	11,737	40,884	-	-	(14,259)	38,362
Library Resources	10,333	17,034	(629)	-	(3,342)	23,396
Balance at 31 December 2019	428,521	89,330	(629)	-	(97,812)	419,410

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	401,867	(200,498)	201,369
Furniture and Equipment	519,897	(404,816)	115,081
Information and Communication	584,106	(542,904)	41,202
Leased Assets	53,925	(15,563)	38,362
Library Resources	58,206	(34,810)	23,396
Balance at 31 December 2019	1,618,001	(1,198,591)	419,410

The net carrying value of equipment held under a finance lease is \$38,362 (2018: \$11,737)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	228,811	-	-	-	(13,721)	215,090
Furniture and Equipment	123,048	47,254	-	-	(32,840)	137,462
Information and Communication	89,337	-	-	-	(35,438)	53,899
Leased Assets	18,487	2,988	-	-	(9,738)	11,737
Library Resources	11,658	151	-	-	(1,476)	10,333
Balance at 31 December 2018	471,341	50,393	-	-	(93,213)	428,521

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	401,867	(186,777)	215,090
Furniture and Equipment	507,770	(370,308)	137,462
Information and Communication	564,821	(510,922)	53,899
Leased Assets	29,429	(17,692)	11,737
Library Resources	43,840	(33,507)	10,333
Balance at 31 December 2018	1,547,727	(1,119,206)	428,521



12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	24,526	15,723	15,723
Accruals	2,316	4,370	4,370
Banking staffing overuse	-	5,088	5,088
Employee Entitlements - salaries	102,991	96,059	96,059
Employee Entitlements - leave accrual	8,968	3,179	3,179
	<u>138,801</u>	<u>124,419</u>	<u>124,419</u>
Payables for Exchange Transactions	138,801	124,419	124,419
	<u>138,801</u>	<u>124,419</u>	<u>124,419</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	537	10,942	10,942
	<u>537</u>	<u>10,942</u>	<u>10,942</u>

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	106,614	106,614	106,614
Adjustment to the Provision	(106,614)	-	-
Provision at the End of the Year	<u>-</u>	<u>106,614</u>	<u>106,614</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	-	106,614	106,614
	<u>-</u>	<u>106,614</u>	<u>106,614</u>

15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	17,180	9,114	9,114
Later than One Year and no Later than Five Years	27,238	3,023	3,023
	<u>44,418</u>	<u>12,137</u>	<u>12,137</u>



16. Funds Held on Behalf of the RTLit Cluster

Christchurch East School was the lead school and held funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to share support for student literacy. Funds have now been transferred to St James School (Aranui)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	8,053
Funds Spent on Behalf of the Cluster	-	-	(8,053)
Funds Held at Year End	-	-	-

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, and Deputy Principal.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	1,865	2,745
Full-time equivalent members	0.15	-
<i>Leadership Team</i>		
Remuneration	668,734	475,136
Full-time equivalent members	6.78	4.74
Total key management personnel remuneration	670,599	477,881
Total full-time equivalent personnel	6.93	4.74

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	140 - 150	140 - 150
Benefits and Other Emoluments	3 - 4	2 - 3
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	2019 FTE Number	2018 FTE Number
100 - 110	-	-
110 - 120	-	-
120 - 130	-	-
	-	-

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

19. Compensation and Other Benefits Upon Leaving

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

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

20. Contingencies

There are no contingent liabilities (except as 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.

21. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)



(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts:

(a) operating lease of computer laptops, photocopier and security;

	2019 Actual \$	2018 Actual \$
No later than One Year	-	593
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	593

22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. Financial Instruments

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

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	155,017	33,621	148,676
Receivables	98,688	98,249	98,249
Investments - Term Deposits	250,000	250,000	250,000
Total Financial assets measured at amortised cost	503,705	381,870	496,925

Financial liabilities measured at amortised cost

Payables	138,801	124,419	124,419
Finance Leases	38,020	11,284	11,284
Total Financial liabilities measured at amortised Cost	176,821	135,703	135,703

24. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26th 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.



25. 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:

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.

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.

