

TE ARA KOROPIKO WEST SPREYDON SCHOOL

Annual Report For the year ended 31 December 2019

Ministry Number:	3588
Principal:	Marriene Langton
School Address:	147 Lyttelton Street. Christchurch
School Phone:	03 338 8184
School Email:	admin@westspreydon.school.nz

Members of the Board of Trustees

Name	Ceased
Duane Major	May-19
Paul Ferguson	May-19
Sjaan Bowie	May-19
Abby Parsons	
Simon Harrison	
Tim Hayward	
Michael Down	
Andrew Turner	
Michelle Warburton	
Jared Fretwell	
Bridget Riddle	May-19
Marriene Langton - Principal	

The term finishes except for the principal in May 2022.

Te Ara Koropiko West Spreydon School Table of Contents

Page

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expenses
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Cashflow Statement
6	Statement of Accounting Policies
11	Notes and Disclosures
18	Independent Auditor's Report

Other Information

Analysis of Variance

Te Ara Koropiko West Spreydon School Statement of Responsibility

For the year ended 31 December 2019

The Board of Trustees (the Board) has pleasure in presenting the annual report of West Spreydon School incorporating the financial statements and the auditor's report, for the year ended 31 December 2019.

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

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

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

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

Abbey Parrons

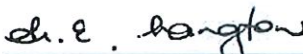
Full Name of Board Chairperson

Marriene Elizabeth Langton

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

1. 12. 2020

Date:

01. 12. 20.

Date:

Te Ara Koropiko West Spreydon School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	2,292,753	2,283,090	2,253,974
Locally Raised Funds	3	54,798	7,044	80,242
Interest Earned		19,199	10,000	19,384
		<u>2,366,750</u>	<u>2,300,134</u>	<u>2,353,600</u>
Expenses				
Locally Raised Funds	3	36,432	2,500	20,837
Learning Resources	4	1,782,888	1,768,863	1,632,789
Administration	5	128,598	133,021	125,675
Finance Costs		305	-	578
Property	6	350,719	357,854	292,775
Depreciation	7	91,374	40,000	79,220
		<u>2,390,316</u>	<u>2,302,238</u>	<u>2,151,874</u>
Net Surplus / (Deficit)		(23,566)	(2,104)	201,726
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(23,566)</u>	<u>(2,104)</u>	<u>201,726</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.

Te Ara Koropiko West Spreydon School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>1,624,344</u>	<u>1,624,344</u>	<u>1,422,618</u>
Total comprehensive revenue and expense for the year	(23,566)	(2,104)	201,726
Owner transactions			
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	<u>1,600,778</u>	<u>1,622,240</u>	<u>1,624,344</u>
Retained Earnings	1,600,778	1,622,240	1,624,344
Reserves	-	-	-
Equity at 31 December 2019	<u>1,600,778</u>	<u>1,622,240</u>	<u>1,624,344</u>

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.

Te Ara Koropiko West Spreydon School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	34,277	37,552	24,268
Accounts Receivable	9	109,684	102,000	85,786
GST Receivable		2,596	6,000	13,428
Prepayments		7,159	4,500	2,088
Investments	10	515,711	490,000	477,874
		<u>669,427</u>	<u>640,052</u>	<u>603,444</u>
Current Liabilities				
Accounts Payable	12	121,339	118,000	93,230
Revenue Received in Advance	13	6,760	-	-
Finance Lease Liability - Current Portion	14	4,536	1,707	3,058
Funds held on behalf of RTLit	15	6,934	5,477	5,477
		<u>139,569</u>	<u>125,184</u>	<u>101,765</u>
Working Capital Surplus or (Deficit)		529,858	514,868	501,679
Non-current Assets				
Property, Plant and Equipment	11	1,080,119	1,107,372	1,124,372
		<u>1,080,119</u>	<u>1,107,372</u>	<u>1,124,372</u>
Non-current Liabilities				
Finance Lease Liability	14	9,199	-	1,707
		<u>9,199</u>	<u>-</u>	<u>1,707</u>
Net Assets		<u>1,600,778</u>	<u>1,622,240</u>	<u>1,624,344</u>
Equity		<u>1,600,778</u>	<u>1,622,240</u>	<u>1,624,344</u>

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

Te Ara Koropiko West Spreydon School

Cash Flow Statement

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		524,483	520,197	550,439
Locally Raised Funds		54,798	7,044	80,242
Goods and Services Tax (net)		10,832	7,428	8,043
Payments to Employees		(269,467)	(232,376)	(244,196)
Payments to Suppliers		(261,465)	(261,316)	(251,646)
Interest Received		18,599	10,491	19,779
Funds Administered on Behalf of Third Parties		8,217	-	1,733
Net cash from / (to) the Operating Activities		85,997	51,468	164,394
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(47,121)	(23,000)	(209,028)
Purchase of Investments		(37,837)	(12,126)	(120,249)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(84,958)	(35,126)	(329,277)
Cash flows from Financing Activities				
Contribution by the Ministry of Education - Furniture and Equipment		-	-	-
Finance Lease Payments		(3,059)	(3,058)	(3,227)
Pool - Community Grant		-	-	-
Net cash from Financing Activities		(3,059)	(3,058)	(3,227)
Net increase/(decrease) in cash and cash equivalents		(2,020)	13,284	(168,110)
Cash and cash equivalents at the beginning of the year	8	24,268	24,268	192,378
Cash and cash equivalents at the end of the year	8	22,248	37,552	24,268

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

Te Ara Koropiko West Spreydon School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying PBE Accounting Standards (PBE IPSAS) 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 24.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publically 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.

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.

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.

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.

Donations

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) 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.

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 section 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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:	Years
Building improvements – Crown	40
Furniture and equipment	5-10
Information and communication technology	5
Plant	10
Leased	3
Library resources	10

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

West Spreydon 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.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from 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.

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) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) 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 "financial assets measured at fair value through other comprehensive income" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, 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.

r) 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.

s) Budget Figures

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

t) 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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	444,019	481,440	481,926
Teachers' salaries grants	1,567,971	1,565,000	1,426,412
Use of Land and Buildings grants	204,782	205,000	275,957
Other government grants	75,981	31,650	69,679
	<u>2,292,753</u>	<u>2,283,090</u>	<u>2,253,974</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<i>Revenue</i>			
Donations	13,530	4,044	54,381
Activities	38,490	-	23,016
Trading	2,778	3,000	2,845
	<u>54,798</u>	<u>7,044</u>	<u>80,242</u>
<i>Expenses</i>			
Activities	32,090	2,500	20,645
Trading	342	-	26
Fundraising (costs of raising funds)	4,000	-	166
	<u>36,432</u>	<u>2,500</u>	<u>20,837</u>
<i>Surplus for the year Locally raised funds</i>	<u>18,366</u>	<u>4,544</u>	<u>59,405</u>

4 Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	41,977	54,863	46,965
Employee Benefits - Salaries	1,706,820	1,670,000	1,541,588
Staff Development	34,091	44,000	44,236
	<u>1,782,888</u>	<u>1,768,863</u>	<u>1,632,789</u>

5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,461	3,461	3,360
Board of Trustees Fees	5,785	5,000	4,068
Board of Trustees Expenses	11,002	6,700	9,698
Communication	3,687	6,000	3,975
Consumables	9,860	16,250	18,028
Operating Lease	1,535	2,500	1,471
Staff Expenses	19,355	20,150	13,463
Other	13,532	16,460	12,302
Employee Benefits - Salaries	60,381	56,500	59,310
	<u>128,598</u>	<u>133,021</u>	<u>125,675</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	6,708	7,200	7,521
Cyclical Maintenance Provision	-	-	(120,407)
Grounds	4,868	6,200	5,409
Heat, Light and Water	26,357	23,000	25,760
Rates	7,056	5,600	4,947
Repairs and Maintenance	31,359	39,354	23,525
Use of Land and Buildings - Non-Integrated	204,782	205,000	275,957
Employee Benefits - Salaries	69,589	71,500	70,063
	<u>350,719</u>	<u>357,854</u>	<u>292,775</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	18,269	5,000	11,723
Furniture and Equipment	14,755	8,000	13,733
Information and Communication Technology	35,133	14,000	33,437
Plant	15,023	9,000	14,260
Leased Assets	5,064	1,000	3,327
Library Resources	3,130	3,000	2,740
	<u>91,374</u>	<u>40,000</u>	<u>79,220</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	500	500	500
Bank Current Account	33,777	37,052	23,768
Bank Call Account	-	-	-
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	-
	<u>34,277</u>	<u>37,552</u>	<u>24,268</u>

Net cash and cash equivalents and bank overdraft for Cash Flow Statement

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Debtors	-	-	-
Debtor Ministry of Education	2,319	-	7,107
Interest Accrued	3,091	2,000	2,491
Teacher Salaries Grant Receivable	104,274	100,000	76,188
	<u>109,684</u>	<u>102,000</u>	<u>85,786</u>
Receivables from Exchange Transactions	3,091	2,000	2,491
Receivables from Non-Exchange Transactions	106,593	100,000	83,295
	<u>109,684</u>	<u>102,000</u>	<u>85,786</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 with Maturities Greater than Three Months and No Greater than One Year	515,711	490,000	477,874

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	799,328	-	-	-	(18,269)	781,059
Furniture and Equipment	73,869	10,287	-	-	(14,755)	69,401
Information and Communication	87,644	4,980	-	-	(35,133)	57,491
Plant	141,001	13,840	-	-	(15,023)	139,818
Leased Assets	4,514	14,152	-	-	(5,064)	13,602
Library Resources	18,016	3,862	-	-	(3,130)	18,748
Balance at 31 December 2019	1,124,372	47,121	-	-	(91,374)	1,080,119

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	870,592	(89,533)	781,059
Furniture and Equipment	240,350	(170,949)	69,401
Information and Communication	223,665	(166,174)	57,491
Plant	250,628	(110,810)	139,818
Leased Assets	18,870	(5,268)	13,602
Library Resources	99,708	(80,960)	18,748
Balance at 31 December 2019	1,703,813	(623,694)	1,080,119

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	647,101	163,950	-	-	(11,723)	799,328
Furniture and Equipment	87,602	-	-	-	(13,733)	73,869
Information and Communication	85,114	35,967	-	-	(33,437)	87,644
Plant	150,064	5,197	-	-	(14,260)	141,001
Leased Assets	3,123	4,718	-	-	(3,327)	4,514
Library Resources	16,842	3,914	-	-	(2,740)	18,016
Balance at 31 December 2018	989,846	213,746	-	-	(79,220)	1,124,372

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	870,592	(71,264)	799,328
Furniture and Equipment	230,063	(156,194)	73,869
Information and Communication	245,263	(157,619)	87,644
Plant	236,788	(95,787)	141,001
Leased Assets	9,983	(5,469)	4,514
Library Resources	95,847	(77,831)	18,016
Balance at 31 December 2018	1,688,536	(564,164)	1,124,372

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	10,337	10,000	9,666
Employee Benefits Payable - Salaries	104,274	100,000	76,188
Employee Benefits Payable - Leave Accrual	6,728	8,000	7,376
	<u>121,339</u>	<u>118,000</u>	<u>93,230</u>
Payables for Exchange Transactions	121,339	118,000	93,230
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>121,339</u>	<u>118,000</u>	<u>93,230</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	-	-	120,407
Increase to the Provision During the Year	-	-	(120,407)
Reversal of provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>-</u>	<u>-</u>	<u>-</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2019. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	4,536	1,707	3,058
Later than One Year and no Later than Five Years	9,199	-	1,707
Later than Five Years	-	-	-
	<u>13,735</u>	<u>1,707</u>	<u>4,765</u>

15. Funds Held on Behalf of RTLit

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	5,477	5,477	3,744
Funds Received from MoE	10,045	10,045	9,888
Funds Spent on Behalf of the Cluster	8,588	10,045	8,155
Funds Held at Year End	<u>6,934</u>	<u>5,477</u>	<u>5,477</u>

16. 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.

Mr G Langton is the principals husband whose services have been used for website maintenance. Because the total value of all transactions is less than \$25,000 for the year, the Board is not required Ministry conflict of interest approval under section 103 of the Education Act 1989.

17. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,785	4,068
Full-time equivalent members	0.18	0.18
<i>Leadership Team</i>		
Remuneration	367,876	305,807
Full-time equivalent members	3	3
Total key management personnel remuneration	373,661	309,875
Total full-time equivalent personnel	3.18	3.18

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	1-10	-
Termination Benefits	-	-

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
120-130	1	0
	1	0

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

18. 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	\$0	\$3,000
Number of People	-	1

19. Contingencies

There are no contingent liabilities 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.

Contingent liability - cyclical maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced. We also draw your attention to the line item "Reversal of provision" on page 13 where the School has reversed its provision for cyclical maintenance in note 13 because of this significant uncertainty.

20. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board had no capital commitments.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of a photocopier

	2019 Actual	2018 Actual
	\$	\$
No later than One Year	3,763	-
Later than One Year and No Later than Five Years	12,230	-
Later than Five Years	-	-
	<hr/> 15,993	<hr/> -

21. 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.

22. Financial Instruments

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

Cash and receivables

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	34,277	37,552	24,268
Receivables	109,684	102,000	85,786
Investments - Term Deposits	515,711	490,000	477,874
Total Cash and Receivables	659,672	629,552	587,928

Financial liabilities measured at amortised cost

Payables	121,339	118,000	93,230
RTLit	6,934	5,477	5,477
Lease Liability	13,735	1,707	4,765
Total Financial Liabilities Measured at Amortised Cost	142,008	125,184	103,472

23. Events After Balance Date

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

24. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 10 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

25. Impact from COVID-19

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

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

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

26. Breach of Statutory Reporting Deadline

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

**INDEPENDENT AUDIT REPORT TO THE READERS OF
TE ARA KOROPIKO WEST SPREYDON SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Te Ara Koropiko West Spreydon School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - financial position as at 31 December 2019; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 1 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 on page 17 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees listing, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand

Te Ara Koropiko West Spreydon School - Kiwi Sport Funding Report 2019

Kiwi Sport is a government funded initiative to support students in participation in organised sport. In 2019 the school received total Kiwi Sport Funding of \$4,669.43 excluding GST.

The funding was spent on external coaches to enhance pupils' core skills and fundamental skills to help students to gain confidence to be able to participate in a range of sports.,

Analysis of Variance 2019

School Name:	Te Ara Koropiko West Spreydon School	School Number:	3588
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Strategic Aim:	<p>Teaching and Learning</p> <p>Aim for innovation and excellence in all learning and teaching and celebrate the successes across our school and the Kahukura COP.</p>
Annual Aim:	<p>Raise student achievement in maths and literacy across the school, by building capacity and capability in all teaching staff</p> <p><i>Refer also to the Math and Literacy Leadership action plans</i></p> <p>Utilise the maths and literacy lead to:</p> <ul style="list-style-type: none"> • develop the PAC team and incorporate team leaders alongside Brent Langford from Evaluation Associates • release the PAC team to coach and mentor teachers through the PAC process • input data twice a year into the PACT Tool and use that data to inform our TPJs • Term 1 and 2 PAC focus - mathematics • Term 3 and 4 PAC focus - writing • lead maths and writing professional learning across the school • scrutinise and utilise student achievement data to drive changes in teacher practice • incorporate maths and literacy teaching as a key element of appraisal documentation • provide professional learning to support teacher capability (Yolanda Soryl, Jill Eggleton etc) • ensure all teams/teachers have a bespoke yearly long term plan that addresses the requirements of the NZC Math curriculum and that they are tailored to the needs of the students in their care • target key teachers in the school to lead math and literacy learning and innovation • create a directory / repository of online and material maths and literacy resources to support student learning

Writing Target:	<p><u>Target 1:</u> 5/14 or 40% of the Year 3 students who are working below curriculum level expectations will have accelerated progress and will be working within Level 2 in writing by the end of 2020. This would include our priority learners.</p> <p><u>Target 2:</u> 4/11 or 40% of the Year 4 students who are working below curriculum level expectations will have accelerated progress and will have mastered Level 2 in writing by the end of 2020. This would include our priority learners.</p> <p><u>Target 3:</u> The three Year 3 students who are working well below (early curriculum level 1) will show accelerated progress through achieving their learning support goals in writing.</p> <p><u>Target 4:</u> The one Year 4 student who is working well below (curriculum level 1) will show accelerated progress through achieving his/her learning support goals in writing.</p> <p><u>Target 5:</u> 11 of the Year 6 students who were working above curriculum level expectations in writing will continue on this trajectory.</p>
Baseline Data:	<p><u>Baseline 2019 Data Linked to Target 1, 2, 3 & 4:</u> 33% (17/52) of Year 2 students are working below 27% (14/52) or well below 6% (3/52) the New Zealand curriculum level in writing 29% (11/39) of Year 3 students are working below 26% (10/39) or well below 3% (1/39) the New Zealand curriculum level in writing</p>

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Centrally Funded Professional Learning for all teaching staff facilitated by Brent Langford (Evaluation Associates) Implemented the PAC process and began using the PACT tool to strengthen mathematics teaching practice Removed team leaders - Angie and Jared led the teams to ensure there were clear communication lines Angie and Jared ensured that data gathering, analysis and moderation was discussed every team meeting and then fed back at the Senior Leadership level SENCO responsibilities were brought into the senior leadership team 	<p>We have seen a positive improvement in our student achievement data for the first time in 6 years because there is:</p> <ul style="list-style-type: none"> Increased knowledge and skill around gathering assessment information Teacher's curriculum knowledge and assessment gathering processes were strengthened We have more confidence in the consistency and efficacy of the data We now have a clear understanding, as a staff, of how to make a TPJ and what we expect as a school in mathematics Learning support programmes were timely and effective and they addressed the greatest needs. 	<ul style="list-style-type: none"> The implementation of the PAC process and the PACT Tool Teachers took risks and weren't afraid to be vulnerable Professional development Brent Langford (Evaluation Associates) Clear messages and expectations coming from the the leadership team Robust induction programme for new staff members 	<ul style="list-style-type: none"> We need to continue to embed strong mathematics practice using the PAC process In Term 3/4 we will begin our work on writing practice using the same PAC process When we reinstate team leaders we will need to ensure that clear messages and consistent expectations are being delivered to teams