

# MERIVALE SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 1825

**Principal:** Tom Paekau

**School Address:** 25 Kesteven Ave, Tauanga

**School Postal Address:** as above

**School Phone:** 07-578-6900

**School Email:** [admin@merivale.school.nz](mailto:admin@merivale.school.nz)

#### Members of the Board of Trustees

Term expires	Position	How Position Gained	Name
	Principal ex Officio		Tom Paekau
May-22	Chair Person	elected	Kellie Kioa
May-22	Parent Rep	elected	Tiria Maunder
May-19	Parent Rep	elected	Kim Benson
May-19	Parent Rep	elected	Stacey Wilson
May-22	Parent Rep	elected	Athony Campbell
May-22	Parent Rep	elected	Maria Anderson
May-22	Parent Rep	elected	Salesh Kumar
May-22	Staff Rep	elected	Paora McGruer

**Accountant / Service Provider:** Davidson Dickson Ltd

# MERIVALE SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

<b>Page</b>	<b>Statement</b>
<b>Financial Statements</b>	
<a href="#">1</a>	Statement of Responsibility
<a href="#">2</a>	Statement of Comprehensive Revenue and Expense
<a href="#">3</a>	Statement of Changes in Net Assets/Equity
<a href="#">4</a>	Statement of Financial Position
<a href="#">5</a>	Statement of Cash Flows
<a href="#">6 - 12</a>	Statement of Accounting Policies
<a href="#">13- 22</a>	Notes to the Financial Statements
<b>Other Information</b>	
	Analysis of Variance
	Kiwisport

# MERIVALE SCHOOL

## Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

\_\_\_\_\_  
Full Name of Board Chairperson

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Board Chairperson

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**MERIVALE SCHOOL****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,879,905	1,788,900	1,611,310
Locally Raised Funds	3	157,293	7,500	27,659
Interest income		1,623	2,000	2,254
		<hr/>	<hr/>	<hr/>
		2,038,821	1,798,400	1,641,223
<b>Expenses</b>				
Locally Raised Funds	3	37,926	-	22,331
Learning Resources	4	1,241,652	1,172,044	1,058,681
Administration	5	115,716	103,840	134,845
Finance		3,817	900	3,063
Property	6	495,020	462,352	452,961
Depreciation	7	93,151	50,000	94,135
Transport		2,904	3,500	-
		<hr/>	<hr/>	<hr/>
		1,990,186	1,792,636	1,766,016
<b>Net Surplus / (Deficit) for the year</b>		48,635	5,764	(124,792)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		48,635	5,764	(124,792)

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

## MERIVALE SCHOOL

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>1,028,738</u>	<u>1,236,653</u>	<u>1,153,530</u>
Total comprehensive revenue and expense for the year		48,635	5,764	(124,792)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		4,742	-	-
<b>Equity at 31 December</b>	21	<u>1,082,115</u>	<u>1,242,417</u>	<u>1,028,738</u>
Retained Earnings		1,082,115	1,242,417	1,028,738
<b>Equity at 31 December</b>		<u>1,082,115</u>	<u>1,242,417</u>	<u>1,028,738</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.

# MERIVALE SCHOOL

## Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	137,290	189,796	18,246
Accounts Receivable	9	58,746	50,000	55,015
Prepayments		13,555	-	11,765
Inventories	10	10,437	1,000	282
Funds Due for Capital Works	15	10,489	-	-
GST Receivable		-	-	3,621
		<hr/>	<hr/>	<hr/>
		230,517	240,796	88,929
<b>Current Liabilities</b>				
GST Payable		1,098	-	-
Accounts Payable	12	110,140	65,000	61,063
Provision for Cyclical Maintenance	13	65,024	40,000	39,818
Finance Lease Liability - Current Portion	14	19,277	10,000	17,589
Funds held for Capital Works Projects	15	56,093	-	3,085
		<hr/>	<hr/>	<hr/>
		251,632	115,000	121,555
<b>Working Capital Surplus/(Deficit)</b>		(21,115)	125,796	(32,626)
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,159,534	1,190,559	1,142,306
		<hr/>	<hr/>	<hr/>
		1,159,534	1,190,559	1,142,306
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	28,788	43,938	40,774
Finance Lease Liability	14	27,517	30,000	40,169
		<hr/>	<hr/>	<hr/>
		56,305	73,938	80,943
		<hr/>	<hr/>	<hr/>
		<hr/>	<hr/>	<hr/>

# MERIVALE SCHOOL

## Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		660,018	566,116	507,235
Locally Raised Funds		153,255	8,795	47,170
Goods and Services Tax (net)		4,719	6,904	725
Payments to Employees		(394,397)	(365,141)	(364,042)
Payments to Suppliers		(228,276)	(144,639)	(217,200)
Cyclical Maintenance Payments in the year		-	33,125	-
Interest Paid		(3,817)	(900)	(3,063)
Interest Received		1,624	2,010	2,254
Net cash from Operating Activities		193,126	106,270	(26,921)
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(105,952)	(90,000)	(17,991)
Net cash from Investing Activities		(105,952)	(90,000)	(17,991)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		4,742	-	(11,633)
Finance Lease Payments		(15,392)	36,424	(10,273)
Funds Held for Capital Works Projects		42,520	-	(14,231)
Net cash from Financing Activities		31,870	36,424	(35,046)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>119,044</b>	<b>52,694</b>	<b>(79,958)</b>
Cash and cash equivalents at the beginning of the year	8	18,246	137,102	98,204
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>137,290</b>	<b>189,796</b>	<b>18,246</b>

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..

# MERIVALE SCHOOL

## Notes to the Financial Statements

Merivale 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.

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.

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

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”.

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.

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.

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

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

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.

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

### **Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**Prior Year Policy**

*Accounts Receivable represents items that the Group 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 Group realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.*

**i) Inventories**

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

## **j) Investments**

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

### **Prior Year Policy**

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

*Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the Group at fair value plus transaction costs. At balance date the Group has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated 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 Group may incur on sale or other disposal.*

## **k) Property, Plant and Equipment**

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

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

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

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

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

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	18-40 years
Furniture and equipment	5-15 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-5 years term of lease
Library resources	12.5% Diminishing value

## **l) Intangible Assets**

### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

## **m) 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.

## **n) 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.

## **o) Employee Entitlements**

### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

### *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.

**p) Revenue Received in Advance**

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

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

**q) 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.

**r) Shared Funds**

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

**s) 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).

**t) Financial Assets and Liabilities**

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

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

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

**u) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**v) 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.

**w) Budget Figures**

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

**x) 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	441,435	436,726	375,769
Teachers' Salaries Grants	853,574	853,574	758,884
Use of Land and Buildings Grants	369,210	369,210	347,207
Resource Teachers Learning and Behaviour Grants	2,067	939	-
Other MoE Grants	178,916	114,171	129,450
Other Government Grants	34,703	14,280	-
	<u>1,879,905</u>	<u>1,788,900</u>	<u>1,611,310</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	15,395	3,500	2,262
Bequests & Grants	101,577	-	12,278
Activities	2,672	-	8,654
Trading	27,035	-	4,465
Fundraising	9,803	3,500	-
Other Revenue	811	500	-
	<u>157,293</u>	<u>7,500</u>	<u>27,659</u>
<b>Expenses</b>			
Activities	1,330	-	16,392
Trading	35,110	-	5,939
Fundraising (Costs of Raising Funds)	1,486	-	-
	<u>37,926</u>	<u>-</u>	<u>22,331</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>119,367</u>	<u>7,500</u>	<u>5,328</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	47,393	30,200	26,994
Information and Communication Technology	7,179	13,500	-
School Van	-	-	2,988
Employee Benefits - Salaries	1,170,850	1,116,070	1,023,968
Staff Development	16,230	12,274	4,731
	<u>1,241,652</u>	<u>1,172,044</u>	<u>1,058,681</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,729	6,000	5,562
Board of Trustees Fees	2,807	3,000	2,755
Board of Trustees Expenses	15,460	4,750	7,830
Communication	4,943	4,000	4,644
Consumables	5,365	7,400	11,577
Operating Lease	1,089	1,040	360
Other	4,202	4,650	29,030
Employee Benefits - Salaries	54,138	53,000	52,023
Insurance	14,650	12,000	13,084
Service Providers, Contractors and Consultancy	7,333	8,000	7,980
	115,716	103,840	134,845

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	8,166	6,000	6,665
Consultancy and Contract Services	8,813	-	-
Cyclical Maintenance Provision	13,220	10,000	7,073
Grounds	5,482	5,000	8,437
Heat, Light and Water	16,311	12,371	16,499
Rates	7,848	6,500	6,330
Repairs and Maintenance	22,044	7,366	14,151
Use of Land and Buildings	369,210	369,210	347,207
Security	4,896	3,000	4,869
Mvac	-	-	(607)
Employee Benefits - Salaries	39,030	42,905	42,337
	495,020	462,352	452,961

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	26,653	15,000	39,566
Furniture and Equipment	16,942	14,000	9,842
Information and Communication Technology	25,034	20,000	28,392
Leased Assets	23,537	-	15,209
Library Resources	985	1,000	1,126
	93,151	50,000	94,135



## 8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	135,774	189,796	16,733
Bank Current Account	82	-	81
Bank Call Account	177	-	177
Bank Call Account	1,257	-	1,255
Cash and cash equivalents for Cash Flow Statement	<u>137,290</u>	<u>189,796</u>	<u>18,246</u>

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

Of the \$137,290 Cash and Cash Equivalents, \$56,093.00 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	4,981	-	943
Banking Staffing Underuse	-	-	2,898
Teacher Salaries Grant Receivable	53,765	50,000	51,173
	<u>58,746</u>	<u>50,000</u>	<u>55,014</u>
Receivables from Exchange Transactions	4,981	-	943
Receivables from Non-Exchange Transactions	53,765	50,000	54,071
	<u>58,746</u>	<u>50,000</u>	<u>55,014</u>

## 10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	65	-	130
School Uniforms	10,372	1,000	152
	<u>10,437</u>	<u>1,000</u>	<u>282</u>

## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	697,067	98,089	-	-	(26,653)	<b>768,503</b>
Furniture and Equipment	346,137	7,863	-	-	(16,942)	<b>337,058</b>
Information and Communication	36,753	-	-	-	(25,034)	<b>11,719</b>
Leased Assets	54,468	4,428	-	-	(23,537)	<b>35,359</b>
Library Resources	7,880	-	-	-	(985)	<b>6,895</b>
<b>Balance at 31 December 2019</b>	<b>1,142,305</b>	<b>110,380</b>	<b>-</b>	<b>-</b>	<b>(93,151)</b>	<b>1,159,534</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	1,138,865	(370,362)	<b>768,503</b>
Furniture and Equipment	755,907	(418,849)	<b>337,058</b>
Information and Communication	402,291	(390,572)	<b>11,719</b>
Motor Vehicles	5,000	(5,000)	-
Leased Assets	81,950	(46,591)	<b>35,359</b>
Library Resources	43,483	(36,588)	<b>6,895</b>
<b>Balance at 31 December 2019</b>	<b>2,427,496</b>	<b>(1,267,962)</b>	<b>1,159,534</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	1,036,132	1,917	-	-	(39,566)	<b>998,483</b>
Furniture and Equipment	39,010	15,554	-	-	(9,842)	<b>44,722</b>
Information and Communication					(28,392)	<b>36,754</b>
Technology	64,625	521	-	-		
Leased Assets	2,876	66,799	-	-	(15,209)	<b>54,466</b>
Library Resources	9,007	-	-	-	(1,126)	<b>7,881</b>
<b>Balance at 31 December 2018</b>	<b>1,151,650</b>	<b>84,791</b>	<b>-</b>	<b>-</b>	<b>(94,135)</b>	<b>1,142,306</b>

<b>2018</b>	<b>Cost or Valuation \$</b>	<b>Accumulated Depreciation \$</b>	<b>Net Book Value \$</b>
Buildings	1,040,776	(343,709)	<b>697,067</b>
Furniture and Equipment	748,044	(401,907)	<b>346,137</b>
Information and Communication Technology	402,291	(365,538)	<b>36,753</b>
Motor Vehicles	5,000	(5,000)	-
Leased Assets	77,522	(23,054)	<b>54,468</b>
Library Resources	43,484	(35,603)	<b>7,881</b>
<b>Balance at 31 December 2018</b>	<u>2,317,117</u>	<u>(1,174,811)</u>	<u><b>1,142,306</b></u>

## 12. Accounts Payable

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Operating Creditors	30,273	10,000	-
Accruals	5,729	5,000	5,562
Employee Entitlements - Salaries	53,376	50,000	51,173
Employee Entitlements - Leave Accrual	20,762	-	4,328
	<u>110,140</u>	<u>65,000</u>	<u>61,063</u>
Payables for Exchange Transactions	110,140	65,000	61,063
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>110,140</u>	<u>65,000</u>	<u>61,063</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	80,592	80,592	73,519
Increase/ (decrease) to the Provision During the Year	13,220	10,000	7,073
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>93,812</u>	<u>90,592</u>	<u>80,592</u>
Cyclical Maintenance - Current	65,024	40,000	39,818
Cyclical Maintenance - Term	28,788	43,938	40,774
	<u>93,812</u>	<u>83,938</u>	<u>80,592</u>

### 14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	19,277	-	17,589
Later than One Year and no Later than Five Years	27,517	-	47,374
Later than Five Years	-	-	-
	<u>46,794</u>	<u>-</u>	<u>64,963</u>

### 15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Fire repairs	<i>closed</i>	7,475	-	-	-	7,474
Fencing and drainage	<i>in progress</i>	(3,129)	109,491	(57,743)	-	48,618
Roofing	<i>in progress</i>	(1,261)	-	(9,228)	-	(10,489)
Mould	<i>closed</i>	-	10,379	(10,379)	-	-
Totals		<u>3,085</u>	<u>119,870</u>	<u>(77,350)</u>	<u>-</u>	<u>45,604</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	56,093
Funds Due from the Ministry of Education	10,489
	<u>45,604</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Fire repairs	<i>in progress</i>	7,478	-	-	-	7,475
Fencing and drainage	<i>in progress</i>		57,145	60,274	-	(3,129)
Outline Plans	<i>in progress</i>	-	-	1,264	-	(1,261)
Totals		7,478	57,145	61,538	-	3,085

## 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.

## 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	2,807	2,755
Full-time equivalent members	0.22	0.22
<i>Leadership Team</i>		
Remuneration	241,787	214,322
Full-time equivalent members	2	2
Total key management personnel remuneration	244,594	217,077
Total full-time equivalent personnel	2.22	2.22

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:

	<b>2019 Actual \$000</b>	<b>2018 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	120-130
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2019 FTE Number</b>	<b>2018 FTE Number</b>
100-110	1.00	0.00
	<hr/>	<hr/>
	1.00	0.00

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:

	<b>2019 Actual</b>	<b>2018 Actual</b>
Total	-	\$ 11,236.00
Number of People	-	2

## 19. 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.

## 20. Commitments

### (a) Capital Commitments

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

(a) \$109,490 contract for Fencing stage II to be completed in 2020, which will be fully funded by the Ministry of Education. \$109,490 has been received of which \$60,872 has been spent on the project to date; and

(b) A contract to have the B Block Roof replaced. This project is fully funded by the Ministry and no funds have yet been received, however \$10,489 has been spent on the project to balance date. This project has been approved by the Ministry.

(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 EFTPOS Machine and vistab sign in;

	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
No later than One Year	900	-
Later than One Year and No Later than Five Years	1,395	-
	<u>2,295</u>	<u>-</u>

## 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:

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

	<b>2019 Actual \$</b>	<b>2019 Budget (Unaudited) \$</b>	<b>2018 Actual \$</b>
Cash and Cash Equivalents	137,290	189,796	18,246
Receivables	58,746	50,000	55,014
Total Financial assets measured at amortised cost	<u>196,035</u>	<u>239,796</u>	<u>73,260</u>

### Financial liabilities measured at amortised cost

Payables	110,140	65,000	61,063
Finance Leases	46,793	40,000	57,758
Total Financial Liabilities Measured at Amortised Cost	<u>156,934</u>	<u>105,000</u>	<u>118,821</u>

### 23. Events After Balance Date

There was one significant event after the balance date that impact these financial statements.

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 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 was physically closed but open for tuition, the school 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.

### 24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

### 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:

- 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.

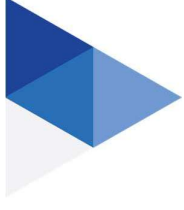
Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

### 26. Failure to meet statutory reporting deadlines

The Board of Trustees did not comply with Section 87A(1) of the Education Act 1989, which requires the Board to provide its unaudited financial statements to the Auditor- General by 31 March 2020 and section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2020. The Board were unable to meet the statutory deadline because of delays caused by the response to the COVID-19 pandemic.



## Analysis of Variance Reporting



<b>School Name:</b>	Merivale School	<b>School Number:</b> 1825
<b>Strategic Aim:</b>	Improve outcomes for all students in literacy particularly Māori, Pasifika and children with Special Needs	
<b>Annual Aim:</b>	Raise student achievement in writing	
<b>Target:</b>	At least 80% of Well Below, Below and insecure At students will achieve at least 18 months accelerated progress. All target students will be tracked on data walls and be a focus of teacher inquiries. 100% of students who are securely At or Above will achieve at least one year's progress.	



**TERM 1, 2019 – Writing**

**Baseline Data:**

4045	L1b	L1p	L1a	L2b	L2p	L2a	L3b	L3p	L3a	L4b	L4p	L4a	Well Below	Below	At	Above	Total
<b>Y0</b>																	0
<b>Y1</b>	100% (5)														100% (5)		5
<b>Y2</b>	50% (11)	41% (9)	9% (2)											50% (11)			22
<b>Y3</b>	10% (1)	50% (5)	30% (3)			10% (1)							10% (1)	50% (5)	30% (3)	10% (1)	10
<b>Y4</b>			13% (1)	38% (3)	38% (3)	13% (1)								13% (1)	88% (7)		8
<b>Y5</b>	6% (1)		13% (2)	13% (2)	38% (6)	19% (3)	13% (2)						19% (3)	50% (8)	31% (5)		16
<b>Y6</b>																	0
<b>Totals</b>	29.5% 18	23% 14	13.1% 8	8.2% 5	14.8% 9	8.2% 5	3.3% 2						6.6% 4	41% 25	50.8% 31	1.6% 1	61



## TERM 4 2019 – Writing

4048	L1b	L1p	L1a	L2b	L2p	L2a	L3b	L3p	L3a	L4b	L4p	L4a	Well Below	Below	At	Above	Total
<b>Y0</b>															100% (5)		0
<b>Y1</b>	40% (2)	60% (3)															5
<b>Y2</b>	9% (2)	45% (10)	36% (8)	9% (2)										55% (12)	36% (8)	9% (2)	22
<b>Y3</b>	10% (1)		20% (2)	40% (4)	30% (3)								10% (1)	20% (2)	40% (4)	30% (3)	10
<b>Y4</b>			13% (1)	38% (3)	13% (1)	25% (2)	13% (1)						13% (1)	38% (3)	38% (3)	13% (1)	8
<b>Y5</b>		6% (1)	13% (2)		6% (1)	25% (4)	44% (7)	6% (1)					19% (3)	31% (5)	44% (7)	6% (1)	16
<b>Y6</b>																	0
<b>Totals</b>	8.2% 5	23% 14	21.3% 13	14.8% 9	8.2% 5	9.8% 6	13.1% 8	1.6% 1					8.2% 5	36.1% 22	44.3% 27	11.5% 7	61

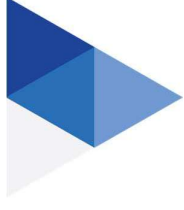


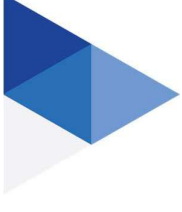
<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>A whole school focus on ‘growth mindset’ approaches to learning and learning from mistakes, resulted in an increase in students’ persistence when writing.</p> <p>Within classrooms, students were encouraged to take risks by sharing their ideas with their peers which, in turn, resulted in the development of student confidence and cooperation. Teachers provided students with time to struggle with a question, promoting risk taking and deep thinking, while encouraging curiosity and observation. Within this environment, students also accepted the possibility of failure in not meeting their own expectations. Increased resilience and perseverance was observed.</p> <p>Mixed ability grouping for writing also impacted on student learning by providing all</p>	<p>The majority of students made accelerated progress that was slightly less than expected from students over two terms.</p> <p>Writing levels and OTJs were used to track progress of students. At this time, Merivale School does not use PATs to inform student achievement.</p> <p>Due to it being only the first year in a time frame of three years, this was to be expected.</p>	<p>Student and teacher voice, obtained before and after assessment highlighted positive changes in attitude, confidence, motivation, and engagement.</p> <p>Positive impacts on student motivation, engagement and student agency are attributed to best practice being embedded into the existing school culture which functions under the umbrella of a Positive Behaviour for Learning School-Wide framework and Assessment for Learning.</p> <p>All classrooms inquired into practices with the purpose of increasing motivation and achievement in all curriculum areas across the school with a particular focus on writing.</p>	<p>We will continue with what worked for this year and possibly look at an increase in PLD to enhance the writing programme.</p> <p>We have identified that learning assessment take priority with a focus on localised curriculum as well. Next year we will collaborate with Merivale community members, staff and BOT to further strengthen this initiative to support writing schoolwide. This could involve the spending of extra funds in order to meet this. Next year’s budget will include this cost.</p>

students with the opportunity to participate in engaging and challenging learning experiences where ideas were discussed through rich language. Mixed ability grouping had a dual effect. It allowed low-achieving students to hear the justification of thinking from higher achieving students instead of remedial group teaching that aimed to 'fill the gaps'. Questions posed by lower-ability students encouraged higher achieving students to clarify their thinking so as to be understood by their peers.

Teachers use of challenging multi step problems exposed students to written language of higher order thinking. These types of rich tasks offered opportunities for all learners to attempt problems as they allowed for different approaches and different representations.

Writing expectations and group norms sat within the school PB4L mnemonic 'the VALE Way'.





### Planning for next year:

The BOT will continue on the three year journey to improve on Writing as a strategic target schoolwide. This will require further staff PLD and outside agency and support to address this target.

- The Accelerated Learning in Literacy programme (A.L.L.) will take effect in 2020
- Introduce ways parents can help at home. Many supporting elements like cards, games list of ICT applications, Maori Dictionary and maths manipulatives etc are placed in a kete for the parents to take home.
- We have set up Data Walls to track progress. Photos of students are placed on a board identifying their progress and achievement. At meetings, teachers will collaboratively analyse the progress of students, reviewing the programmes and practices in class and supporting each other with ideas and feedback from previous years.
- To improve Boys writing, we will source support from experts to find ways to better motivate and engage learners.
- Our appraisals are based on our target students and form the first agenda item of every team meeting.
- We will moderate with a wider range of schools so we can ensure that our O.T.'s are accurate. We will also discuss assessment and the teaching of writing with our peers from other schools.
- We will explore implementing a school wide spelling programme to ensure a consistent quality regimen from NE to Year 6.
- We will upskill and grow our understanding of the "Smart Words Spelling" programme so it can be successfully implemented across the school.
- As part of the C.O.L we will appoint an in-school teacher to work with staff on culturally responsive practice
- As part of the appraisal process we will ensure the calendar is not to cluttered so we can complete our planned observation and feedback sessions.
- Use learning progressions in "student friendly" language so pupils can easily identify what they can do and their next learning steps. This will help them develop student agency, assessment literacy. Literature is consistent that this should motivate and engage the learners.
- Continue to use Sunshine online in the Junior School and Google Classroom in Senior Class to support and enhance writing programmes.
- Introduce SeeSaw as an online learning tool to engage students and whanau



## KIWISPORT 2019

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

In 2019, Merivale School Board of Trustees spent the Kiwisport Funding of \$2000excl gst on the Learn To Swim Programme for the whole school.

This included transport to and from the pools.