

MATANGI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



Ministry Number:	1814
Principal:	Sharyn Douglas
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Accountant / Service Provider:	Accounting For Schools Limited

MATANGI SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1.	Statement of Responsibility
2.	Statement of Comprehensive Revenue and Expense
3.	Statement of Changes in Net Assets/Equity
4.	Statement of Financial Position
5.	Statement of Cash Flows
6 - 12	Statement of Accounting Policies
13 - 22	Notes to the Financial Statements
	Other Information
23.	Members of the Board of Trustees
24.	Kiwisport Statement
25.	Analysis of Variance

Matangi 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.

Brad Ward
Full Name of Board Chairperson



Signature of Board Chairperson

31/5/2020
Date:

Sharyn Douglas
Full Name of Principal



Signature of Principal

29/5/2020
Date:

Matangi School

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2019

		2019	2019	2018
			Budget	
	Notes	Actual	(Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	1,412,491	1,391,261	1,345,886
Locally Raised Funds	3	242,755	188,050	194,500
Interest income		3,699	2,000	3,057
		<hr/>	<hr/>	<hr/>
		1,658,945	1,581,311	1,543,443
Expenses				
Locally Raised Funds	3	159,342	148,600	140,152
Learning Resources	4	980,457	949,900	951,418
Administration	5	127,422	119,623	114,618
Finance		533	273	718
Property	6	337,789	330,997	261,090
Depreciation	7	46,915	39,000	38,832
		<hr/>	<hr/>	<hr/>
		1,652,458	1,588,393	1,506,827
Net Surplus / (Deficit) for the year		6,487	(7,082)	36,615
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		6,487	(7,082)	36,615

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

Matangi School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019	2019	2018
Not es	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Balance at 1 January	292,365	292,365	228,838
Total comprehensive revenue and expense for the year	6,487	(7,082)	36,615
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	26,912
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
Equity at 31 December	298,852	285,283	292,365
Retained Earnings	298,852	285,283	292,365
Equity at 31 December	298,852	285,283	292,365

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.

Matangi School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
			Budget	
	Notes	Actual	(Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	8	105,371	141,870	223,579
Accounts Receivable	9	57,327	50,500	48,403
GST Receivable		9,655	8,000	-
Prepayments		5,523	5,000	4,798
Inventories	10	9,480	8,000	8,308
Investments	11	50,000	-	-
Funds held for Capital Works Projects	17	1,630	-	4,310
		238,986	213,370	289,398
Current Liabilities				
GST Payable		-	-	16,149
Accounts Payable	13	90,419	81,500	109,022
Revenue Received in Advance	14	-	3,000	5,554
Provision for Cyclical Maintenance	15	26,543	69,143	53,086
Finance Lease Liability - Current Portion	16	9,303	7,000	7,580
Funds held in Trust		1,444	1,444	1,444
		127,709	162,087	192,836
Working Capital Surplus/(Deficit)		111,277	51,283	96,562
Non-current Assets				
Property, Plant and Equipment	12	214,748	244,000	196,618
Work in Progress		-	-	10,062
		214,748	244,000	206,680
Non-current Liabilities				
Provision for Cyclical Maintenance	15	16,056	-	-
Finance Lease Liability	16	11,117	10,000	10,877
		27,173	10,000	10,877

Net Assets	298,852	285,283	292,365
Equity	298,852	285,283	292,365

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

Matangi School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018	
			Budget		
Note	Actual	(Unaudited)	Actual	Actual	
	\$	\$	\$	\$	
Cash flows from Operating Activities					
	Government Grants	304,356	341,261	277,464	
	Locally Raised Funds	238,412	181,377	194,214	
	Goods and Services Tax (net)	(25,806)	(24,149)	(7,266)	
	Payments to Employees	(231,489)	(258,905)	(203,807)	
	Payments to Suppliers	(276,088)	(249,053)	(217,003)	
	Cyclical Maintenance Payments in the year	(26,543)	-	-	
	Interest Paid	(533)	(273)	(718)	
	Interest Received	3,103	1,500	3,057	
	Net cash from Operating Activities	(14,588)	(8,242)	45,941	
Cash flows from Investing Activities					
	Purchase of PPE (and Intangibles)	(49,556)	(76,319)	(48,885)	
	Purchase of Investments	(50,000)	-	-	
	Net cash from Investing Activities	(99,556)	(76,319)	(48,885)	
Cash flows from Financing Activities					
	Furniture and Equipment Grant	-	-	26,912	
	Finance Lease Payments	(6,744)	(1,457)	(9,147)	
	Funds Held for Capital Works Projects	2,680	4,310	(43,048)	
	Net cash from Financing Activities	(4,064)	2,853	(25,283)	
	Net increase/(decrease) in cash and cash equivalents	(118,208)	(81,708)	(28,227)	
	Cash and cash equivalents at the beginning of the year	8	223,579	223,578	251,806
	Cash and cash equivalents at the end of the year	8	105,371	141,870	223,579

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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Matangi 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 Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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 12.

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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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 School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) 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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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 School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

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 \$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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Library resources	12.5% Diminishing value
Leased assets	Over Life of the Lease

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. It's 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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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.

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.

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, funds held for capital works, and investments. All of these financial assets, except for investments that are shares, are categorised as "amortised cost" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "fair value through profit or loss" for accounting purposes in accordance with financial reporting standards.

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

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

2. Government Grants

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	267,371	288,261	248,642
Teachers' Salaries Grants	831,086	800,000	780,139
Use of Land and Buildings Grants	251,925	250,000	246,825
Resource Teachers Learning and Behaviour Grants	400	-	1,800
Other MoE Grants	58,738	53,000	55,793
Other Government Grants	2,971	-	12,687
	1,412,491	1,391,261	1,345,886

3. Locally Raised Funds

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

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	25,471	1,400	19,687
Activities	40,362	26,450	35,417
Trading	21,091	20,200	19,269
Fundraising	35,858	53,000	24,609
Other Revenue	15,696	-	8,342
Out of School Care	104,277	87,000	87,176
	242,755	188,050	194,500
Expenses			
Activities	42,690	38,000	39,089
Trading	19,279	26,600	16,153
Out of School Care	80,589	71,800	70,191
Fundraising (Costs of Raising Funds)	16,784	12,200	14,719
	159,342	148,600	140,152

Surplus/ (Deficit) for the year Locally raised funds

83,413	39,450	54,348

4. Learning Resources

	2019	2019	2018
	Budget		
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	24,035	37,250	36,225
Information and Communication Technology	13,452	7,850	7,862
Library Resources	1,852	3,000	421
Employee Benefits - Salaries	909,335	893,500	879,740
Staff Development	31,783	8,300	27,170
	980,457	949,900	951,418

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

5. Administration

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	5,672	4,100	4,130
Board of Trustees Fees	3,460	3,200	3,055
Board of Trustees Expenses	5,742	8,850	514
Communication	4,130	3,000	3,378
Consumables	9,253	5,950	6,100
Operating Lease	818	4,332	847
Other	17,088	15,891	21,493
Employee Benefits - Salaries	73,308	70,000	69,194
Insurance	1,872	-	1,707
Service Providers, Contractors and Consultancy	6,079	4,300	4,200
	127,422	119,623	114,618

6. Property

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	2,431	3,290	3,279
Consultancy and Contract Services	19,559	16,800	18,152
Cyclical Maintenance Provision	16,056	16,057	(56,032)
Grounds	15,290	13,050	12,592
Heat, Light and Water	9,600	8,000	8,274
Rates	4,366	1,800	1,527
Repairs and Maintenance	9,489	13,000	17,850
Use of Land and Buildings	251,925	250,000	246,825
Employee Benefits - Salaries	9,073	9,000	8,623
	337,789	330,997	261,090

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	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements - Crown	7,488	6,000	1,872
Administration Furniture and Equipment	6,603	500	6,312
Information and Communication Technology	11,882	10,000	12,475
Classroom Furniture & Equipment	11,649	14,500	8,543
Leased Assets	8,765	7,500	9,089
Library Resources	528	500	541
	46,915	39,000	38,832

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

8. Cash and Cash Equivalents

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	13,636	81,870	162,295
Bank Call Account	40,883	60,000	61,284
Short-term Bank Deposits	50,852	-	-
Cash and cash equivalents for Cash Flow Statement	105,371	141,870	223,579

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

9. Accounts Receivable

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	-	-	1,208
Interest Receivable	596	500	3
Teacher Salaries Grant Receivable	56,731	50,000	47,192
	57,327	50,500	48,403
Receivables from Exchange Transactions	596	500	1,211
Receivables from Non-Exchange Transactions	56,731	50,000	47,192
	57,327	50,500	48,403

10. Inventories

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual

	\$	\$	\$
Stationery	599	-	350
School Uniforms	8,881	8,000	7,958
	9,480	8,000	8,308

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	(Unaudited)		
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	50,000	-	-
	50,000	-	-
Total Investments	50,000	-	-

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

12. Property, Plant and Equipment

	Opening Balance					Total (NBV)
	(NBV)	Additions	Disposals	Impairment	Depreciation	(NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	36,142	-	-	-	(7,488)	28,654
Furniture and Equipment	43,380	2,981	-	-	(6,603)	39,758
Information and Communication Technology	33,080	9,589	-	-	(11,882)	30,787
Other	62,121	38,542	-	-	(11,649)	89,014
Leased Assets	18,107	8,707	-	-	(8,765)	18,049
Library Resources	3,788	5,226	-	-	(528)	8,486
Balance at 31 December 2019	196,618	65,045	-	-	(46,915)	214,748

The net carrying value of equipment held under a finance lease is \$18,049 (2018: \$18,107)

	Cost or Valuation	Accumulate d Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	74,877	(46,223)	28,654
Furniture and Equipment	118,118	(78,360)	39,758
Information and Communication Technology	95,142		30,787
Other	165,461	(76,447)	89,014
Leased Assets	43,319	(25,270)	18,049
Library Resources	53,223	(44,737)	8,486
Balance at 31 December 2019	550,140	(335,392)	214,748

	Opening Balance					Total (NBV)
	(NBV)	Additions	Disposals	Impairment	Depreciation	(NBV)

2018	\$	\$	\$	\$	\$	\$
Building Improvements	38,014	-	-	-	(1,872)	36,142
Furniture and Equipment	39,194	10,498	-	-	(6,312)	43,380
Information and Communication Technology	34,400	11,155	-	-	(12,475)	33,080
Other	53,494	17,170	-	-	(8,543)	62,121
Leased Assets	25,507	1,689	-	-	(9,089)	18,107
Library Resources	4,329	-	-	-	(541)	3,788
Balance at 31 December 2018	194,938	40,512	-	-	(38,832)	196,618

Matangi School

Notes to the Financial Statements For the year ended 31 December 2019

12. Property, Plant and Equipment (Cont.)

	Cost or Valuation	Accumulate d Depreciatio n	Net Book Value
	\$	\$	\$
2018			
Building Improvements	74,877	(38,735)	36,142
Furniture and Equipment	115,137	(71,757)	43,380
Information and Communication Technology	85,553	(52,473)	33,080
Other	128,054	(65,933)	62,121
Leased Assets	34,612	(16,505)	18,107
Library Resources	47,997	(44,209)	3,788
Balance at 31 December 2018	486,230	(289,612)	196,618

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	25,329	29,500	29,095
Accruals	4,254	-	-
Pool Keys	2,050	-	5,330
Employee Entitlements - Salaries	56,731	50,000	72,959
Employee Entitlements - Leave Accrual	2,055	2,000	1,638
	90,419	81,500	109,022
Payables for Exchange Transactions	90,419	81,500	109,022
	90,419	81,500	109,022

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
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	\$	\$	\$
Other	-	3,000	5,554
	-	3,000	5,554

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

15. Provision for Cyclical Maintenance

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	53,086	53,086	109,118
Increase/ (decrease) to the Provision During the Year	16,056	16,057	-
Adjustment to the provision during the year	-	-	(56,032)
Use of the Provision During the Year	(26,543)	-	-
Provision at the End of the Year	42,599	69,143	53,086
Cyclical Maintenance - Current	26,543	69,143	53,086
Cyclical Maintenance - Term	16,056	-	-
	42,599	69,143	53,086

16. Finance Lease Liability

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

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	9,303	7,000	7,580
Later than One Year and no Later than Five Years	11,117	10,000	10,877
	20,420	17,000	18,457

Matangi School

Notes to the Financial Statements For the year ended 31 December 2019

17. 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

		Opening	Receipts		BOT	Closing
	2019	Balances	from MoE	Payments	Contributions	Balances
		\$	\$	\$		\$
Concreting	<i>completed</i>	(8,400)	8,400	-	-	-
Special Needs Fencing	<i>in progress</i>	5,040	-	(4,580)	-	460
Development Plan	<i>in progress</i>	(950)	-	(1,140)	-	(2,090)
Totals		(4,310)	8,400	(5,720)	-	(1,630)

Represented by:

Funds Held on Behalf of the Ministry of Education	460
Funds Due from the Ministry of Education	2,090
	(1,630)

		Opening	Receipts		BOT	Closing
	2018	Balances	from MoE	Payments	Contributions	Balances
		\$	\$	\$		\$
Concreting	<i>completed</i>	-	-	(8,400)	-	(8,400)
Special Needs Fencing	<i>in progress</i>	39,688	-	(34,648)	-	5,040
Development Plan	<i>in progress</i>	(950)	-	-	-	(950)
Totals		38,738	-	(43,048)	-	(4,310)

18. 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.

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

19. 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	2018
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,460	3,055
Full-time equivalent members	0.11	0.11
<i>Leadership Team</i>		
Remuneration	214,876	181,821
Full-time equivalent members	2	1.75
Total key management personnel remuneration	218,336	184,876
Total full-time equivalent personnel	2.11	1.86

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	2018
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110 - 120
Benefits and Other Emoluments	1 - 2	1 - 2
Termination Benefits	-	-

Other Employees

The were no other employees with remuneration greater than \$100,000.

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

20. 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	2018
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	Actual	Actual
Total	-	-
Number of People	-	-

Matangi School

Notes to the Financial Statements

For the year ended 31 December 2019

21. 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

22. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board not has entered into any contract agreements for capital works.
(Capital commitments at 31 December 2018: \$Nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:
(Operating commitments at 31 December 2018: \$Nil)

23. 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.

Matangi School

Notes to the Financial Statements For the year ended 31 December 2019

24. 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)

	2019	2019	2018
		Budget	
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	105,371	141,870	223,579
Receivables	57,327	50,500	48,403
Investments - Term Deposits	50,000	-	-
Total Financial assets measured at amortised cost	212,698	192,370	271,982
Financial liabilities measured at amortised cost			
Payables	90,419	81,500	109,022
Finance Leases	20,420	17,000	18,457
Total Financial Liabilities Measured at Amortised Cost	110,839	98,500	127,479

25. Events After Balance Date

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. Subsequently all schools and kura reopened on the 18th of May 2020.

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

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

26. 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 11 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

MATANGI SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Brad Ward	Chairperson	Elected May 2019	Community Facilities Team Leader	May 2022
Sharyn Douglas	Principal	Appointed	Principal	
Joe Lane	Parent Rep	Elected May 2016, re-elected May 2019	Associate Professor	May 2022
Anna Tootill	Parent Rep	Elected May 2019	Barrister & Solicitor	May 2022
Casey Molloy	Parent Rep	Elected May 2019	National Sales Manager	May 2022
Andrew Mowbray	Parent Rep	Elected May 2019	IT Consultant	May 2022
Paula Schwikkard	Staff Rep	Elected May 2019	Teacher	May 2022
Chris Ballantyne	Parent Rep	Elected May 2016		May 2019
Simon Diplock	Parent Rep	Elected May 2016		May 2019
Kate Wooller	Parent Rep	Elected May 2016		May 2019
Cherie Clark	Staff Rep	Re-elected May 2016	Teacher	May 2019

MATANGI SCHOOL

Kiwisport Statement

For the year ended 31 December 2019

Kiwisport is a Government funding initiative to support sport for school aged children

Our school received \$2,750 as part of the 2019 operational grant (2018: \$2,352) through this initiative to increase our student participation in organised sport.

In 2019 Kiwisport funding was put towards purchasing sports equipment for sports teams and new cricket, hockey, netball and rugby equipment for Matangi School.

The funding also helped subsidise sports fees for families that couldn't pay which enabled these children to play in a local sports team every Saturday.