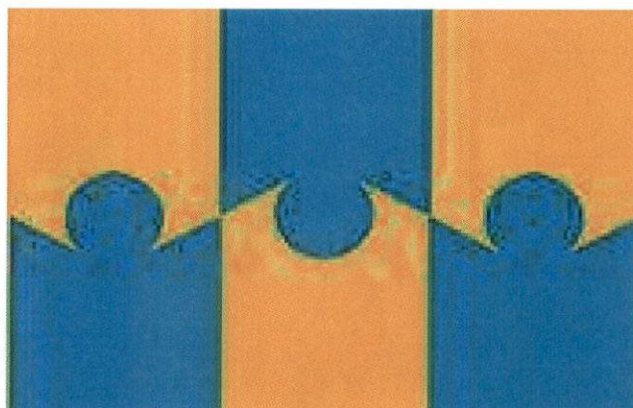


TAMARIKI SCHOOL



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 4143

Principal: Dianna Scullin

School Address: 86 St Johns Street, Woolston, Christchurch

School Postal Address: P O Box 19506, Woolston, Christchurch

School Phone: (03) 3849014

School Email: admin@tamariki.school.nz

Members of the Board of Trustees

Name	Position	How position on Board gained	Term expires
Abby Stowell	Chairperson	Elected May 2019	May 2022
Sam Kivi	Parent Representative	Elected May 2019	May 2022
Paul McMahon	Parent Representative	Elected May 2019	May 2022
Jason Lea	Chairperson	Re-Elected Aug 2016	May 2019
Jo McGregor	Parent Representative	Elected Aug 2016	May 2019
Jimmy McGregor	Parent Representative	Elected Aug 2016	May 2019
Judy Lea	Proprietor Representative	Appointed	
Chris Macey	Proprietor Representative	Appointed	
Raewin Boot	Staff Representattive	Re-Elected May 2019	May 2022

89 Nazareth Avenue
Christchurch
Ph: 03 338 4444

TAMARIKI SCHOOL

Annual Report - For the year ended 31 December 2019

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Tamariki 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.

Abigail Stowell
Full Name of Board Chairperson

A.M. Stowell
Signature of Board Chairperson

28-5-20
Date:

Diana Scullin
Full Name of Principal


Signature of Principal

28/05/20
Date:

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

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	466,183	446,913	428,910
Locally Raised Funds	3	84,879	80,150	74,295
Use of Land and Buildings grants		98,400	98,400	92,000
Interest Received		341	400	447
		<u>649,803</u>	<u>625,863</u>	<u>595,652</u>
Expenses				
Locally Raised Funds	3	18,812	8,300	12,941
Learning Resources	4	437,525	425,094	406,882
Administration	5	50,765	47,641	49,881
Finance Costs		110	110	34
Property	6	142,453	141,200	137,429
Depreciation	7	4,307	4,500	4,866
Loss on Disposal of Property, Plant and Equipment		43	-	-
		<u>654,014</u>	<u>626,845</u>	<u>612,033</u>
Net Surplus / (Deficit)		(4,211)	(982)	(16,380)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(4,211)	(982)	(16,380)

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



Tamariki School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	56,403	56,403	72,783
Total comprehensive revenue and expense for the year	(4,211)	(982)	(16,380)
Capital Contributions from the Ministry of Education			
Furniture & Equipment Grant	2,334	1,661	-
Equity at 31 December	54,526	57,082	56,403
 Retained Earnings	 54,526	 57,082	 56,403
Reserves			
Equity at 31 December	54,526	57,082	56,403

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

Tamariki School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	66,691	81,509	65,553
Accounts Receivable	9	24,189	24,146	21,079
GST Receivable		2,453	1,500	2,251
Prepayments		2,391	500	78
		<u>95,724</u>	<u>107,655</u>	<u>88,961</u>
Current Liabilities				
Accounts Payable	11	41,057	42,090	36,239
Revenue Received in Advance	12	3,337	2,800	705
Finance Lease Liability - Current Portion	14	2,809	2,809	2,225
		<u>47,203</u>	<u>47,699</u>	<u>39,169</u>
Working Capital Surplus/(Deficit)		48,521	59,956	49,792
Non-current Assets				
Property, Plant and Equipment	10	15,136	6,256	10,756
		<u>15,136</u>	<u>6,256</u>	<u>10,756</u>
Non-current Liabilities				
Finance Lease Liability	14	9,131	9,131	4,145
		<u>9,131</u>	<u>9,131</u>	<u>4,145</u>
Net Assets		<u>54,526</u>	<u>57,082</u>	<u>56,403</u>
Equity		<u>54,526</u>	<u>57,082</u>	<u>56,403</u>

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

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

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		135,458	116,231	121,153
Locally Raised Funds		87,511	82,950	75,000
Goods and Services Tax (net)		(202)	-	(554)
Payments to Employees		(133,710)	(119,633)	(120,292)
Payments to Suppliers		(87,325)	(70,452)	(82,578)
Interest Paid		(110)	(110)	(34)
Interest Received		341	400	447
Net cash from / (to) the Operating Activities		1,964	9,386	(6,858)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(1,030)	25	-
Purchase of PPE (and Intangibles)		(4,999)	(593)	(434)
Net cash from / (to) the Investing Activities		(6,030)	(568)	(434)
Cash flows from Financing Activities				
Proprietor Loan repayment		2,334	1,661	-
Finance Lease Payments		2,869	3,976	(1,846)
Net cash from Financing Activities		5,203	5,637	(1,846)
Net increase/(decrease) in cash and cash equivalents		1,137	14,455	(9,138)
Cash and cash equivalents at the beginning of the year	8	65,553	67,054	74,691
Cash and cash equivalents at the end of the year	8	66,691	81,509	65,553

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Tamariki School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

Tamariki 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 23.

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.

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 10.

Critical Judgements in applying accounting policies

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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.

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

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.

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 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.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

Property, plant and equipment 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:

Furniture and equipment	10 years
Information and communication technology	5 years
Plant and equipment	10 years
Leased assets held under a Finance Lease	As per lease
Library resources	12.50% Diminishing Value

l) 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.

m) 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.

n) 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.

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

o) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

p) 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.

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

q) 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.

r) Budget Figures

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

s) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected 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	118,626	114,000	112,582
Teachers' salaries grants	330,682	330,682	311,727
Other MoE Grants	13,275	2,231	4,601
Other government grants	3,600	-	-
	<u>466,183</u>	<u>446,913</u>	<u>428,910</u>

3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	68,139	67,300	60,311
Fundraising	714	-	2,809
Trading	26	-	(174)
Activities	13,814	12,850	11,350
	<u>84,879</u>	<u>80,150</u>	<u>74,295</u>
Expenses			
Activities	16,319	7,800	9,379
Fundraising (costs of raising funds)	772	500	3,562
	<u>18,812</u>	<u>8,300</u>	<u>12,941</u>
<i>Surplus for the year Locally raised funds</i>	<u>66,066</u>	<u>71,850</u>	<u>61,355</u>

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Extra-curricular activities	-	100	-
Employee benefits - salaries	423,166	410,682	391,159
Resource/attached teacher costs	12,541	11,812	13,247
Staff development	1,817	2,500	2,476
	<u>437,525</u>	<u>425,094</u>	<u>406,882</u>

5 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,137	3,127	3,026
Board of Trustees Fees	3,905	4,000	3,920
Board of Trustees Expenses	302	-	-
Communication	2,566	1,750	2,962
Consumables	3,794	2,900	3,028
Other	12,600	12,064	13,327
Employee Benefits - Salaries	23,011	23,400	22,206
Staff Expenses	1,450	400	1,411
	<u>50,765</u>	<u>47,641</u>	<u>49,881</u>

6 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	1,463	1,200	1,078
Consultancy and Contract Services	6,686	8,000	8,203
Heat, Light and Water	8,033	5,100	5,552
Rates	1,384	1,200	1,231
Repairs and Maintenance	6,420	7,800	8,557
Use of Land and Buildings	98,400	98,400	92,000
Other	475	400	670
Employee Benefits - Salaries	19,591	19,100	20,138
	<u>142,453</u>	<u>141,200</u>	<u>137,429</u>

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

7 Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	379	391	423
Information and Communication Technology	386	1,155	1,249
Plant and Equipment	1,091	1,009	1,091
Leased Assets	2,205	1,721	1,861
Library Resources	246	224	242
	<u>4,307</u>	<u>4,500</u>	<u>4,866</u>

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	163	-	-
Bank Current Account	2,806	11,509	2,887
Bank Call Account	63,722	70,000	62,667
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>66,691</u>	<u>81,509</u>	<u>65,553</u>

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

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Banking Staffing Underuse	43	-	-
Teacher Salaries Grant Receivable	24,146	24,146	21,079
	<u>24,189</u>	<u>24,146</u>	<u>21,079</u>
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	24,189	24,146	21,079
	<u>24,189</u>	<u>24,146</u>	<u>21,079</u>

10 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Furniture and Equipment	617				(379)	238
Information and Communication Technology	481	675			(386)	770
Plant and Equipment	1,607				(1,091)	515
Leased Assets	6,356	11,340	(3,600)		(2,205)	11,891
Library Resources	1,696	315	(43)		(246)	1,722
Balance at 31 December 2019	10,756	12,330	(3,643)	-	(4,307)	15,136

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Furniture and Equipment	8,890	(8,652)	238
Information and Communication Technology	21,229	(20,459)	770
Plant and Equipment	12,375	(11,860)	515
Leased Assets	12,932	(1,041)	11,891
Library Resources	5,874	(4,153)	1,722
Balance at 31 December 2019	61,301	(46,165)	15,136

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture and Equipment	1,040				(423)	617
Information and Communication Technology	1,730				(1,249)	481
Plant and Equipment	2,698				(1,091)	1,607
Leased Assets	6,624	1,592			(1,861)	6,356
Library Resources	1,504	434			(242)	1,696
Balance at 31 December 2018	13,596	2,026	-	-	(4,866)	10,756

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Furniture and Equipment	8,890	(8,274)	617
Information and Communication Technology	20,554	(20,073)	481
Plant and Equipment	13,363	(11,756)	1,607
Leased Assets	10,232	(3,877)	6,356
Library Resources	5,703	(4,007)	1,696
Balance at 31 December 2018	58,743	(47,986)	10,756

11 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	967	2,000	794
Accruals	3,777	3,777	3,576
Employee Entitlements - salaries	24,146	24,146	21,078
Employee Entitlements - leave accrual	12,167	12,167	10,791
	41,057	42,090	36,239
Payables for Exchange Transactions	41,057	42,090	36,239
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	41,057	42,090	36,239

The carrying value of payables approximates their fair value.

12 Revenue Received in Advance

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Other	3,337	2,800	705
	<u>3,337</u>	<u>2,800</u>	<u>705</u>

13 Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. Under the Integration Agreement the Proprietor is responsible for maintaining the school premises and associated facilities in a state of repair order and condition which is comparable to a State School. A provision for cyclical maintenance will be provided for by the Proprietor.

14 Finance Lease Liability

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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	2,809	2,809	2,225
Later than One Year and no Later than Five Years	9,131	9,131	4,145
Later than Five Years	-	-	-
	<u>11,939</u>	<u>11,939</u>	<u>6,370</u>

15 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.

The Proprietor of the School (Tamariki School Incorporated) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during current year is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

16 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	3,905	3,920
Full-time equivalent members	0.09	0.13
<i>Leadership Team</i>		
Remuneration	200,751	176,974
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	204,656	180,894
Total full-time equivalent personnel	2.09	2.13

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	110-120
Benefits and Other Emoluments	0-10	0-10
Termination Benefits		

Other Employees

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

17 Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$0	2018 Actual \$0
Total	0	0
Number of People		

18 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

19 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into no contracts.

20 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.

21 Financial Instruments

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

Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	66,691	81,509	65,553
Receivables	24,189	24,146	21,079
Total Cash and Receivables	90,880	105,655	86,632

Financial liabilities measured at amortised cost

Payables	41,057	42,090	36,239
Finance Leases	11,939	11,939	6,370
Total Financial Liabilities Measured at Amortised Cost	52,996	54,029	42,610

22 Events After Balance Date

Impact from COVID-19

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

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

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

23 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 8 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 9 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

Analysis of Variance for Tamariki School 2019

READING: Our target for 2019 was to have 80% of year 8 students reading at level 4 or above of the New Zealand curriculum. We achieved this target (83%), and we see reading generally as a strength at Tamariki. We will aim to maintain this level of achievement and meet the 80% target in 2020.

WRITING: Our target for 2019 was to have 75% of year 8 students at level 4 of the New Zealand curriculum. This target was not reached, with 50% reaching this level. In part this was due to the small numbers and children with special learning needs in this area. Writing will remain a strong focus. We will continue to develop the teaching and learning principles gained in PLD, and a collaborative approach, and we aim to reach this target in 2020.

MATHS: Our target for 2019 was to have 75% of year 8 students working at level 4 or above of the New Zealand curriculum (numeracy stages 7-8). This target was not reached with 66.6% of the students at this level, again due to small numbers in year 8 including students with special learning needs. PLD in 2019 focused on maths teaching and learning, and we are applying for more funded PLD for this year to consolidate the skills gained. We will aim to meet a 75% target in 2020.

Kiwisport for Tamariki School 2019

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$760.14 (excluding GST). The funding was spent on extra equipment for soccer such as new Balls and Goals, and team entry into inter-school sport, also some balls for whole school use, We engaged Korfbal Canterbury to provide a coach for 4 sessions to introduce the sport. The number of students that participated in organised sport (soccer and Korfbal) was 32.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
TAMARIKI SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Tamariki School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 16 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 28 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 22 on page 16 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of Opinion

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

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

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

Responsibilities of the Board of Trustees

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

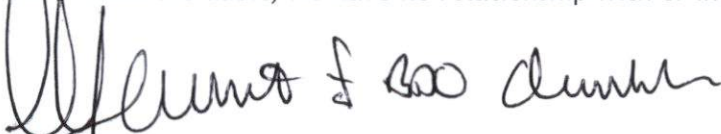
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand