

NORMANBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 2207
Principal: Janelle Jones
School Address: 3 Hunter Street, NORMANBY
School Postal Address: 3 Hunter Street, NORMANBY , 4614
School Phone: 06 272 8023
School Email: admin@normanby.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Marion Prince	Chair Person	Elected	Nov 2020
Janelle Jones	Principal	ex Officio	
Mesina Fabish	Parent Rep	Elected	Nov 2020
Sheree Ogle	Parent Rep	Appointed	May 2019
Rachel Augustine	Parent Rep	Appointed	May 2019
Shane Poingdestre	Parent Rep	Appointed	Nov 2020
Clarissa Dravitzki	Staff Rep	Elected	May 2019

Accountant / Service Provider: Education Services Ltd



NORMANBY SCHOOL

Annual Report - For the year ended 31 December 2018

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Normanby School

Statement of Responsibility

For the year ended 31 December 2018

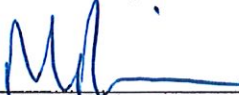
The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Merion Ann Prince
Full Name of Board Chairperson


Signature of Board Chairperson

10 May 2019
Date:

Janelle Elizabeth Jones
Full Name of Principal


Signature of Principal

10 May 2019
Date:

Normanby School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	1,166,293	1,141,057	1,036,710
Locally Raised Funds	3	113,792	42,080	68,783
Interest Earned		9,764	4,000	9,952
Gain on Sale of Property, Plant and Equipment		1,343	-	-
		<u>1,291,192</u>	<u>1,187,137</u>	<u>1,115,445</u>
Expenses				
Locally Raised Funds	3	53,782	20,550	50,096
Learning Resources	4	823,014	908,919	806,112
Administration	5	77,828	77,323	81,253
Finance Costs		2,457	504	512
Property	6	252,883	185,393	159,931
Depreciation	7	42,221	52,247	52,329
		<u>1,252,185</u>	<u>1,244,936</u>	<u>1,150,233</u>
Net Surplus / (Deficit)		39,007	(57,799)	(34,788)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>39,007</u>	<u>(57,799)</u>	<u>(34,788)</u>

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

Normanby School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	529,160	524,023	563,948
Total comprehensive revenue and expense for the year Capital Contributions from the Ministry of Education	39,007	(57,799)	(34,788)
Equity at 31 December	568,167	466,224	529,160
Retained Earnings	568,167	466,224	529,160
Equity at 31 December	568,167	466,224	529,160

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

Normanby School
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	279,411	232,976	260,414
Accounts Receivable	9	52,783	53,219	41,084
GST Receivable		12,547	7,782	4,834
Prepayments		6,011	5,491	4,717
Inventories	10	659	2,126	1,217
Investments	11	86,000	86,000	86,000
		<u>437,411</u>	<u>387,594</u>	<u>398,266</u>
Current Liabilities				
Accounts Payable	13	62,794	68,165	49,544
Revenue Received in Advance	14	895	814	685
Provision for Cyclical Maintenance	15	53,375	-	-
Finance Lease Liability - Current Portion	16	3,325	2,100	4,650
		<u>120,389</u>	<u>71,079</u>	<u>54,879</u>
Working Capital Surplus/(Deficit)		317,022	316,515	343,387
Non-current Assets				
Property, Plant and Equipment	12	290,353	233,162	260,693
		<u>290,353</u>	<u>233,162</u>	<u>260,693</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	30,834	83,453	73,416
Finance Lease Liability	16	8,374	-	1,504
		<u>39,208</u>	<u>83,453</u>	<u>74,920</u>
Net Assets		<u><u>568,167</u></u>	<u><u>466,224</u></u>	<u><u>529,160</u></u>
Equity		<u><u>568,167</u></u>	<u><u>466,224</u></u>	<u><u>529,160</u></u>

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

Normanby School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		285,783	263,837	286,052
Locally Raised Funds		111,495	42,080	68,654
Goods and Services Tax (net)		(7,713)	-	2,948
Payments to Employees		(152,568)	(158,494)	(170,833)
Payments to Suppliers		(162,396)	(137,905)	(172,594)
Interest Paid		(2,457)	(504)	(512)
Interest Received		9,886	4,000	10,334
Net cash from / (to) the Operating Activities		82,030	13,014	24,049
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		1,479	-	-
Purchase of PPE (and Intangibles)		(61,095)	(24,000)	(7,933)
Net cash from / (to) the Investing Activities		(59,616)	(24,000)	(7,933)
Cash flows from Financing Activities				
Finance Lease Payments		(3,417)	(5,446)	(5,110)
Net cash from Financing Activities		(3,417)	(5,446)	(5,110)
Net increase/(decrease) in cash and cash equivalents		18,997	(16,432)	11,006
Cash and cash equivalents at the beginning of the year	8	260,414	249,408	249,408
Cash and cash equivalents at the end of the year	8	279,411	232,976	260,414

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.

Normanby School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Normanby 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 2018 to 31 December 2018 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".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

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

The estimated useful lives of the assets are:

Buildings	50 years
Building Improvements	20 years
Furniture and Equipment	5-10 years
Motor Vehicles	5 years
Library Resources	8 years

Leased assets are depreciated over the 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.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	271,348	263,837	271,057
Teachers' salaries grants	705,976	774,419	666,453
Use of Land and Buildings grants	170,564	102,801	79,248
Other MoE Grants	18,405	-	19,952
	<u>1,166,293</u>	<u>1,141,057</u>	<u>1,036,710</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	6,245	2,200	7,367
Bequests & Grants	45,032	9,180	13,962
Activities	33,075	1,500	31,662
Trading	2,200	2,400	2,397
Fundraising	632	-	-
Other Revenue	-	-	265
School House	20,760	20,800	6,770
Mini Van	5,848	6,000	6,360
	<u>113,792</u>	<u>42,080</u>	<u>68,783</u>
Expenses			
Activities	33,868	-	30,659
Trading	2,051	1,250	2,157
Fundraising costs	631	-	-
School House	7,336	7,300	5,884
Mini Van	9,896	12,000	11,396
	<u>53,782</u>	<u>20,550</u>	<u>50,096</u>
<i>Surplus for the year Locally raised funds</i>	<u>60,010</u>	<u>21,530</u>	<u>18,687</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	12,324	22,900	13,302
Library resources	90	500	1,289
Employee benefits - salaries	798,645	872,419	779,477
Staff development	9,690	10,600	9,735
Extra Curricular Activities	2,265	2,500	2,309
	<u>823,014</u>	<u>908,919</u>	<u>806,112</u>

5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,695	3,700	3,696
Board of Trustees Fees	3,590	5,000	5,050
Board of Trustees Expenses	3,726	3,000	7,919
Communication	2,122	2,300	2,413
Consumables	8,906	6,000	6,288
Operating Lease	-	-	1,213
Other	5,351	6,550	7,609
Employee Benefits - Salaries	34,544	33,994	32,817
Insurance	5,074	5,859	5,413
Service Providers, Contractors and Consultancy	10,820	10,920	8,835
	<u>77,828</u>	<u>77,323</u>	<u>81,253</u>

6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	11,536	11,500	10,885
Cyclical Maintenance Expense	10,793	10,792	10,791
Grounds	6,152	6,500	4,798
Heat, Light and Water	12,117	13,500	14,704
Rates	822	500	528
Repairs and Maintenance	11,190	10,300	10,245
Use of Land and Buildings	170,564	102,801	79,248
Security	3,102	3,000	2,889
Employee Benefits - Salaries	26,607	26,500	25,843
	<u>252,883</u>	<u>185,393</u>	<u>159,931</u>

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

7. Depreciation

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings	2,040	2,037	2,040
Building Improvements	11,282	11,691	11,709
Furniture and Equipment	21,016	29,645	29,692
Information and Communication Technology	387	10	10
Motor Vehicles	-	951	952
Leased Assets	6,611	6,794	6,805
Library Resources	885	1,119	1,121
	<u>42,221</u>	<u>52,247</u>	<u>52,329</u>

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	8	-	85
TSB Cheque	279,403	232,976	260,329
	<u>279,411</u>	<u>232,976</u>	<u>260,414</u>

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

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	2,666	895	487
Receivables from the Ministry of Education	1,208	-	2,540
Interest Receivable	5,487	5,991	5,609
Teacher Salaries Grant Receivable	43,422	46,333	32,448
	<u>52,783</u>	<u>53,219</u>	<u>41,084</u>
Receivables from Exchange Transactions	8,153	6,886	6,096
Receivables from Non-Exchange Transactions	44,630	46,333	34,988
	<u>52,783</u>	<u>53,219</u>	<u>41,084</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	659	2,126	1,217
	<u>659</u>	<u>2,126</u>	<u>1,217</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	86,000	86,000	86,000

12. Property, Plant and Equipment

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	13,750	-	-	-	-	13,750
Buildings	79,435	-	-	-	(2,040)	77,395
Building Improvements	109,295	-	-	-	(11,282)	98,013
Furniture and Equipment	49,405	21,255	(136)	-	(21,016)	49,508
Information and Communication Tech	616	38,995	-	-	(387)	39,223
Leased Assets	5,436	11,549	-	-	(6,611)	10,374
Library Resources	2,756	219	-	-	(885)	2,090
Balance at 31 December 2018	<u>260,693</u>	<u>72,018</u>	<u>(136)</u>	<u>-</u>	<u>(42,221)</u>	<u>290,353</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	13,750	-	13,750
Buildings	101,989	(24,594)	77,395
Building Improvements	283,749	(185,736)	98,013
Furniture and Equipment	389,158	(339,650)	49,508
Information and Communication	39,621	(398)	39,223
Motor Vehicles	39,981	(39,981)	-
Leased Assets	21,140	(10,766)	10,374
Library Resources	27,858	(25,768)	2,090
Balance at 31 December 2018	917,246	(626,893)	290,353

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	13,750	-	-	-	-	13,750
Buildings	81,475	-	-	-	(2,040)	79,435
Building Improvements	121,004	-	-	-	(11,709)	109,295
Furniture and Equipment	71,635	7,462	-	-	(29,692)	49,405
Information and Communication Technology	-	626	-	-	(10)	616
Motor Vehicles	952	-	-	-	(952)	-
Leased Assets	10,850	1,391	-	-	(6,805)	5,436
Library Resources	3,406	471	-	-	(1,121)	2,756
Balance at 31 December 2017	303,072	9,950	-	-	(52,329)	260,693

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	13,750	-	13,750
Buildings	101,989	(22,554)	79,435
Building Improvements	283,749	(174,454)	109,295
Furniture and Equipment	374,668	(325,263)	49,405
Information and Communication	626	(10)	616
Motor Vehicles	39,981	(39,981)	-
Leased Assets	29,116	(23,680)	5,436
Library Resources	27,639	(24,883)	2,756
Balance at 31 December 2017	871,518	(610,825)	260,693

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	7,363	11,499	5,608
Accruals	3,125	3,560	3,142
Capital accruals for PPE items	-	-	720
Employee Entitlements - salaries	43,422	46,333	32,448
Employee Entitlements - leave accrual	8,884	6,773	7,626
	<u>62,794</u>	<u>68,165</u>	<u>49,544</u>
Payables for Exchange Transactions	62,794	68,165	49,544
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>62,794</u>	<u>68,165</u>	<u>49,544</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Income in Advance	588	-	-
Family A/cs in Credit	307	814	685
	<u>895</u>	<u>814</u>	<u>685</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	73,416	72,661	62,625
Increase to the Provision During the Year	10,793	10,792	10,791
Provision at the End of the Year	<u>84,209</u>	<u>83,453</u>	<u>73,416</u>
Cyclical Maintenance - Current	53,375	-	-
Cyclical Maintenance - Term	30,834	83,453	73,416
	<u>84,209</u>	<u>83,453</u>	<u>73,416</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	5,461	2,100	4,650
Later than One Year and no Later than Five Years	11,358	-	1,504
	<u>16,819</u>	<u>2,100</u>	<u>6,154</u>

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,590	5,050
Full-time equivalent members	0.30	0.21
<i>Leadership Team</i>		
Remuneration	247,895	316,253
Full-time equivalent members	2.52	3.59
Total key management personnel remuneration	251,485	321,303
Total full-time equivalent personnel	2.82	3.80

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal A		
Salary and Other Payments	110 - 120	50 - 60
Benefits and Other Emoluments	3 - 4	1 - 2
Termination Benefits	-	-
Principal B		
Salary and Other Payments	-	50 - 60
Benefits and Other Emoluments	-	1 - 2
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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 2018, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2018 (Operating commitments at 31 December 2017: nil).

22. Managing Capital

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

23. Financial Instruments

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

Loans and receivables

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
Cash and Cash Equivalents	\$ 279,411	\$ 232,976	\$ 260,414
Receivables	52,783	53,219	41,084
Investments - Term Deposits	86,000	86,000	86,000
Total Loans and Receivables	<u>418,194</u>	<u>372,195</u>	<u>387,498</u>

Financial liabilities measured at amortised cost

Payables	62,794	68,165	49,544
Borrowings - Loans	-	-	-
Finance Leases	11,699	2,100	6,154
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	74,493	70,265	55,698

24. Events After Balance Date

Subsequent to Balance Date the School received the engineers report on the Swimming Pool which advised the approximate cost to fix pool is \$40K. the Board has yet to decide on next step however if they go ahead with repairs they will do up the whole pool area including re-concrete and new changing rooms. The project to be funded by the Board and through Fundraising with the Board having set aside approximately \$86K towards the project and plan to fundraise the rest of the costs. Total cost of upgrade unknown.

25. Comparatives

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

26. Credit Card Facility

The School operates a credit card facility with TSB Bank, the limit is \$5,000 and as at balance date \$0 was owing.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NORMANBY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Normanby School (the School). The Auditor-General has appointed me, Talia Anderson-Town, using the staff and resources of Silks Audit Chartered Accountants Ltd, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expenses, 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:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 10 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

Basis for our 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 for the financial statements

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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustee schedule included under the School Directory page, the Analysis of Variance, and the Kiwisport statement included as an appendices, 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 (Revised): *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.



Talia Anderson-Town
Silks Audit Chartered Accountants Ltd
On behalf of the Auditor-General
Whanganui, New Zealand

Student Achievement Targets – 2018

Our student achievement targets have been established based on our participation in the South Taranaki CoL and the end of 2017 data. Our focus is on all of our Maori students aligned to culturally responsive practices and relationship based teaching. This will also have an impact on all of the other students.

Charter Strategic Aim: For our students to achieve at or above the expected level of the New Zealand Curriculum. For our students to develop sound skills in literacy and numeracy.

Annual Aim: Based on 2017 data: To reduce the number of Maori students we have in the well below/ below band of national standards and to increase the number of Maori students in the above band across all of the three core areas. To increase levels in mathematics and writing across the whole school.

End of Year Summary Report 2018

Percentages of Students Who are: **At / Above**

2017 n= 148 Boys – 71 (48%) Girls – 77 (52%) NZ Maori – 80 (54%) NZ European – 68 (46%)
 2018 n = 173 Boys – 86 (50%) Girls - 87 (50%) NZ Maori – 99 (57%) NZ European = 74 (43%)

	Reading	Writing	Maths
End of 2015	73%	74%	76%
End of 2016	74%	78%	78%
End of 2017	74%	70%	66%
End of 2018	79%	77%	84%

2017 Year Level percentages **At / Above**

2018 Year Level percentages At / Above (same cohort in 2018)

	Reading	Writing	Maths
Year One 2018	90%	100%	100%
Year One (Two)	20% (60%)	100% (100%)	100% (100%)
Year Two (Three)	61% (97%)	79% (94%)	79% (100%)
Year Three (Four)	87% (71%)	74% (67%)	61% (63%)
Year Four (Five)	90% (88%)	74% (63%)	82% (87%)
Year Five (Six)	77% (52%)	50% (34%)	42% (48%)
Year Six (Left)	69% (Left)	31% (Left)	54% (Left)

2017 Maori Achievement: Percentages At / Above
2018 Maori Achievement: Percentages At / Above

	Reading	Writing	Maths
Maori	70% (77%)	72% (74%)	66% (85%)
NZE	79% (83%)	68% (80%)	65% (85%)

Gender / Ethnicity Comparisons

Reading	WB			B			AT			AB		
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Maori	8%	8%	13%	6%	18%	18%	18%	17%	23%	32%	30%	62%
Boys	6%	9%	10%	4%	23%	20%	16%	19%	25%	29%	28%	64%
Girls	7%	5%	10%	5%	15%	19%	16%	14%	19%	29%	31%	61%
All	7%	7%	10%	4%	19%	19%	16%	16%	23%	32%	30%	62%

Writing	WB			B			AT			AB		
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Maori	3%	5%	8%	6%	22%	12%	20%	20%	61%	66%	60%	66%
Boys	6%	9%	10%	7%	31%	18%	25%	20%	57%	62%	55%	65%
Girls	6%	5%	7%	7%	8%	11%	18%	16%	68%	65%	62%	63%
All	6%	7%	8%	7%	21%	14%	22%	17%	62%	63%	59%	68%

Maths	WB			B			AT			AB			
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2018
Maori	4%	4%	10%	18%	22%	24%	70%	66%	56%	76%	8%	10%	8%
Boys	4%	5%	11%	21%	15%	21%	25%	68%	58%	79%	11%	10%	8%
Girls	7%	3%	10%	15%	21%	26%	28%	68%	56%	79%	8%	8%	8%
All	7%	4%	10%	19%	18%	24%	23%	68%	57%	77%	10%	9%	7%

Targets for Raising Student Achievement in Writing

Annual Objectives and Aims:

- All students who are at risk of underachieving in writing will make accelerated progress (i.e. more than a year's progress with a trajectory of achieving at / above the curriculum level for Year 6 (Level 3).
- Increase the number of students achieving at or above the curriculum level for their year group in reading and writing. Our target is to at least have 80% of students achieving at or above their curriculum level.

2018 Annual Targets

- All students who were well below or below the National Standard for writing at the end of 2017 will make accelerated progress in relation to their specific end of year Curriculum Level.
- In 2018 – our 29.7% of students in 2017 who are well below or below standard will be targeted in writing to be AT the National Curriculum level for their year groups.
- We aim for 80% (*currently 70.3% in 2017*) of our student population to be at or above National Curriculum standard for their year group.
- We aim for 20% (*currently 11.5% in 2017*) of our student population to be above the National Curriculum standard for their year group.
- Excel the achievement of our Maori students to increase their representation in the above achievement band (*currently in 2017 12.7%*)

Baseline Data

- In writing 70.3% of students were at or above
- 72.5% of Maori students were at or above
- 64.8% of boys were at or above
- 75.3% of girls were at or above
- We have 12.5% of Maori students achieving above the standard
- We have 9.9% of boys achieving above the standard
- We have 11.5% of girls achieving above the standard

Targets for Raising Student Achievement in Mathematics

Annual Objectives and Aims:

- All students who are at risk of underachieving in mathematics will make accelerated progress (i.e. more than a year's progress with a trajectory of achieving at / above the curriculum level for Year 6 -Level 3)
- Increase the number of students achieving at or above the curriculum level for their year group in mathematics. Our target is to at least have 75% of students achieving at or above their curriculum level.

2018 Annual Targets

- Aim for all students, who were Well Below or Below the National Standard for mathematics at the end of 2017, to make accelerated progress in relation to their specific end of year Curriculum Level.
- In 2018 – our 33.8% of students in 2017 who were well below or below standard will be targeted in mathematics to be AT the National Curriculum level for their year groups.
- We aim for 75% (*currently 65.7% in 2017*) of our student population to be at or above National Curriculum Level for their year group.
- We aim for 15% (*currently 8.9% in 2017*) of our student population to be above the National Curriculum Level for their year group.
- Excel the achievement of our Maori students to increase their representation in the above achievement band (*currently in 2017 10%*)

Baseline Data

- In Writing 65.7% of students were at or above
- % of Maori students were at or above
- % of boys were at or above
- % of girls were at or above
- We have 10% of Maori students achieving above the standard
- We have % of boys achieving above the standard
- We have % of girls achieving above the standard

Kiwisport Statement

Our students benefited from the Kiwi Sport funding through participation in external competitions such as Spragg Banner (swimming); Cross Country; Years 5 / 6 winter sports against local schools; participation in Rippa and League competitions; Netball for both school and Saturday teams; miniball and touch; equipment and transport for all codes.