



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DANNEVIRKE SOUTH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Dannevirke South School (the School). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, 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 22, 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:
  - its financial position as at 31 December 2019; 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 Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 31 July 2020. 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.

#### **Emphasis of Matter – COVID-19**

Without modifying our opinion, we draw attention to the disclosures in note 27 on page 21 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### **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 arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance, the Kiwisport Statement, and the Board of Trustees List which form part of the Annual Report, 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.

A handwritten signature in blue ink, appearing to read 'M. John Dixon', with a stylized flourish at the end.

**Maxwell John Dixon**  
**PricewaterhouseCoopers**  
**On behalf of the Auditor-General**  
**Napier, New Zealand**

# DANNEVIRKE SOUTH SCHOOL

## Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2019



### School Directory

<b>Ministry Number:</b>	2553
<b>Principal:</b>	Stephen Snell
<b>School Address:</b>	Stairs Street, Dannevirke
<b>School Postal Address:</b>	P O Box 77, Dannevirke, 4942
<b>School Phone:</b>	06-374-8915
<b>School Email:</b>	principal@dannevirkesouth.school.nz

### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How position gained</b>	<b>Term expired/expires</b>
Lee Teller	Chairperson	Elected	May 2022
Stephen Snell	Principal		
Brad Dippie	Treasurer	Elected	May 2022
Chris Bone	Treasurer	Elected	May 2019
Pam Beamsley	Secretary	Elected	May 2019
Michelle Walker	Parent Rep	Elected	May 2019
Donna Mason	Parent Rep	Elected	May 2022
Colin Simmons	Parent Rep	Elected	May 2022
Michael Wheeler	Parent Rep	Elected	May 2022
Caroline Gyde	Staff Rep	Elected	May 2022

<b>Accountant / Service Provider:</b>	Eclipse Solutions 4 Schools Ltd
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# DANNEVIRKE SOUTH SCHOOL

Annual Report - For the year ended 31 December 2019

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### **Other Information**

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Analysis of Variance

## 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.

Lee Teller  
Full Name of Board Chairperson

Lee Teller  
Signature of Board Chairperson

31 July 2020  
Date:

Stephen Snell  
Full Name of Principal

Stephen Snell  
Signature of Principal

31 July 2020  
Date:

**Dannevirke South School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	2,227,296	2,138,599	2,194,010
Locally Raised Funds	3	61,036	48,500	94,772
Interest Income		5,891	5,000	6,720
Gain on Sale of Property, Plant and Equipment		8,272	-	-
		<u>2,302,495</u>	<u>2,192,099</u>	<u>2,295,502</u>
<b>Expenses</b>				
Locally Raised Funds	3	33,533	42,000	72,261
Learning Resources	4	1,689,716	1,604,210	1,662,464
Administration	5	190,913	162,620	166,884
Finance		5,125	-	5,654
Property	6	363,753	355,234	375,204
Depreciation	7	70,969	40,000	80,666
Loss on Disposal of Property, Plant and Equipment		-	-	1,225
Amortisation of Intangible Assets		417	-	-
		<u>2,354,426</u>	<u>2,204,064</u>	<u>2,364,358</u>
<b>Net Surplus / (Deficit) for the Year</b>		(51,931)	(11,965)	(68,856)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(51,931)</u>	<u>(11,965)</u>	<u>(68,856)</u>

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



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

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>	450,226	450,226	513,270
Total Comprehensive Revenue and Expense for the Year	(51,931)	(11,965)	(68,856)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	6,785	-	5,812
Prior Year Adjustment	(3,076)	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
<b>Equity at 31 December</b>	402,004	438,261	450,226
Retained Earnings	402,004	438,261	450,226
Reserves	-	-	-
<b>Equity at 31 December</b>	402,004	438,261	450,226

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

# Dannevirke South School Statement of Financial Position

As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	162,081	78,000	22,536
Accounts Receivable	9	228,940	105,000	103,676
GST Receivable		-	14,648	26,295
Prepayments		8,368	8,500	-
Inventories	10	1,020	1,200	1,172
Investments	11	154,366	160,000	150,973
		<u>554,775</u>	<u>367,348</u>	<u>304,652</u>
<b>Current Liabilities</b>				
GST Payable		28,375	-	-
Accounts Payable	14	135,928	130,000	129,042
Revenue Received in Advance	15	21,245	10,000	10,750
Provision for Cyclical Maintenance	16	-	-	-
Finance Lease Liability - Current Portion	17	27,696	10,000	17,290
Funds Held for Capital Works Projects	18	187,041	-	(321)
Funds Held on Behalf of Community of Learning Cluster	19	29,716	38,000	-
		<u>430,001</u>	<u>188,000</u>	<u>156,761</u>
<b>Working Capital Surplus/(Deficit)</b>		124,774	179,348	147,891
<b>Non-Current Assets</b>				
Property, Plant and Equipment	12	369,800	360,000	372,483
Intangible Assets	13	1,583	-	-
		<u>371,383</u>	<u>360,000</u>	<u>372,483</u>
<b>Non-Current Liabilities</b>				
Provision for Cyclical Maintenance	16	71,087	71,087	59,325
Finance Lease Liability	17	23,066	30,000	10,823
		<u>94,153</u>	<u>101,087</u>	<u>70,148</u>
<b>Net Assets</b>		<u>402,004</u>	<u>438,261</u>	<u>450,226</u>
<b>Equity</b>		<u>402,004</u>	<u>438,261</u>	<u>450,226</u>

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

**Dannevirke South School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash Flows from Operating Activities</b>				
Government Grants		558,570	471,155	533,239
Locally Raised Funds		(49,089)	35,547	107,570
Goods and Services Tax (net)		54,668	(5,338)	(16,338)
Payments to Employees		(352,450)	(280,807)	(321,239)
Payments to Suppliers		(249,510)	(87,022)	(279,860)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(5,125)	-	(5,654)
Interest Received		4,451	5,000	6,609
Net Cash from Operating Activities		(38,485)	138,535	24,327
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	(1,225)
Purchase of PPE (and Intangibles)		(12,692)	(80,078)	(134,452)
Purchase of Investments		(3,393)	(15,777)	(3,347)
Net Cash from Investing Activities		(16,085)	(95,855)	(139,024)
<b>Cash Flows from Financing Activities</b>				
Furniture and Equipment Grants		6,785	-	5,812
Finance Lease Payments		(26,673)	(9,837)	(21,724)
Funds Administered on Behalf of Third Parties		26,641	38,000	-
Funds Held for Capital Works Projects		187,362	(15,379)	(15,700)
Net Cash from Financing Activities		194,115	12,784	(31,612)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>139,545</b>	<b>55,464</b>	<b>(146,309)</b>
Cash and Cash Equivalents at the Beginning of the Year	8	22,536	22,536	168,845
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>8</b>	<b>162,081</b>	<b>78,000</b>	<b>22,536</b>

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

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

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Dannevirke 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 29.

##### **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.

#### *Cyclical maintenance provision*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 16.

#### **Critical Judgements in Applying Accounting Policies**

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

#### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

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

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**Prior Year Policy**

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

**j) Investments**

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

**Prior Year Policy**

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

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

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

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

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

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements to Crown Owned Assets	10 - 50 years
Furniture and Equipment	4 - 10 years
Information and Communication Technology	3 - 4 years
Leased Assets Held Under a Finance Lease	2 - 5 years
Library resources	12.5% Diminishing value

#### **l) Intangible Assets**

##### **Software costs**

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

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

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

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

#### **m) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

#### **n) Accounts Payable**

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

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees 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.

#### **q) 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.

#### **r) 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).

#### **s) 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

#### **t) 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.

**u) Budget Figures**

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

**v) Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	429,860	427,155	436,923
Teachers' Salaries Grants	1,368,678	1,372,410	1,372,410
Use of Land and Buildings Grants	292,129	295,034	295,034
Resource Teachers Learning and Behaviour Grants	2,664	-	1,913
Other MoE Grants	133,965	44,000	87,730
	<u>2,227,296</u>	<u>2,138,599</u>	<u>2,194,010</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	14,244	15,000	39,406
Fundraising	3,807	-	179
Trading	6,310	5,000	5,188
Activities	36,675	28,500	49,999
	<u>61,036</u>	<u>48,500</u>	<u>94,772</u>
<b>Expenses</b>			
Activities	28,632	36,000	66,765
Trading	4,901	6,000	5,496
	<u>33,533</u>	<u>42,000</u>	<u>72,261</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>27,503</u>	<u>6,500</u>	<u>22,511</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	55,442	40,800	64,151
Equipment Repairs	1,015	1,000	1,964
Information and Communication Technology	24,407	26,500	25,113
Library Resources	1,663	1,000	2,344
Employee Benefits - Salaries	1,592,162	1,522,410	1,553,616
Staff Development	15,027	12,500	15,276
	<u>1,689,716</u>	<u>1,604,210</u>	<u>1,662,464</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,435	5,000	4,180
Board of Trustees Fees	6,418	6,500	6,570
Board of Trustees Expenses	11,393	3,100	4,442
Communication	6,415	5,600	4,973
Consumables	9,132	9,000	8,364
Other	5,142	5,420	5,852
Employee Benefits - Salaries	132,237	111,000	119,957
Insurance	5,764	8,000	4,046
Service Providers, Contractors and Consultancy	8,977	9,000	8,500
	<u>190,913</u>	<u>162,620</u>	<u>166,884</u>

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	4,829	4,200	6,200
Consultancy and Contract Services	-	2,500	-
Cyclical Maintenance Provision	11,762	-	12,934
Grounds	16,313	13,800	17,513
Heat, Light and Water	23,205	20,500	19,421
Rates	3,934	6,500	10,167
Repairs and Maintenance	6,466	7,700	8,873
Use of Land and Buildings	292,129	295,034	295,034
Security	5,115	5,000	5,062
	<u>363,753</u>	<u>355,234</u>	<u>375,204</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	5,882	5,000	3,731
Furniture and Equipment	13,188	15,000	16,116
Information and Communication Technology	8,720	3,000	22,957
Leased Assets	40,231	17,000	34,543
Library Resources	2,948	-	3,319
	<u>70,969</u>	<u>40,000</u>	<u>80,666</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	193	200	193
Bank Current Account	160,895	19,800	11,798
Bank Call Account	993	58,000	10,545
Cash and Cash Equivalents Cash Flow Statement	<u>162,081</u>	<u>78,000</u>	<u>22,536</u>

Of the \$162,081 Cash and Cash Equivalents, \$87,041 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$162,081 Cash and Cash Equivalents, \$29,716 is held by the School on behalf of the Community of Learning Cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	8,494	15,000	13,650
Receivables from the Ministry of Education	125,776	-	-
Banking Staffing Underuse	7,919	-	-
Allowance for credit/losses	-	-	-
Interest Receivable	1,551	-	111
Teacher Salaries Grant Receivable	85,200	90,000	89,915
	<u>228,940</u>	<u>105,000</u>	<u>103,676</u>
Receivables from Exchange Transactions	8,494	15,000	13,650
Receivables from Non-Exchange Transactions	220,446	90,000	90,026
	<u>228,940</u>	<u>105,000</u>	<u>103,676</u>

## 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	489	600	1,172
School Uniforms	531	600	-
	<u>1,020</u>	<u>1,200</u>	<u>1,172</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	154,366	160,000	150,973
Non-current Asset	-	-	-
Long-term Bank Deposits	-	-	-
Total Investments	<u>154,366</u>	<u>160,000</u>	<u>150,973</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Buildings - School	227,576	3,897	-	-	(5,882)	225,591
Furniture and Equipment	69,932	7,718	(3,836)	-	(13,188)	60,626
Information and Communication	8,839	8,498	-	-	(8,720)	8,617
Leased Assets	42,765	49,322	-	-	(40,231)	51,856
Library Resources	23,357	2,701	-	-	(2,948)	23,110
Textbooks	14	-	(14)	-	-	-
<b>Balance at 31 December 2019</b>	<b>372,483</b>	<b>72,136</b>	<b>(3,850)</b>	<b>-</b>	<b>(70,969)</b>	<b>369,800</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Buildings - School	298,966	(73,375)	225,591
Furniture and Equipment	366,488	(305,862)	60,626
Information and Communication	304,129	(295,512)	8,617
Leased Assets	161,863	(110,007)	51,856
Library Resources	78,817	(55,707)	23,110
Textbooks	-	-	-
<b>Balance at 31 December 2019</b>	<b>1,210,263</b>	<b>(840,463)</b>	<b>369,800</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Buildings - School	131,599	99,708	-	-	(3,731)	227,576
Furniture and Equipment	73,621	12,426	-	-	(16,116)	69,931
Information and Communication	29,929	1,867	-	-	(22,957)	8,839
Technology						
Leased Assets	59,590	17,719	-	-	(34,543)	42,766
Library Resources	25,170	2,730	(1,224)	-	(3,319)	23,357
Textbooks	14	-	-	-	-	14
<b>Balance at 31 December 2018</b>	<b>319,923</b>	<b>134,450</b>	<b>(1,224)</b>	<b>-</b>	<b>(80,666)</b>	<b>372,483</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Buildings - School	295,069	(67,493)	227,576
Furniture and Equipment	372,099	(302,167)	69,931
Information and Communication Technology	295,631	(286,792)	8,839
Leased Assets	112,541	(69,776)	42,766
Library Resources	76,116	(52,759)	23,357
Textbooks	14	-	14
<b>Balance at 31 December 2018</b>	<b>1,151,470</b>	<b>(778,987)</b>	<b>372,483</b>

### 13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
<b>Cost</b>			
Balance at 1 January 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2018/1 January 2019	-	-	-
Additions	2,000	-	2,000
Disposals	-	-	-
Balance at 31 December 2019	2,000	-	2,000
<b>Accumulated Amortisation and impairment losses</b>			
Balance at 1 January 2018	-	-	-
Amortisation expense	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2018/1 January 2019	-	-	-
Amortisation expense	417	-	417
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2019	417	-	417
<b>Carrying amounts</b>			
At 1 January 2018	-	-	-
At 31 December 2018/ 1 January 2019	-	-	-
At 31 December 2019	1,583	-	1,583

#### Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

#### Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2018 \$nil)

### 14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	33,674	32,000	31,818
Accruals	13,753	8,000	4,180
Employee Entitlements - Salaries	85,200	90,000	89,915
Employee Entitlements - Leave Accrual	3,301	-	3,129
	<u>135,928</u>	<u>130,000</u>	<u>129,042</u>
Payables for Exchange Transactions	135,746	130,000	129,042
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	182	-	-
Payables for Non-Exchange Transactions - Other	-	-	-
	<u>135,928</u>	<u>130,000</u>	<u>129,042</u>

The carrying value of payables approximates their fair value.

## 15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	21,245	10,000	10,750
	<u>21,245</u>	<u>10,000</u>	<u>10,750</u>

## 16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	59,325	59,325	46,391
Increase/ (Decrease) to the Provision During the Year	11,762	11,762	12,934
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>71,087</u>	<u>71,087</u>	<u>59,325</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	<u>71,087</u>	<u>71,087</u>	<u>59,325</u>
	<u>71,087</u>	<u>71,087</u>	<u>59,325</u>

## 17. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers, photocopier and 3D printer. Minimum lease payments payable:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	27,696	10,000	17,290
Later than One Year and No Later than Five Years	30,474	32,000	16,477
Later than Five Years	-	-	-
	<u>58,170</u>	<u>42,000</u>	<u>33,767</u>

## 18. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Roof Leaks Blk A	<i>completed</i>	5,079	-	(5,079)	-	-
Blk E ILE Upgrade	<i>in progress</i>	(5,400)	200,000	(15,109)	-	179,491
Bidet Seat in Toilet and Handrail Project	<i>completed</i>	-	6,998	(6,998)	-	-
Flood Damage Remedial Works Project	<i>in progress</i>	-	20,471	(12,921)	-	7,550
Totals		<u>(321)</u>	<u>227,469</u>	<u>(40,107)</u>	<u>-</u>	<u>187,041</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

187,041

187,041

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Roof Leaks Blk A	<i>in progress</i>	-	6,929	(1,850)	-	5,079
Electrical Upgrade	<i>completed</i>	(2,749)	2,749	-	-	-
Fence	<i>completed</i>	1,309	-	(1,309)	-	-
Hall Upgrade	<i>completed</i>	1,251	-	(1,251)	-	-
Heating Upgrade	<i>completed</i>	10,528	-	(10,528)	-	-
Blks A & E HW Upgrade	<i>completed</i>	5,040	-	(5,040)	-	-
Blk E ILE Upgrade	<i>in progress</i>	-	-	(5,400)	-	(5,400)
Totals		15,379	9,678	(25,378)	-	(321)

## 19. Funds Held on Behalf of the Teacher-led Innovation Fund Project

Dannevirke South School is the lead school and holds funds on behalf of the Teacher-led Innovation Fund cluster, a group of early learning services & schools funded by the Ministry of Education to make sure they all have access to the best teaching and leadership so the students benefit and succeed across the whole education system.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	-
Prior Year Adjustment	3,076	-	-
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	62,916	-	-
Other Funds Received	-	-	-
Funds Spent on Behalf of the Cluster	(36,276)	-	-
Funds Held at Year End	29,716	-	-

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

### Current Assets

Cash at bank	29,716	-	-
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### Non Current Assets

Property Plant and Equipment	-	-	-
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### Current Liabilities

Funds Held on Behalf	-	-	-
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### Equity

29,716	-	-
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## 20. 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.



## 21. 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	6,418	6,480
Full-Time Equivalent Members	0.11	0.03
<i>Leadership Team</i>		
Remuneration	285,607	277,059
Full-Time Equivalent Members	2.00	2.00
Total Key Management Personnel Remuneration	292,025	283,539
Total Full-Time Equivalent Personnel	2.11	2.03

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	160 - 170	160 - 170
Benefits and Other Emoluments	3 - 4	0
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100-110	1	2
110-120	1	-
	2	2

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

## 22. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be a trustee, committee member, or employee 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		
Number of People	-	-

## 23. Contingencies

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

There is a contingent asset for repayment from School Support Ltd for additional 2019 audit fee due to service provider issues.

### Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

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

## 24. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$290,675 contract for Block E ILE upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$200,000 has been received of which \$20,509 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) \$82,337 contract for Flood Damage and Remedial Works project as agent for the Ministry of Education. The project is fully funded by the Ministry and \$20,471 has been received of which \$12,921 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2018: \$6,929)

### (b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts.

## 25. Managing Capital

The School's capital is its equity and comprises of 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.

## 26. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	162,081	78,000	22,536
Receivables	228,940	105,000	103,676
Investments - Term Deposits	154,366	160,000	150,973
Total Financial assets measured at amortised cost	<u>545,387</u>	<u>343,000</u>	<u>277,185</u>

### Financial liabilities measured at amortised cost

Payables	135,746	130,000	129,042
Finance Leases	50,762	40,000	28,113
Total Financial Liabilities Measured at Amortised Cost	<u>186,508</u>	<u>170,000</u>	<u>157,155</u>

## 27. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb some 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.

## 28. Comparatives

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

## 29. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments:

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

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

### **30. Statutory Reporting Deadline Not Met Due to COVID-19**

Under Section 87C1 of the Education Act 1989, the Board of Trustees is required to forward audited financial statements to the Ministry of Education by 31st May 2020.

COVID-19 as noted in note 25, and the lockdown rules at Alert Levels 3 and 4, which restricted access to financial records, meant that the audit could not progress as planned and as a result the deadline could not be met. This situation was beyond the Board's control, and on the 28 May 2020 the Secretary for Education provided assurance that the Board would not be penalised for not meeting the deadline.

# **Dannevirke South School**

## **Kiwisport Report**

For the year ended 31 December 2019

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$4,072 (excluding GST). The funding was put towards a range of sports equipment and uniforms to resource the school to support and initiate student participation in a variety of sports.

The number of students participating in organised sport continues to be at excellent levels.

# Analysis of Variance Reporting



<b>School Name:</b>	Dannevirke South School - Mathematics		<b>School Number:</b>	2553																																																														
<b>Strategic Aim:</b>	Raise achievement for identified priority learners in mathematics.																																																																	
<b>Annual Aim:</b>	All students are expected to make at least 1 years progress in mathematics. Some students will be expected to make accelerated progress.																																																																	
<b>Target:</b>	Move 50 of all Maori/boys from below to at or above																																																																	
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<ul style="list-style-type: none"> <li>• Targeting students</li> <li>• Regular monitoring and reporting</li> <li>• Teaching as Inquiry focus</li> <li>• Teachers working together in Professional Learning Communities</li> <li>• Developing whanau and student engagement</li> <li>• In School Kahui Ako teacher support</li> </ul>	<ul style="list-style-type: none"> <li>• 25% less students below</li> <li>• Improvement similar for gender and Maori</li> <li>• Ambitious target almost met. 45 students from below to at or above.</li> </ul>	<ul style="list-style-type: none"> <li>• Support from Mathematics Support teacher</li> <li>• Teacher Professional Development</li> <li>• Teachers more focussed on improving practices through PLC and Teaching as Inquiry</li> <li>• Improved Whanau engagement</li> <li>• In some groups improved student engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Mathematics programme working for most students</li> <li>• Continue effective problem solving approach for Mathematics</li> <li>• Ensure consistency of teaching across all year groups</li> <li>• Continue to focus on student engagement</li> <li>• Plan for continued improvement in teaching and learning.</li> </ul>
<b>Planning for next year:</b>			
<p>The targets for 2019 were ambitious and only narrowly missed achieving. We have significant improvement across most year groups. Additional support provided where required in 2020</p>			

# Analysis of Variance Reporting



<b>School Name:</b>	Dannevirke South School - Reading	<b>School Number:</b>	2553																																																																				
<b>Strategic Aim:</b>	Raise achievement for identified priority learners in reading.																																																																						
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# Analysis of Variance Reporting



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