

HEDGEHOPE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 3964

Principal: Sue Rogers

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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Bevan Jones	Chair Person	Elected		Term Expires 2022
Sue Rogers	Principal	School Appointment		
Rachael Harding	Co- Chairperson	Elected		Term Expires 2022
Cattelijne Van Sante	Parent Rep	Elected		Term Expires 2022
Sarah Smith	Parent Rep	Elected		Term Expires 2022
Peter Blackmore	Parent Rep	Elected		Term Expires 2022
Lisa McCracken	Staff Rep	School Appointment		
Rochelle Davis	Staff Rep	School Appointment		

Accountant: Findex

HEDGEHOPE SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 9	Statement of Accounting Policies
10-15	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Hedgehope School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

27 May 2020

27 May 2020

Date:

Date:

Hedgehope School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	374,432	186,804	361,039
Locally Raised Funds	3	31,923	38,746	17,536
Interest income		1,782	440	2,056
		<u>408,137</u>	<u>225,990</u>	<u>380,631</u>
Expenses				
Locally Raised Funds	3	22,571	17,350	21,233
Learning Resources	4	278,335	50,680	226,261
Administration	5	30,298	28,860	30,312
Finance		254	-	196
Property	6	102,030	133,826	88,120
Depreciation	7	14,090	2,840	11,412
Loss on Disposal of Property, Plant and Equipment		42	-	10
		<u>447,619</u>	<u>233,556</u>	<u>377,544</u>
Net Surplus / (Deficit) for the year		(39,482)	(7,566)	3,087
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(39,482)</u>	<u>(7,566)</u>	<u>3,087</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.

Hedgehope School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		147,446	147,446	143,886
Total comprehensive revenue and expense for the year		(39,482)	(7,566)	3,087
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	(0)	473
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	20	107,964	139,880	147,446
Retained Earnings		107,964	139,880	147,446
Reserves		-	-	-
Equity at 31 December		107,964	139,880	147,446

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.

Hedgehope School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	53,449	57,746	62,472
Accounts Receivable	9	12,833	12,632	12,632
Prepayments		1,877	1,453	1,453
Investments	10	36,937	59,060	59,060
		<u>105,096</u>	<u>130,891</u>	<u>135,617</u>
Current Liabilities				
GST Payable		4,861	4,500	4,500
Accounts Payable	12	26,195	20,378	20,378
Provision for Cyclical Maintenance	13	5,625	11,694	11,694
Finance Lease Liability - Current Portion	14	6,247	4,134	4,220
Funds held for Capital Works Projects	15	24,800	-	-
		<u>67,729</u>	<u>40,706</u>	<u>40,792</u>
Working Capital Surplus/(Deficit)		37,367	90,185	94,825
Non-current Assets				
Property, Plant and Equipment	11	75,697	73,531	76,371
		<u>75,697</u>	<u>73,531</u>	<u>76,371</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	-	16,555	16,555
Finance Lease Liability	14	5,100	7,281	7,195
		<u>5,100</u>	<u>23,836</u>	<u>23,750</u>
Net Assets		<u>107,964</u>	<u>139,880</u>	<u>147,446</u>
Equity	20	<u>107,964</u>	<u>139,880</u>	<u>147,446</u>

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

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

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		108,882	96,804	111,983
Locally Raised Funds		31,923	38,746	17,536
Goods and Services Tax (net)		361	-	(1,792)
Payments to Employees		(81,699)	(50,940)	(49,056)
Payments to Suppliers		(85,842)	(89,776)	(63,058)
Cyclical Maintenance Payments in the year		(22,624)	-	-
Interest Paid		(254)	-	(196)
Interest Received		1,989	440	1,912
Net cash from Operating Activities		(47,264)	(4,726)	17,329
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		1	-	-
Purchase of PPE (and Intangibles)		(5,416)	-	(4,741)
Purchase of Investments		-	-	(5,216)
Proceeds from Sale of Investments		22,123	-	-
Net cash from Investing Activities		16,709	-	(9,957)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	(0)	473
Finance Lease Payments		(3,268)	-	(4,502)
Funds Held for Capital Works Projects		24,800	-	-
Net cash from Financing Activities		21,532	(0)	(4,029)
Net increase/(decrease) in cash and cash equivalents		(9,023)	(4,726)	3,343
Cash and cash equivalents at the beginning of the year	8	62,472	62,472	59,129
Cash and cash equivalents at the end of the year	8	53,449	57,746	62,472

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..

Hedgehope School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Hedgehope School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 23.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

Accounts Receivable represents items that the 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) 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.

j) Property, Plant and Equipment

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

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	33-34 years
Furniture and equipment	5-15 years
Information and communication technology	2-5 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value
Office Furniture	1 - 14 years
Other Equipment	2 - 14 years

k) Impairment of property, plant, and equipment

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 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.

l) 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.

m) 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.

n) 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).

o) 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.

p) 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.

q) Budget Figures

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

r) 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	87,723	77,804	85,296
Teachers' Salaries Grants	193,070	-	179,517
Use of Land and Buildings Grants	73,834	90,000	68,186
Other MoE Grants	19,076	19,000	19,825
Other Government Grants	729	-	8,216
	<u>374,432</u>	<u>186,804</u>	<u>361,039</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	15,699	800	1,098
Activities	870	31,500	3,787
Trading	104	270	3
Fundraising	4,031	-	1,791
Other Revenue	11,219	6,176	10,859
	<u>31,923</u>	<u>38,746</u>	<u>17,536</u>
Expenses			
Activities	16,509	4,310	14,521
Fundraising (Costs of Raising Funds)	1,922	400	1,520
Other Locally Raised Funds Expenditure	4,140	12,640	5,191
	<u>22,571</u>	<u>17,350</u>	<u>21,233</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>9,353</u>	<u>21,396</u>	<u>(3,696)</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	13,164	12,290	9,367
Library Resources	-	700	576
Employee Benefits - Salaries	261,521	35,290	213,888
Staff Development	3,650	2,400	2,429
	<u>278,335</u>	<u>50,680</u>	<u>226,261</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,796	4,000	3,685
Board of Trustees Fees	3,509	3,500	4,669
Board of Trustees Expenses	2,382	500	98
Communication	1,100	950	941
Consumables	1,264	4,250	1,057
Other	4,656	4,670	5,516
Employee Benefits - Salaries	12,425	9,850	10,348
Insurance	1,166	1,140	3,997
	<u>30,298</u>	<u>28,860</u>	<u>30,312</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	1,204	1,000	1,978
Cyclical Maintenance Provision	-	-	2,500
Grounds	933	680	1,098
Heat, Light and Water	7,764	6,060	6,051
Repairs and Maintenance	12,886	30,286	3,971
Use of Land and Buildings	73,834	90,000	68,186
Employee Benefits - Salaries	5,409	5,800	4,335
	<u>102,030</u>	<u>133,826</u>	<u>88,120</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	2,106	-	2,106
Furniture and Equipment	1,992	-	1,992
Information and Communication Technology	4,457	-	2,232
Office Furniture	122	-	122
Other Equipment	245	1,840	38
Leased Assets	4,695	-	4,497
Library Resources	473	1,000	425
	<u>14,090</u>	<u>2,840</u>	<u>11,412</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	53,449	57,746	62,472
Cash and cash equivalents for Cash Flow Statement	<u>53,449</u>	<u>57,746</u>	<u>62,472</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables from the Ministry of Education	-	1,354	1,354
Interest Receivable	207	414	414
Teacher Salaries Grant Receivable	12,626	10,864	10,864
	<u>12,833</u>	<u>12,632</u>	<u>12,632</u>
Receivables from Exchange Transactions	207	414	414
Receivables from Non-Exchange Transactions	12,626	12,218	12,218
	<u>12,833</u>	<u>12,632</u>	<u>12,632</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	36,937	59,060	59,060
Total Investments	<u>36,937</u>	<u>59,060</u>	<u>59,060</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	51,387	-	-	-	(2,106)	49,281
Furniture and Equipment	7,896	-	-	-	(1,992)	5,904
Information and Communication	2,232	4,561	-	-	(4,457)	2,336
Office Furniture	707	-	-	-	(122)	585
Other Equipment	19	3,004	-	-	(245)	2,778
Leased Assets	11,159	11,399	(6,360)	-	(4,695)	11,503
Library Resources	2,971	854	(42)	-	(473)	3,310
Balance at 31 December 2019	76,371	19,818	(6,402)	-	(14,090)	75,697

The net carrying value of equipment held under a finance lease is **\$11,503 (2018: \$11,159)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	80,201	(30,920)	49,281
Furniture and Equipment	38,228	(32,324)	5,904
Information and Communication	31,596	(29,260)	2,336
Office Furniture	5,807	(5,222)	585
Other Equipment	35,153	(32,375)	2,778
Leased Assets	15,707	(4,204)	11,503
Library Resources	26,646	(23,336)	3,310
Balance at 31 December 2019	233,338	(157,640)	75,697

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	53,493	-	-	-	(2,106)	51,387
Furniture and Equipment	9,888	-	-	-	(1,992)	7,896
Information and Communication Technology	-	4,464	-	-	(2,232)	2,232
Office Furniture	829	-	-	-	(122)	707
Other Equipment	57	-	-	-	(38)	19
Leased Assets	13,326	2,330	-	-	(4,497)	11,159
Library Resources	3,130	277	(11)	-	(425)	2,971
Balance at 31 December 2018	80,723	7,071	(11)	-	(11,412)	76,371

The net carrying value of equipment held under a finance lease is **\$11,159 (2017: \$13,326)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	80,201	(28,814)	51,387
Furniture and Equipment	38,228	(30,332)	7,896
Information and Communication Technology	27,035	(24,803)	2,232
Office Furniture	5,807	(5,100)	707
Other Equipment	32,149	(32,130)	19
Leased Assets	19,004	(7,845)	11,159
Library Resources	26,164	(23,193)	2,971
Balance at 31 December 2018	228,588	(152,216)	76,371

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	8,983	9,514	9,514
Employee Entitlements - Salaries	17,212	10,864	10,864
	<u>26,195</u>	<u>20,378</u>	<u>20,378</u>
Payables for Exchange Transactions	26,195	20,378	20,378
	<u>26,195</u>	<u>20,378</u>	<u>20,378</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	28,249	28,249	25,749
Increase/ (decrease) to the Provision During the Year	-	-	3,500
Use of the Provision During the Year	(22,624)	-	(1,000)
Provision at the End of the Year	<u>5,625</u>	<u>28,249</u>	<u>28,249</u>
Cyclical Maintenance - Current	5,625	11,694	11,694
Cyclical Maintenance - Term	-	16,555	16,555
	<u>5,625</u>	<u>28,249</u>	<u>28,249</u>

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	5,705	4,220	4,220
Later than One Year and no Later than Five Years	5,100	7,195	7,195
	<u>10,805</u>	<u>11,415</u>	<u>11,415</u>

15. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
5YP	<i>in progress</i>	-	24,800	-	-	24,800
Totals		<u>-</u>	<u>24,800</u>	<u>-</u>	<u>-</u>	<u>24,800</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	24,800
	<u>24,800</u>

During 2018 the School did not receive or applied funding from the Ministry of Education for any capital works projects.

16. Related Party Transactions

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

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

17. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,509	3,410
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	93,089	90,749
Full-time equivalent members	1	1
Total key management personnel remuneration	96,598	94,159
Total full-time equivalent personnel	1.15	1.15

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	90-100	80-90
Benefits and Other Emoluments	2-3	2-3

18. 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).

19. Commitments

(a) Capital Commitments

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

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any contracts (2018 :Nil)

20. Managing Capital

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

21. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	53,449	57,746	62,472
Receivables	12,833	12,632	12,632
Investments - Term Deposits	36,937	59,060	59,060
Total Financial assets measured at amortised cost	<u>103,219</u>	<u>129,439</u>	<u>134,165</u>

Financial liabilities measured at amortised cost

Payables	26,195	20,378	20,378
Finance Leases	11,347	11,415	11,415
Total Financial Liabilities Measured at Amortised Cost	<u>37,542</u>	<u>31,793</u>	<u>31,793</u>

22. 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 until 18 May 2020.

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

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

23. Comparatives

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

24. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

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

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

Analysis of Variance Target Group for assessment:

Year 4 and 5 cohort are avid consumers of technology.

The cohorts targeted learning needs are:

- Creating text fit for purpose and audience to meet Level 2A to 3P of NZC
- Knowledge and strategies of Stage 6 (Level 2A to 3P of NZC)
- To develop skills to critique information found online
- To develop awareness and strategies to manage device/screen time for their own wellbeing
- To make critical decisions while creating for purpose and audience.
- To develop an understanding of digital technologies Level 3 NZC

The outcomes - are aspects/skills/ knowledge that the students gained to independently demonstrate the technological literacy learning we targeted.

Students fully engaged with Lara Kirk during onsite days. Deepening understanding of coding but digitally and computational thinking off line, binary inquiry, creativity using Google draw/slide and Google Sites. Each enterprise group creating their own website.

Seesaw developed as an everyday sharing and reflection tools across the cohorts - junior families interacting frequently.

Students eagerly discussing, engaging with digital technologies with increased awareness of audience and purpose.

Increased awareness and some self management to be a creator instead of user, for students and whanau.

Greater teacher confidence to give technology a purpose and audience.

All students Year 3 upwards using Google docs and slide regularly.

Students self managing passwords and security with signing out.

All students participated in own enterprise to raise funds for whole school camp, authentic learning and purpose. Students raised over \$1500 for camp. Whole school enjoyed a weeks camp to Waitangi Treaty Grounds, Auckland & Whangarei completely free.

Collaborated widely with local business such as Balance to authentic purpose engaged and excited student voice and learning.

Data Analysis EOY 2019 - Reading 84%, Maths 90%, Writing 75%

Kiwi Sport Funding Report 2019-2020
Hedgehope School 3964

Operations Grant for Kiwi sport Sept 2019 for 2020 \$469.79

Hedgehope School Kiwi Sport Funding has been used to provide parts of the following activities for students during 2019

- Central Southland Sports Coordinator = \$69.75 (31 students @ \$2.25)
- Swimming entry Gore Multisports complex - 2 sessions daily for 1 week each child = \$528.00

Total \$597.67

Signed



Name: Sue Rogers

Position: Principal Hedgehope School