

Addington Te Kura Taumatua

Annual Report For the year ended 31 December 2018

Ministry Number: 3271
Principal: Trudy Heath
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Members of the Board of Trustees

Name	Ceased
Tony Barnes	
Glenys Barr	
Matthew Sharr	
Sasha Wallace	
Heather Knox	
Jo Robertson	
Trudy Heath - Principal	

The term finishes except for the principal in May 2019.

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Addington Te Kura Taumatua Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees (the Board) has pleasure in presenting the annual report of Addington School incorporating the financial statements and the auditor's report, for the year ended 31 December 2018.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

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

Joanne Robertson

Full Name of Board Chairperson

Trudy Heath

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

31/5/2019

Date:

31/05/19

Date:

Addington Te Kura Taumatua
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	2,428,215	2,315,921	2,313,894
Locally Raised Funds	3	68,077	2,000	62,860
Interest Earned		27,999	22,000	28,154
Gain on Sale of Property, Plant and Equipment		3,103	-	-
International Students	4	23,169	-	6,957
		<u>2,550,563</u>	<u>2,339,921</u>	<u>2,411,865</u>
Expenses				
Locally Raised Funds	3	51,889	7,100	23,704
Learning Resources	5	1,858,991	1,751,682	1,722,372
Administration	6	106,795	126,555	108,686
Finance Costs		1,064	-	2,882
Property	7	491,322	493,503	458,071
Depreciation	8	56,708	53,000	56,762
Loss on Disposal of Property, Plant and Equipment		-	-	236
		<u>2,566,769</u>	<u>2,431,840</u>	<u>2,372,713</u>
Net Surplus / (Deficit)		(16,206)	(91,919)	39,152
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(16,206)</u>	<u>(91,919)</u>	<u>39,152</u>

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

Addington Te Kura Taumatua
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	515,099	515,099	475,947
Total comprehensive revenue and expense for the year	(16,206)	(91,919)	39,152
Owner transactions			
Contribution - Furniture and Equipment Grant	44,800	-	-
Equity at 31 December	<u>543,693</u>	<u>423,180</u>	<u>515,099</u>
Retained Earnings	543,693	423,180	515,099
Reserves	-	-	-
Equity at 31 December 2018	<u>543,693</u>	<u>423,180</u>	<u>515,099</u>

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

Addington Te Kura Taumatua Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	108,265	30,617	79,920
Accounts Receivable	10	66,489	63,000	65,504
GST Receivable		19,118	10,000	16,518
Prepayments		13,949	11,000	11,167
Investments	11	650,573	555,000	645,586
		<u>858,394</u>	<u>669,617</u>	<u>818,695</u>
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	13	101,266	87,000	82,780
Revenue Received in Advance	14	115,632	100,000	100,000
Painting Contract Liability - Current Portion	15	13,432	13,432	13,432
Finance Lease Liability - Current Portion	16	25,652	22,225	24,474
Funds for Conductive Education services	17	294,109	235,000	278,339
		<u>550,091</u>	<u>457,657</u>	<u>499,025</u>
Working Capital Surplus or (Deficit)		308,303	211,960	319,670
Non-current Assets				
Property, Plant and Equipment	12	246,794	220,720	215,625
		<u>246,794</u>	<u>220,720</u>	<u>215,625</u>
Non-current Liabilities				
Painting Contract Liability	15	-	-	-
Finance Lease Liability	16	11,404	9,500	20,196
		<u>11,404</u>	<u>9,500</u>	<u>20,196</u>
Net Assets		<u>543,693</u>	<u>423,180</u>	<u>515,099</u>
Equity		<u>543,693</u>	<u>423,180</u>	<u>515,099</u>

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

Addington Te Kura Taumatua

Cash Flow Statement

For the year ended 31 December 2018

	2018	2018 Budget	2017
Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	819,514	475,162	693,453
Locally Raised Funds	68,077	2,000	62,860
International Students	23,169	-	6,957
Goods and Services Tax (net)	(2,600)	6,518	(9,827)
Payments to Employees	(560,399)	(256,483)	(462,332)
Payments to Suppliers	(327,431)	(275,387)	(355,580)
Interest Received	29,008	22,680	29,602
Net cash from / (to) the Operating Activities	49,338	(25,510)	(34,867)
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	4,766	-	-
Purchase of PPE (and Intangibles)	(71,914)	(58,095)	(13,647)
Purchase of Investments	(4,987)	90,586	28,286
Proceeds from Sale of Investments	-	-	-
Net cash from / (to) the Investing Activities	(72,135)	32,491	14,639
Cash flows from Financing Activities			
Contribution by the Ministry of Education - Furniture and Equipment	44,800	-	-
Finance Lease Payments	(25,060)	(12,945)	(27,816)
Painting contract payments	-	-	-
Funds Administered on Behalf of Third Parties	31,402	(43,339)	10,010
Net cash from Financing Activities	51,142	(56,284)	(17,806)
Net increase/(decrease) in cash and cash equivalents	28,345	(49,303)	(38,034)
Cash and cash equivalents at the beginning of the year	9 79,920	79,920	117,954
Cash and cash equivalents at the end of the year	9 108,265	30,617	79,920

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

Addington Te Kura Taumatua

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

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.

Donations

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 three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment. After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

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

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:	Years
Building improvements – Crown	33
Furniture and equipment	5-10
Information and communication technology	3-5
Plant	5-10
Leased	3
Library resources	10

k) 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.

l) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

m) Revenue Received in Advance

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

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

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) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Financial Assets and Liabilities

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

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, funds held on behalf of the Ministry of Education, 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.

q) Goods and Services Tax (GST)

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

r) Budget Figures

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

s) Services received in-kind

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

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	413,356	379,594	396,273
Teachers' salaries grants	1,267,952	1,265,000	1,229,829
Use of Land and Buildings grants	349,873	350,000	340,327
Other government grants	397,034	321,327	347,465
	<u>2,428,215</u>	<u>2,315,921</u>	<u>2,313,894</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<i>Revenue</i>			
Donations	19,228	2,000	18,892
Fundraising	-	-	-
Activities	41,590	-	40,356
Trading	7,259	-	3,612
	<u>68,077</u>	<u>2,000</u>	<u>62,860</u>
<i>Expenses</i>			
Activities	38,876	2,100	18,687
Trading	10,399	-	2,268
Donation (costs of raising funds)	2,614	5,000	2,749
	<u>51,889</u>	<u>7,100</u>	<u>23,704</u>
<i>Surplus for the year Locally raised funds</i>	<u>16,188</u>	<u>(5,100)</u>	<u>39,156</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Students Roll	1	0	1
<i>Revenue</i>			
International Student Fees	23,169	-	6,957
<i>Surplus for the year International</i>	<u>23,169</u>	<u>-</u>	<u>6,957</u>

5. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	95,982	108,473	99,972
Employee Benefits - Salaries	1,741,510	1,625,209	1,607,784
Staff Development	21,499	18,000	14,616
	<u>1,858,991</u>	<u>1,751,682</u>	<u>1,722,372</u>

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,704	3,600	3,279
Board of Trustees Fees	4,660	5,665	4,700
Board of Trustees Expenses	7,580	8,300	17,457
Communication	7,475	7,500	6,892
Consumables	2,178	15,000	532
Operating Lease	6,782	9,110	6,584
Staff Expenses	4,401	6,700	3,794
Other	12,393	13,680	12,302
Employee Benefits - Salaries	57,622	57,000	53,146
	<u>106,795</u>	<u>126,555</u>	<u>108,686</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,810	5,000	3,338
Consultancy and Contract Services	32,203	32,000	31,859
Grounds	6,167	6,000	5,353
Heat, Light and Water	28,061	30,000	24,451
Rates	4,486	4,200	4,041
Repairs and Maintenance	37,841	36,303	18,045
Use of Land and Buildings - Non-Integrated	349,873	350,000	340,327
Employee Benefits - Salaries	28,881	30,000	30,657
	<u>491,322</u>	<u>493,503</u>	<u>458,071</u>

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

8. Depreciation of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	3,995	4,000	3,994
Furniture and Equipment	11,369	9,000	10,721
Information and Communication Technology	11,467	12,000	12,436
Plant	2,871	4,000	3,599
Leased Assets	23,378	21,000	22,534
Library Resources	3,628	3,000	3,478
	<u>56,708</u>	<u>53,000</u>	<u>56,762</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	535	535	535
Bank Current Account	107,630	29,982	7,326
Bank Call Account	100	100	115
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	71,944
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>108,265</u>	<u>30,617</u>	<u>79,920</u>

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

10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Interest Accrued	2,671	3,000	3,680
Teacher Salaries Grant Receivable	63,818	60,000	61,824
	<u>66,489</u>	<u>63,000</u>	<u>65,504</u>
Receivables from Exchange Transactions	2,671	3,000	3,680
Receivables from Non-Exchange Transactions	63,818	60,000	61,824
	<u>66,489</u>	<u>63,000</u>	<u>65,504</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	650,573	555,000	645,586

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	75,833	-	-	-	(3,995)	71,838
Furniture and Equipment	39,351	51,386	-	-	(11,369)	79,368
Information and Communication Plant	24,990	12,490	-	-	(11,467)	26,013
Plant	16,689	5,200	(1,663)	-	(2,871)	17,355
Leased Assets	44,696	17,626	-	-	(23,378)	38,944
Library Resources	14,066	2,838	-	-	(3,628)	13,276
Balance at 31 December 2018	<u>215,625</u>	<u>89,540</u>	<u>(1,663)</u>	<u>-</u>	<u>(56,708)</u>	<u>246,794</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	102,886	(31,048)	71,838
Furniture and Equipment	168,188	(88,820)	79,368
Information and Communication Plant	133,794	(107,781)	26,013
Plant	79,561	(62,206)	17,355
Leased Assets	68,232	(29,288)	38,944
Library Resources	35,397	(22,121)	13,276
Balance at 31 December 2018	<u>588,058</u>	<u>(341,264)</u>	<u>246,794</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Buildings	79,827	-	-	-	(3,994)	75,833
Furniture and Equipment	49,760	551	(239)	-	(10,721)	39,351
Information and Communication Plant	31,772	5,654	-	-	(12,436)	24,990
Plant	16,055	4,233	-	-	(3,599)	16,689
Leased Assets	67,230	-	-	-	(22,534)	44,696
Library Resources	14,335	3,209	-	-	(3,478)	14,066
Balance at 31 December 2017	<u>258,979</u>	<u>13,647</u>	<u>(239)</u>	<u>-</u>	<u>(56,762)</u>	<u>215,625</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Buildings	102,886	(27,053)	75,833
Furniture and Equipment	116,802	(77,451)	39,351
Information and Communication Plant	126,640	(101,650)	24,990
Leased Assets	77,861	(61,172)	16,689
Library Resources	78,791	(34,095)	44,696
	32,558	(18,492)	14,066
Balance at 31 December 2017	535,538	(319,913)	215,625

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating Creditors	13,435	15,000	6,973
Banking Staffing Overuse	10,368	-	-
Employee Benefits Payable - Salaries	63,818	60,000	61,824
Employee Benefits Payable - Leave Accrual	13,645	12,000	13,983
	101,266	87,000	82,780
Payables for Exchange Transactions	101,266	87,000	82,780
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	101,266	87,000	82,780

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held on Behalf of Third Parties	115,632	100,000	100,000
	115,632	100,000	100,000

15. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	13,432	13,432	13,432
Non Current Liability	-	-	-
	13,432	13,432	13,432

The Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an 12 year period. The programme provides for an exterior repaint of the Ministry owned buildings, with regular maintenance in subsequent years.

The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	25,652	22,225	24,474
Later than One Year and no Later than Five Years	11,404	9,500	20,196
Later than Five Years	-	-	-
	<u>37,056</u>	<u>31,725</u>	<u>44,670</u>

17. Funds for Conductive Education

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds held at beginning of the year	278,339	278,339	336,540
<i>Revenue</i>			
Ministry of Education funding	246,498	182,420	178,415
Other	7,256	-	1,348
	<u>253,754</u>	<u>182,420</u>	<u>179,763</u>
Total funds available	<u>532,093</u>	<u>460,759</u>	<u>516,303</u>
<i>Expenses</i>			
Employee Benefit - Salaries	210,350	192,709	199,925
Administration	27,634	33,050	38,039
	<u>237,984</u>	<u>225,759</u>	<u>237,964</u>
Funds Held at Year End	<u>294,109</u>	<u>235,000</u>	<u>278,339</u>

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	4,660	4,700
Full-time equivalent members	0.11	0.10
<i>Leadership Team</i>		
Remuneration	399,632	405,096
Full-time equivalent members	4	4
Total key management personnel remuneration	<u>404,292</u>	<u>409,796</u>
Total full-time equivalent personnel	<u>4.11</u>	<u>4.10</u>

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

Principal

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

	2018 Actual	2017 Actual
Salaries and Other Short-term Employee Benefits:	\$000	\$000
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2017: nil).

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	\$0	\$0
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board had no capital commitments.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of a photocopier and laptops;

	2018 Actual	2017 Actual
	\$	\$
No later than One Year	-	133
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	133

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to generate a small surplus from year to year.

24. Financial Instruments

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

Cash and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	108,265	30,617	79,920
Receivables	66,489	63,000	65,504
Investments - Term Deposits	650,573	555,000	645,586
Total Cash and Receivables	825,327	648,617	791,010
Financial liabilities measured at amortised cost			
Payables	101,266	87,000	82,780
Painting Contract	13,432	13,432	13,432
Finance Leases	37,056	31,725	44,670
Total Financial Liabilities Measured at Amortised Cost	151,754	132,157	140,882

25. Greater Christchurch Renewal Programme

On 14 November 2013 the Minister of Education, Hekia Parata, announced an investment to rebuild and renew 115 schools in Greater Christchurch over the next 10 years. Addington School has been scheduled for Moderate Redevelopment commencing in the 3rd quarter of 2017. In the interim, the Ministry will continue to support schools to maintain their facilities, with work such as minor repairs and maintenance, regardless of indicative timing for property work. It is recognised that those schools with property work scheduled to begin later in the programme, minor capital work and some specific property projects may be necessary for the school to continue operating.

26. Breach of Legislation – Borrowing

The Board of Trustees is allowed to borrow funds to the extent that their repayments in any financial year do not exceed 10% of the school's operations grant. The reclassification of Teachers-Laptop leases and computer leases as finance leases and the resulting liability has resulted in the school having borrowings above this limit, which is a breach of Regulation 12 of the Crown Entities (Financial Powers) Regulations 2005.

27. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

2018 Literacy Analysis of Variance

<p>School name: Addington School</p>	<p>School number: 3271</p>
<p>Focus: Literacy</p>	
<p>Strategic Aim: Awesome Achievement in Literacy</p>	
<p>Annual Aim: To raise student achievement in Literacy</p>	
<p>Target Reading</p>	<ul style="list-style-type: none"> • At least 70% of all students will achieve at or above the standard (maintain 119 (2017 Yr 0 - 5) students currently at or above the standard and move 29 students into at least at the standard) • At least 75% of all students in Years 1 achieving below the standard will move to at least achieving at the standard (13 students) • At least 75% of all students in Year 1 achieving well below the standard will move to at least achieving below the standard (3 students) • At least 75% of all students in Years 4 achieving below the standard will move to at least achieving at the standard (12 students) • At least 75% of all students in Year 4 achieving well below the standard will move to at least achieving below the standard (5 students) • At least 100% of Pasifika students achieving below the standard will move to at least achieving at the standard (1 students) • At least 100 % of Pasifika students achieving well below the standard will move to at least achieving below the standard (2 students)
<p>Writing</p>	<ul style="list-style-type: none"> • At least 70% of all students will achieve at or above the standard (maintain 131 students currently at or above the standard and move 75 students into at least at the standard) • At least 75% of all students in Years 4-6 achieving below the standard will move to at least achieving at the standard (25 students) • At least 75% of all students in Year 4 -6 achieving well below the standard will move to at least achieving below the standard (33 students) • At least 75% of Pasifika students achieving below the standard will move to at least achieving at the standard (8 students) • At least 75 % of Pasifika students achieving well below the standard will move to at least achieving below the standard (6 students) •
<p>Baseline data: Baseline data</p> <p>Reading</p>	

- 13% of all students working **well below** the standard - 25/191 students
- 24% of all students working **below** the standard - 46/191 students
- 17% of all Pasifika students working **well below** or **below** the standard - 3/18 students
- 61.1% of all students after 1 year at school working **well below** or **below** the standard - 23/36 students
- 47.8% of all Year 4 students working **well below** or **below** the standard - WB 7 /46 B 15/46

Writing

- 16% of all students working **well below** the standard (15.4% in 2016) - 31/191 students
- 23% of all students working **below** the standard (19.3% in 2016) - 44/191 students
- 39 % of Pasifika students working **well below** or **below** the standard -7/18 students
- 65.2% of students at Year 4 school working **below** or **well below** the standard - WB 16 /46 B 14/46
- 65.1% of students at Year 5 school working **below** or **well below** the standard - WB 13/43 B 15/43
- 48.8% of students at Year 6 school working **below** or **well below** the standard - WB 15/41 B 5/41

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>READING</p> <p>Continue with our planned Reading PLD for the first half of the year through</p> <ul style="list-style-type: none"> • Staff Meetings • Literacy Lead Meetings • Team Meeting • Collaborative Inquiry Meetings 	<p>READING</p> <p>60.7% of all students (252) were achieving at or above their expected curriculum level.</p> <p>Of our 2017 Year 1 students who were achieving below or well below (18) 11 have made accelerated progress and are now achieving at or above expected</p>	<p>Once again it is hard to compare cohorts when we have so much movement coming in and out of the school. So we never get to compare apples with apples.</p> <p>We had 95 enrolments in 2018 and 48 children leave the school.</p> <p>During 2018 all staff and class groups were required to shift learning spaces at least once during the year and some of those</p>	<p>Continue to monitor students on a 3 week cycle by using data walls or documents.</p> <p>PLD continues with a further 2 terms on Writing</p> <p>School Based Curriculum Review</p>

<ul style="list-style-type: none"> • Practice Analysis Observations • Practice Analysis Conversation • Professional Reading with PLD Facilitator <p>Literacy Leader, Leadership Team and PLD Facilitator led Reading PLD in</p> <ul style="list-style-type: none"> • Reading Progression and National Standards • Assessment – Running Records, e-asTTLe, using the School SMS • Deliberate Acts of Teaching • Comprehension Strategy • Shifting the Locus of Control • Reading for Purpose • Our Reading Beliefs • Text Selection • What Successful Readers do • Continue to observe literacy practice in each other's classes • Review the OTJ formulation process • Increased moderation practices • Continue to monitor students on a 3 week cycle in Y0-3 with this practice also being implemented in Y4-6 	<p>levels. There are no students whose achievement has regressed.</p> <p>Of our 2017 Year 3 students who were achieving below or well below (4) 1 child has made accelerated progress moving from well below to at and 1 child has regressed from below to well below.</p> <p>Of our 2017 Pasifika students who became our 2018 target students (3), 2 have left and the remaining student has maintained progress but is still achieving well below.</p> <p>Writing</p> <p>57% of all students (252) were achieving at or above expected levels. This means that we did maintain the 131 and shift 13 to at or above.</p> <p>Of our Yr 4 - 6 (92) students we have moved 10% from below or well below to at or above expected levels.</p> <p>Of all our Pasifika students (11) we have 81% achieving at or above expected levels.</p>	<p>moving to collaborative spaces for the first time.</p> <p>We have experienced a number of staff changes and or interruptions with staff illness and or injury.</p> <p>Teachers had gaps in their PD in Reading due to the above.</p> <p>Comprehensive Reading PD for some staff.</p> <p>In the Year 0-3 Reading Collaboration close monitoring of students reading levels and rates of progress took place on a 3 weekly cycle – forcing increased ownership and robust dialogue across the team.</p> <p>Teachers have improved their ability to collect data in reading, especially using eAsTTLe's adaptive test to identify students achieving above expected curriculum levels.</p> <p>Yrs 4-6 Teachers received professional development on the implementation, marking and moderation of Asttle Writing.</p> <p>Term 4 saw us just scratching the surface of our PLD on writing. We begun with a round of PAC</p>	<p>Literacy Group support for target students alongside RTLB</p> <p>Review our Assessment Schedule.</p> <p>Look at PAO and PAC involving other members of the teaching team</p> <p>Encourage teachers to self review their practice through the use of video</p> <p>Peer critique</p> <p>Using Navigator to support Collaborative Partnerships in Literacy.</p> <p>Upskilling new staff in the teaching of phonics and other existing literacy programmes across the school .</p> <p>Utilising PLD facilitator to coach alongside teachers when teaching writing.</p> <p>Attendance at Literacy Conference.</p> <p>Developing a cycle of parent literacy and numeracy workshops</p>
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<ul style="list-style-type: none"> • School Based Curriculum Review • Maintain using the Building Blocks Framework in Y0-3 • Complete full analysis 2017's 5 year old net data with 2018's 6 year old net data • Look at PAO and PAC involving other members of the teaching team • Encourage teachers to self review their practice through the use of video • Peer critique <p>WRITING</p> <ul style="list-style-type: none"> • As part of our PLD proposal we will collect and analyse teacher voice on their understanding of the Writing Strategies and their confidence in teaching them. Student and community • voice will be collected to ascertain attitudes and value placed on writing. • From July we will move into the Writing phase 2 year MoE Centrally funded PLD in Literacy with Evaluation Associates as the Contracted facilitators. The 		<p>focussed on writing and provided feedback to staff.</p>	<p>that coincide with Whole School Assemblies.</p> <p>As part of our TLIF inquiring into Student Agency we hope to increase students self efficacy and responsibility for their literacy learning and next steps. Teachers will also be using SOLO HOTmaps to extend students thinking from surface to deep across the curriculum.</p>
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<p>PLD Programme will be implemented through</p> <ul style="list-style-type: none"> o Staff Meetings o Literacy Lead Meetings o Team Meeting o Collaborative Inquiry Meetings o Practice Analysis Observations o Practice Analysis Conversation o Professional Reading o 1 to 1 with PLD Facilitator <p>Our Literacy Leader along with Leadership Team and PLD Facilitator to lead PLD in</p> <ul style="list-style-type: none"> • Writing Progressions and National Standards • Assessment – e-asTTLe, using the School SMS • Deliberate Acts of Teaching • Shifting the Locus of Control • Writing for Purpose • Our Writing Beliefs • A balanced writing programme • What successful writers do • Continue to observe literacy practice in each other's classes • Review the OTJ formulation process • Increased moderation practices 			
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- Pasifika students to receive in class support from the ESOL Learning Assistants

- Students need to have more opportunities to write - to be a writer you need opportunities to write

- Increase the capacity and pedagogical knowledge of teachers working collaboratively in an innovative learning environment where best practice in Literacy encourages and enables student agency, self regulation and the development of the key competencies

- To support the review of our Addington curriculum so that is key competency driven and the alignment with best practice in literacy and numeracy is strengthened, in the belief these learning areas are the access way to the curriculum.

<ul style="list-style-type: none">• Use assessments to inform teaching and resource selection to teach the gaps and next steps• Exposure students to different genres in authentic contexts and when deep learning tasks/activities require the students to be able to communicate in purposeful and suitable ways			
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KIWI SPORT

Addington School allocated all its Kiwi Sport Entitlement for 2018 of \$3247.75 excluding GST to our localised sports initiative.

The purpose of this initiative is to see more children, families and communities enjoying the benefits of team sports by collaborating and co-ordinating our local sports resources.

We believe that by making sports accessible through a localised strategy, it enables more children to participate in this development.

As a result of this initiative, Addington School increased the number of children involved in team sports, increased parental involvement in sport, saw an increased number of volunteers coaching sports and increased the exposure of our children to skill and team development.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
ADDINGTON SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Opinion

We have audited the financial statements of the School on pages 2 to 16 that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - financial position as at 31 December 2018; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

Responsibilities of the Board of Trustees

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

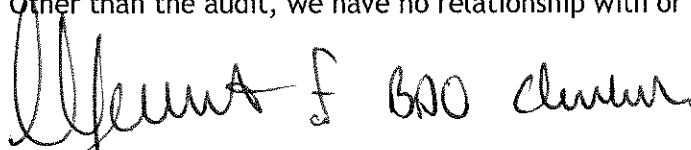
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (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.



Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand