

BELFAST SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 3292

Address: 700 Main North Road
Belfast
Christchurch 8051

Phone: (03) 323 8849

Members of the Board of Trustees

Name	Position	How position on	Term expires
Sue Ferguson	Chairperson	Elected May 2016	May 2019
Dave Pilkington	Vice Chairperson	Elected May 2016	May 2019
Warren Brown	Treasurer	Elected May 2016	May 2019
David Baldwin	Parent rep		
Simon King	Parent rep		
Caroline Elkington	Secretary		
Anne Lynskey	Staff rep		
Principal	Sue Elley		

89 Nazareth Avenue
Christchurch
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BELFAST SCHOOL

Annual Report - For the year ended 31 December 2018

Index

Page	Statement
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	Financial Statements
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2	Statement of Responsibility
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 10	Statement of Accounting Policies
11 - 17	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
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Belfast School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees (the Board) has pleasure in presenting the annual report of Belfast 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.

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

CAROLINE ELKINGTON

Full Name of Board Chairperson

Caroline Elkington




Signature of Board Chairperson

Date: 28/05/2019

Susan Ann Elley

Full Name of Principal

Susan Elley



Signature of Principal

Date: 28/05/2019

Belfast School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	3,260,485	3,142,884	3,268,143
Locally Raised Funds	3	192,047	31,000	153,472
Interest Received		13,753	10,000	12,170
International Students	4	43,333	25,000	24,435
		<u>3,509,619</u>	<u>3,208,884</u>	<u>3,458,220</u>
Expenses				
Locally Raised Funds	3	83,677	-	75,498
Learning Resources	5	2,483,036	2,272,749	2,369,471
Administration	6	235,485	245,250	235,697
Finance Costs		1,208	-	1,405
Property	7	712,201	693,000	715,397
Depreciation	8	76,553	60,000	82,138
		<u>3,592,161</u>	<u>3,270,999</u>	<u>3,479,606</u>
Net Surplus / (Deficit)		(82,543)	(62,115)	(21,386)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(82,543)</u>	<u>(62,115)</u>	<u>(21,386)</u>

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

Belfast School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	649,934	649,934	671,320
Total comprehensive revenue and expense for the year	(82,543)	(62,115)	(21,386)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	567,391	587,819	649,934
Retained Earnings	567,391	587,819	649,934
Reserves			
Equity at 31 December	567,391	587,819	649,934

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

Belfast School Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	72,405	176,319	236,000
Accounts Receivable	10	150,297	130,000	128,163
GST Receivable		5,749	10,000	9,287
Prepayments		-	-	371
Investments	11	271,098	180,000	177,442
		<u>499,549</u>	<u>496,319</u>	<u>551,263</u>
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	13	164,510	160,000	160,270
Revenue Received in Advance	14	37,643	15,000	14,815
Finance Lease Liability - Current Portion	16	10,413	21,000	23,753
		<u>212,566</u>	<u>196,000</u>	<u>198,838</u>
Working Capital Surplus/(Deficit)		286,983	300,319	352,424
Non-current Assets				
Investments (more than 12 months)	11	2,000	2,000	2,000
Property, Plant and Equipment	12	282,265	295,500	305,481
		<u>284,265</u>	<u>297,500</u>	<u>307,481</u>
Non-current Liabilities				
Finance Lease Liability	16	3,857	10,000	9,971
		<u>3,857</u>	<u>10,000</u>	<u>9,971</u>
Net Assets		<u>567,391</u>	<u>587,819</u>	<u>649,934</u>
Equity		<u>567,391</u>	<u>587,819</u>	<u>649,934</u>

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

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

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		775,422	656,884	721,308
Locally Raised Funds		203,072	26,000	161,046
Hostel		-	-	-
International Students		55,136	25,000	24,435
Goods and Services Tax (net)		3,538	(10,000)	51
Payments to Employees		(552,087)	(424,749)	(395,191)
Payments to Suppliers		(497,671)	(314,816)	(443,666)
Interest Paid		(1,208)	-	(1,405)
Interest Received		16,650	12,000	11,278
Net cash from / (to) the Operating Activities		2,852	(29,681)	77,856
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(38,808)	12,935	(3,428)
Purchase of Investments		(93,656)	29,000	81,968
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(132,464)	41,935	78,541
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(23,935)	(62,935)	(42,418)
Purchase of Leased Assets		(10,048)	(9,000)	(7,400)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Net cash from Financing Activities		(33,983)	(71,935)	(49,818)
Net increase/(decrease) in cash and cash equivalents		(163,596)	(59,681)	106,579
Cash and cash equivalents at the beginning of the year	9	236,000	236,000	129,421
Cash and cash equivalents at the end of the year	9	72,405	176,319	236,000

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

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

Belfast School

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

Bank term deposits 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.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 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 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 – Crown	10–40 years
Furniture and equipment	10 years
Information and communication technology	5 years
Music equipment	5 years
Sports equipment	5 years
Plant and equipment	10 years
Textbooks	10 years
Leased assets held under a Finance Lease	per terms of lease
Library resources	12.5% Diminishing value

l) Impairment of property, plant, and equipment assets

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) 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).

r) Financial Assets and Liabilities

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

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

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

s) 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.

t) Budget Figures

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

u) 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.

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	620,613	631,884	608,699
Teachers' salaries grants	1,988,979	1,990,000	2,044,151
Use of Land and Buildings grants	496,084	496,000	502,684
Other MoE Grants	154,809	25,000	112,608
	<u>3,260,485</u>	<u>3,142,884</u>	<u>3,268,143</u>

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	28,545	29,000	56,949
Other revenue	44,678	-	-
Trading	30,284	2,000	23,938
Activities	88,540	-	72,585
	<hr/> 192,047	<hr/> 31,000	<hr/> 153,472
Expenses			
Activities	61,755	-	51,387
Trading	21,922	-	24,111
	<hr/> 83,677	<hr/> -	<hr/> 75,498
Surplus for the year Locally raised funds	<hr/> 108,369	<hr/> 31,000	<hr/> 77,974

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll			
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	43,333	25,000	24,435
Expenses			
	-	-	-
Surplus for the year International Students	43,333	25,000	24,435

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	22,247	-	27,668
Library resources	-	-	-
Employee benefits - salaries	2,340,609	2,201,749	2,253,249
Resource/attached teacher costs	99,545	60,000	83,098
Staff development	20,634	11,000	5,456
	<u>2,483,036</u>	<u>2,272,749</u>	<u>2,369,471</u>

6 Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,426	2,900	3,229
Board of Trustees Fees	6,410	5,000	5,570
Board of Trustees Expenses	-	500	120
Communication	6,603	6,000	7,690
Consumables	24,455	31,800	24,252
Operating Lease	15,375	20,500	16,579
Other	46,682	48,550	55,638
Employee Benefits - Salaries	132,533	130,000	122,620
	<u>235,485</u>	<u>245,250</u>	<u>235,697</u>

7 Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	64,178	71,500	69,586
Cyclical Maintenance Provision	-	1,000	-
Grounds	9,063	6,000	5,318
Heat, Light and Water	38,137	25,000	35,819
Rates	7,922	9,000	7,177
Repairs and Maintenance	31,440	21,500	29,678
Use of Land and Buildings - Non Integrated	496,084	496,000	502,684
Employee Benefits - Salaries	65,377	63,000	65,135
	<u>712,201</u>	<u>693,000</u>	<u>715,397</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	13,731	12,500	14,222
Furniture and Equipment	15,735	10,000	17,948
Info and Comm Technology	22,870	20,000	28,356
Sports Equipment	709	500	709
Plant and Equipment	11,721	8,000	10,991
Leased IT	10,048	7,000	7,401
Library Resources	1,739	2,000	2,512
	<u>76,553</u>	<u>60,000</u>	<u>82,138</u>

9 Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	72,405	16,319	67,918
Bank Call Account	-	-	5,701
Short-term Bank Deposits	-	160,000	162,382
	<u>72,405</u>	<u>176,319</u>	<u>236,000</u>

Net cash and cash equivalents and bank overdraft for Cash Flow Statement

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

10 Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Interest Receivable	156	-	3,053
Teacher Salaries Grant Receivable	150,141	130,000	125,110
	<u>150,297</u>	<u>130,000</u>	<u>128,163</u>
Receivables from Exchange Transactions	156	-	3,053
Receivables from Non-Exchange Transactions	150,141	130,000	125,110
	<u>150,297</u>	<u>130,000</u>	<u>128,163</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	271,098	180,000	177,442
Non-current Asset			
Canterbury Education Services Limited	2,000	2,000	2,000

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

12 Property, Plant and Equipment

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings - School	130,458				(13,731)	116,727
Furniture and Equipment	52,209	11,663			(15,735)	48,137
Info and Comm Technology	23,101	36,800			(22,870)	37,031
Sports Equipment	2,482	(1)			(709)	1,772
Music Equipment	-				-	-
Plant and Equipment	62,458	4,479			(11,721)	55,216
Leased IT	17,186	4,070			(10,048)	11,208
Library Resources	17,586		(3,672)		(1,739)	12,175
Balance at 31 December 2018	<u>305,481</u>	<u>57,011</u>	<u>(3,672)</u>	<u>-</u>	<u>(76,553)</u>	<u>282,265</u>

Accumulated Depreciation

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings - School	236,385	(119,658)	116,727
Furniture and Equipment	317,548	(269,411)	48,137
Info and Comm Technology	508,290	(471,259)	37,031
Sports Equipment	13,041	(11,268)	1,772
Music Equipment	9,846	(9,846)	-
Plant and Equipment	313,380	(258,164)	55,216
Leased IT	31,501	(20,293)	11,208
Library Resources	52,945	(40,769)	12,175
Balance at 31 December 2018	<u>1,482,934</u>	<u>(1,200,669)</u>	<u>282,265</u>

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings - School	144,681	(1)	-	-	(14,222)	130,458
Furniture and Equipment	70,161	(4)	-	-	(17,948)	52,209
Info and Comm Technology	51,458	(1)	-	-	(28,356)	23,101
Sports Equipment	3,191	-	-	-	(709)	2,482
Music Equipment	-	-	-	-	-	-
Plant and Equipment	41,801	31,648	-	-	(10,991)	62,458
Leased IT	14,949	9,637	-	-	(7,401)	17,186
Library Resources	18,910	1,189	-	-	(2,512)	17,586
Balance at 31 December 2017	345,151	42,467	-	-	(82,138)	305,481

Accumulated Depreciation

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings - School	236,385	(105,926)	130,458
Furniture and Equipment	305,886	(253,676)	52,209
Info and Comm Technology	471,490	(448,389)	23,101
Sports Equipment	13,041	(10,559)	2,482
Music Equipment	9,820	(9,820)	-
Plant and Equipment	308,898	(246,440)	62,458
Leased IT	27,431	(10,245)	17,186
Library Resources	66,915	(49,329)	17,586
Balance at 31 December 2017	1,439,865	(1,134,384)	305,481

13 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	-	-	21,667
Accruals	7,077	-	3,654
Employee Entitlements - salaries	150,141	150,000	125,110
Employee Entitlements - leave accrual	7,292	10,000	9,839
	164,510	160,000	160,270
Payables for Exchange Transactions	164,510	160,000	160,270
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	164,510	160,000	160,270

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
International student fees	11,803	-	-
Other	25,840	15,000	14,815
	37,643	15,000	14,815

15 Provision for Cyclical Maintenance

The School is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised.

We also draw your attention to the Contingent Liability note 20, which explains that while it has not been possible to recognise a cyclical maintenance provision, the obligation still remains for the School to maintain those buildings that will not be rebuilt. Therefore, held within the school's cash and investment reserves for future maintenance is \$68,932.

The basis of estimate used by the Board was to roll forward the existing plan until such time a new plan can be submitted to the Ministry for approval. Consequently the provision for cyclical maintenance has been reversed in 2014 due to there being a significant uncertainty over how the programme will affect the school.

16 Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	10,413	21,000	23,753
Later than One Year and no Later than Five Years	3,857	10,000	9,971
Later than Five Years	-	-	-
	<u>14,270</u>	<u>31,000</u>	<u>33,724</u>

17 Related Party Transactions

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

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

18 Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	6,410	5,570
Full-time equivalent members	0.20	0.20
<i>Leadership Team</i>		
Remuneration	331,214	312,757
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>337,624</u>	<u>318,327</u>
Total full-time equivalent personnel	<u>3.20</u>	<u>3.20</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 \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments		
Principal 1	0	30-40
Principal 2	130-140	60-70
Benefits and Other Emoluments		
Principal 1	0	0-5
Principal 2	0-5	0-5
Termination Benefits	-	-
Other Employees Receiving Remuneration Greater Than \$100,000		
	2018 Actual Number of People	2017 Actual Number of People
Salary \$100,000 to \$110,000	0	2

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

19 Compensation and Other Benefits Upon Leaving

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

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

20 Contingencies

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The School is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced.

We also draw your attention to the line item "Reversal of cyclical maintenance" in the Statement of Comprehensive Income on page 3 where the School has reversed its provision for cyclical maintenance because of this significant uncertainty.

Holidays Act Compliance – schools payroll

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

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

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

21 Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2017: \$38,000)

(b) Operating Commitments

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

(a) operating leases of TELA laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	121	121
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>121</u>	<u>121</u>

22 Managing Capital

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

23 Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	72,405	176,319	236,000
Receivables	150,297	130,000	128,163
Investments - Term Deposits	273,098	182,000	179,442
Total Cash and Receivables	<u>495,800</u>	<u>488,319</u>	<u>543,605</u>

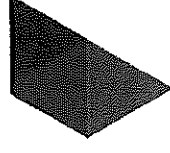
Financial liabilities measured at amortised cost

Payables	164,510	160,000	160,270
Finance Leases	14,270	31,000	33,724
Total Financial Liabilities Measured at Amortised Cost	<u>178,780</u>	<u>191,000</u>	<u>193,993</u>

24 Events After Balance Date

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

Analysis of Variance Reporting



School Name:	Belfast School	School Number: 3292
Strategic Aim:	To ensure that all students have successful access to a broad and innovative curriculum relevant to their cultural, academic, developmental and emotional needs, and interests.	
Annual Aim:	To increase the number of students achieving within or above the expected level for Reading, Writing and Mathematics	
Target: Writing	<p>Target 1 To progress 70% of the five Year 4 students working within Level 1 of the curriculum to Level 2.</p> <p>Target 2 To progress 70% of the 15 Year 6 students working within Level 2 of the curriculum to Level 3.</p> <p>Target 3 To progress the three Year 8 students working within Level 3 of the curriculum to Level 4.</p> <p>Target 4 To progress 70% of the four Year 8 students working within Level 2 of the curriculum to Level 3.</p> <p>Target 5 85% of all students will be working within or above the expected curriculum level for their year.</p>	
Baseline Data:	From assessment data gathered at the end of 2018 students trending below the expected levels in Writing were identified. Targets for 2018 were selected from students entering Year 4, 6 and 8. Students at Years 4 and 6 in 2018 were transitioning to Levels 2 and 3 of the curriculum and students at Year 8 needed to be achieving closer to Level 4 to successfully transition to high school. Targets were set for writing as this was also the Cluster focus for achievement.	
Analysis of data indicates: Target 1	<p>Target 1:</p> <ul style="list-style-type: none"> • 2 children have accelerated 2 sub levels • 1 child has moved 1 sub level. • 1 child remained at the same level. • 1 child has left the school. 	<p>Therefore:</p> <ul style="list-style-type: none"> • 50% of the Year 4 students have met the target and working at curriculum Level 2. • 25% have moved a sub level but remain working in curriculum Level 1. • 25% did not move to a new sub level.

Target 2	<p>Target 2</p> <ul style="list-style-type: none"> • 7 children have accelerated a whole curriculum level from Level 2 to Level 3 • 4 children have progressed 2 sub levels • 1 child has moved 1 sub level. • 3 children have left the school. 	<p>Therefore:</p> <ul style="list-style-type: none"> • 58% of the Year 6 students have met the target and working at curriculum Level 3. • 42% have moved sub levels but remain working in curriculum Level 2.
Target 3	<p>Target 3</p> <ul style="list-style-type: none"> • 1 of 3 students have moved one whole curriculum level and is now working at Level 4 • 2 of the 3 students have moved one sub level and remain working in Level 3 	<p>Therefore:</p> <ul style="list-style-type: none"> • 33% of our Year 8 target students have met the target of working within Level 4.
Target 4	<p>Target 4</p> <ul style="list-style-type: none"> • 1 student has left • 3 remaining students are now working within Level 3 	<p>Therefore:</p> <ul style="list-style-type: none"> • Target achieved.
Target 5	<p>Target 5</p> <ul style="list-style-type: none"> • 62.9% students are achieving AT the expected curriculum level. • 14% of students are exceeding the expected curriculum level. 	<p>Therefore:</p> <ul style="list-style-type: none"> • 76.9% of students are working within or above the expected level for their age.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Target students were identified in each Syndicate's Team Profile</p> <p>Target students were given access to chrome books for writing and towards the end of the year some were using the Voice to Text app for support.</p> <p>Whole school professional learning was undertaken to strengthen practice with the Storytelling strategy.</p> <p>Whole staff involvement in Writing moderation workshops within school / across cluster schools as part of Manaiaalani Outreach in Terms 1 & 4.</p> <p>Introduction of e-asTTle assessment to align practices.</p> <p>Reviewed criteria for determining level of achievement to reduce variability in assessment practice.</p> <p>Students have begun to use blogging . Woolf Fisher research supports blogging as an effective strategy for improving writing.</p>	<p>Across the four target groups all students except one made progress.</p> <p>Acceleration occurred for 13 of the 27 students (48%) of the target groups. This involved students moving from within one curriculum level to the next.</p> <p>Five students of the 27 (19%) in the target groups left the school before the end of the year.</p> <p>In 2016 71.2% of students nationally were achieving At or Above the standard in Writing. In 2018 76.9% of Belfast students achieved At or Above the expected curriculum level. In comparing these two outcomes it should be remembered that assessment against curriculum levels may not be consistent with assessment against the former National Standards.</p> <p>Whole school achievement in writing was 4.9% lower than 2017 however moderation processes have resulted in greater consistency in assessing achievement levels. 2018 data can be viewed with greater</p>	<p>Story telling is still a relatively new approach in the school however over the past two years there is anecdotal evidence that student engagement in Writing has improved because of this. Teachers enjoy the approach and this contributes to student engagement. Progress can be attributed in part to this high level of engagement.</p> <p>The introduction of e-asTTle and moderation has increased the reliability of the data gathered across all levels. Current and future data can be analysed and compared now with greater validity.</p> <p>Introduction of the Team Profiles which identified the target students within their age level cohort was a positive move.</p> <p>The Learn Create Share pedagogy and use of chrome books for writing and blogging is supported by research as an effective strategy for raising achievement. Only some of the target students were working in this way in three pilot classes.</p>	<p>Some texts from the Storytelling curriculum do not connect well with our student's experiences and cultures. The intention is to develop a Storytelling Curriculum with texts that have a NZ theme and cultural connection to our diverse student community. It is hoped this will promote even greater engagement.</p> <p>Moderation across the Cluster and within-school will continue so consistency is strengthened and sustained. Consistent interpretation of the criteria for assessing achievement levels will be monitored by middle and senior leaders.</p> <p>Assessment for learning practices especially around making learning intentions / success criteria clear and visible to students will be a focus for 2019. Students need to be supported to know what they are learning, how they will be successful and be given opportunities to reflect on what they have achieved – blogging and feedback processes will be strengthened.</p>

<p>reliability than the previous year because of this.</p> <p>In comparing achievement levels by ethnicity for students working At and Above the expected curriculum levels Maori students are well represented (82%). Numbers of students identifying as Pasifika are small therefore reporting would risk individual students being identified.</p> <p>Comparisons by gender for At and Above the expected curriculum level show that Females are achieving (84%) higher than Males (70%). This trend is replicated across the cluster.</p>	<p>Two classes (Y5/6 and Y7/8) had a change of teacher at mid year which inevitably has a temporary impact on student progress as new relationships are established.</p> <p>Priority Learner classes were disbanded at the end of 2017. Students with higher learning needs were in mixed ability classes in 2018. Teacher aide support was distributed throughout classes rather than being solely focused in the streamed classes. This had a positive impact on staff wellbeing as the demands of working with large numbers of students with high needs in one class were reduced.</p>	<p>Team Leaders will have release time to observe and monitor learning programmes, give feedback to staff to improve strategies used for meeting needs of target students. Time will be allocated for analysing and discussing students' progress in more depth at team meetings.</p> <p>Middle Leaders meetings will include discussion of data and rates of student progress. Team profiles will include specific goals and strategies for accelerating progress of target students.</p>
<p>Planning for next year:</p> <p>For 2019 Writing will continue to be a focus. Target groups will be identified across the school and be the focus for acceleration. Assessment for Learning practices will be reviewed and any gaps identified will be the focus for staff professional learning. Three more classes will be working with 1-2 devices as part of the Manaia Kalani Outreach Programme. This will enable more students to practice their writing through blogging. Closer monitoring of the target students will be undertaken with Team Leaders and Deputy Principals working more closely on data analysis. Team Leaders will observe and provide feedback to teachers on writing programmes. The Literacy Team will review current programmes and work with staff to improve effectiveness of teaching writing. Teachers will engage with the parents of target students and encourage them to support their child's learning.</p>		



Belfast School Kiwi Sport Funding 2018

Kiwi Sport is a Government funding initiative to support students' participation in organised sport.

In 2018, the school received total Kiwi Sport funding of **\$6,749.43** (excluding GST).

The funding was spent on employing a Kiwi Sport Co-ordinator for 2 days per week; and the balance was used to purchase sports equipment.

The number of students that participated in organised sport was **525**.

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

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

Opinion

We have audited the financial statements of the School on pages 3 to 17 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 28 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.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand