

# Victory Primary School

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

**Ministry Number:** 3231

**Principal:** Helen Taylor-Young

**School Address:** 214 Vanguard Street, Nelson, 7010

**School Phone:** 03 548 4779

**School Email:** [helentayloryoung@victory.school.nz](mailto:helentayloryoung@victory.school.nz)

#### Members of the Board of Trustees

Name	Position	How	Position Gained
	Chair Person		Helen Watson Elected
	Principal	ex Officio	Helen Taylor-Young
	Parent Rep		Sandra Saywell Elected
	Parent Rep		Christina Armstrong Selected
	Parent Rep		Hayley Campbell Selected
	Parent Rep		Lois Lester Co-Opted
	Parent Rep		
	Parent Rep		
	Staff Rep		Victoria Richardson Elected

**Accountant / Service Provider:** Lois Lester

# VICTORY PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2018

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# Victory Primary School

## Statement of Responsibility

For the year ended 31 December 2018

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

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

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

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

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Full Name of Board Chairperson

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Full Name of Principal

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Signature of Board Chairperson

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Signature of Principal

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Date:

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Date:

## Victory Primary School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	4,088,687	3,843,780	3,891,601
Locally Raised Funds	3	82,294	53,480	79,810
Interest Earned		7,529	4,000	7,020
Other Revenue		6,797	3,000	8,901
		<hr/>	<hr/>	<hr/>
		4,185,307	3,904,260	3,987,332
<b>Expenses</b>				
Locally Raised Funds	3	40,089	24,320	28,723
Learning Resources	4	3,004,765	2,811,775	2,790,763
Administration	5	149,391	171,250	139,002
Finance		2,529	-	2,584
Property	6	877,825	863,100	861,142
Depreciation	7	72,283	42,500	75,721
		<hr/>	<hr/>	<hr/>
		4,146,882	3,912,945	3,897,935
<b>Net Surplus / (Deficit) for the year</b>		38,425	(8,685)	89,397
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		38,425	(8,685)	89,397

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

**Victory Primary School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	798,116	798,116	708,719
Total comprehensive revenue and expense for the year	38,425	(8,685)	89,397
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
<b>Equity at 31 December</b>	836,541	789,431	798,116
Retained Earnings	836,541	789,431	798,116
Reserves	-	-	-
<b>Equity at 31 December</b>	836,541	789,431	798,116

*If there are Reserves, separately from Retained Earnings, a reconciliation from the Opening to the Closing position is required to be disclosed by the accounting standards, and should be shown on this page.*

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

# Victory Primary School

## Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	281,704	294,000	373,784
Accounts Receivable	9	154,193	136,000	134,648
GST Receivable		-	-	705
Prepayments		21,451	21,000	20,730
Inventories	10	7,171	3,500	2,126
Investments	11	244,851	242,000	238,321
		<u>709,370</u>	<u>696,500</u>	<u>770,314</u>
<b>Current Liabilities</b>				
GST Payable		2,763	1,000	-
Accounts Payable	13	195,139	170,500	181,395
Revenue Received in Advance	14	4,571	4,000	4,320
Provision for Cyclical Maintenance	15	33,277	32,000	31,272
Finance Lease Liability - Current Portion	16	28,589	25,000	26,083
Funds held for Capital Works Projects	17	(4,123)	-	155,879
Funds held on behalf of Nelson Community of Learning	18	19,765	-	15,246
		<u>279,981</u>	<u>232,500</u>	<u>414,195</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>429,389</b>	<b>464,000</b>	<b>356,119</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	598,834	500,431	624,448
		<u>598,834</u>	<u>500,431</u>	<u>624,448</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	168,544	150,000	140,870
Finance Lease Liability	16	23,138	25,000	41,581
		<u>191,682</u>	<u>175,000</u>	<u>182,451</u>
<b>Net Assets</b>		<u><u>836,541</u></u>	<u><u>789,431</u></u>	<u><u>798,116</u></u>
<b>Equity</b>		<u><u>836,541</u></u>	<u><u>789,431</u></u>	<u><u>798,116</u></u>

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

**Victory Primary School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		1,400,653	1,358,177	1,410,781
Locally Raised Funds		90,674	54,480	81,113
Other Revenue		6,797	-	
Goods and Services Tax (net)		3,468	3,000	(19,398)
Payments to Employees		(1,042,987)	(972,077)	(980,752)
Payments to Suppliers		(322,262)	(369,900)	(270,405)
Cyclical Maintenance Payments in the year		(8,800)	18,358	-
Interest Paid		(2,529)	-	(2,584)
Interest Received		7,525	3,800	6,880
Net cash from / (to) the Operating Activities		132,539	95,838	225,635
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		5,000	(42,500)	-
Purchase of PPE (and Intangibles)		(38,491)	136,878	(11,748)
Purchase of Investments		(6,530)	(92,000)	(124,103)
Net cash from / (to) the Investing Activities		(40,021)	2,378	(135,851)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(29,115)	(20,000)	(24,652)
Painting contract payments		-	-	
Funds Administered on Behalf of Third Parties		4,519	(8,000)	163,832
Funds Held for Capital Works Projects		(160,002)	(150,000)	-
Net cash from Financing Activities		(184,598)	(178,000)	139,180
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(92,080)</b>	<b>(79,784)</b>	<b>228,964</b>
Cash and cash equivalents at the beginning of the year	8	373,784	373,784	144,819
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>281,704</b>	<b>294,000</b>	<b>373,784</b>

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

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

# Victory Primary School

## Notes to the Financial Statements

### For the year ended 31 December 2018

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

###### *Financial Reporting Standards Applied*

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

###### *PBE Accounting Standards Reduced Disclosure Regime*

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

###### *Critical Accounting Estimates And Assumptions*

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

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

###### *Useful lives of property, plant and equipment*

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

###### *Critical Judgements in applying accounting policies*

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



#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### ***Government Grants***

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

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

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

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

#### ***Other Grants***

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

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

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

#### ***Interest Revenue***

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

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

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

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

#### **g) Cash and Cash Equivalents**

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

#### **h) Accounts Receivable**

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

#### **i) Inventories**

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

#### **j) Investments**

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

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

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

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

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

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **Leased Assets**

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

#### **Depreciation**

Property, plant and equipment 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	50 years
Building improvements – School	10 years
Furniture and equipment	10 years
Information and communication technology	4 years
Office Equipment	5 years
Other Equipment	3 years
Leased Asset held under a finance lease	3-4 years
Library and Textbook resources	12.5% Diminishing value

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

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

##### *Non cash generating assets*

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

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

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

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

#### **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.

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

#### **o) Revenue Received in Advance**

Revenue received in advance relates to fees received from 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.

#### **p) Shared Funds**

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

**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, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**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.

## 2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	887,441	866,580	912,134
Teachers' salaries grants	2,035,750	1,950,000	1,896,946
Use of Land and Buildings grants	644,756	625,000	595,633
Resource teachers learning and behaviour grants	181,574	158,000	147,095
Other MoE Grants	226,119	148,000	196,759
Other government grants	113,047	96,200	143,034
	<u>4,088,687</u>	<u>3,843,780</u>	<u>3,891,601</u>

## 3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	18,494	1,500	18,441
Activities	13,728	5,190	9,272
Trading	23,178	20,700	25,316
Other Revenue	26,894	26,090	26,781
	<u>82,294</u>	<u>53,480</u>	<u>79,810</u>
<b>Expenses</b>			
Activities	17,804	4,000	5,119
Trading	22,285	20,320	23,604
	<u>40,089</u>	<u>24,320</u>	<u>28,723</u>
<i>Surplus for the year Locally raised funds</i>	<u>42,205</u>	<u>29,160</u>	<u>51,087</u>

## 4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Resource/attached teacher costs	31,666	40,450	26,865
Information and communication technology	2,360	3,500	2,555
Library resources	729	1,300	1,718
Employee benefits - salaries	2,955,627	2,754,025	2,746,602
Staff development	14,383	12,500	13,023
	<u>3,004,765</u>	<u>2,811,775</u>	<u>2,790,763</u>

## 5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	5,272	4,300	3,668
Board of Trustees Fees	4,675	4,750	4,325
Board of Trustees Expenses	7,755	8,000	5,639
Communication	8,230	8,140	8,459
Consumables	4,625	4,500	4,503
Operating Lease	2,365	15,600	8,984
Other	27,240	34,460	16,288
Employee Benefits - Salaries	83,028	84,000	81,243
Insurance	6,201	7,500	5,893
Service Providers, Contractors and Consultancy	-	-	-
	<u>149,391</u>	<u>171,250</u>	<u>139,002</u>

## 6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	5,089	5,500	56,675
Consultancy and Contract Services	50,901	52,000	-
Cyclical Maintenance Expense	38,479	32,700	73,900
Grounds	2,857	2,700	555
Heat, Light and Water	35,031	34,500	33,578
Rates	14,202	12,000	10,757
Repairs and Maintenance	35,056	53,200	44,097
Use of Land and Buildings	644,756	625,000	595,633
Security	5,691	3,500	3,916
Employee Benefits - Salaries	45,763	42,000	42,031
	<u>877,825</u>	<u>863,100</u>	<u>861,142</u>

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

## 7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Buildings	8,600	-	10,180
Building Improvements	2,550	-	2,886
Furniture and Equipment	6,680	-	7,885
Information and Communication Technology	6,680	-	7,323
Other Equipment	15,050	42,500	17,785
Library & Text Book Resources	3,010	-	3,680
Leased Assets	29,283	-	25,462
Office Furniture	430	-	520
	<u>72,283</u>	<u>42,500</u>	<u>75,721</u>

## 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Westpac - Nelson COL	14,808	14,000	14,467
Westpac - Current Account	85,013	80,000	72,780
Westpac - Call Account	181,883	200,000	286,537
Cash and cash equivalents for Cash Flow Statement	<u>281,704</u>	<u>294,000</u>	<u>373,784</u>

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

## 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	263	5,000	8,392
Receivables from the Ministry of Education	7,528	-	-
Interest Receivable	1,056	1,000	1,052
Teacher Salaries Grant Receivable	145,346	130,000	125,204
	<u>154,193</u>	<u>136,000</u>	<u>134,648</u>
Receivables from Exchange Transactions	1,319	6,000	9,444
Receivables from Non-Exchange Transactions	152,874	130,000	125,204
	<u>154,193</u>	<u>136,000</u>	<u>134,648</u>

## 10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	2,475	1,500	382
School Uniforms	4,696	2,000	1,744
	<u>7,171</u>	<u>3,500</u>	<u>2,126</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	244,851	242,000	238,321

## 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Buildings	404,200	10,356			(8,600)	405,956
Building Improvements	10,291				(2,550)	7,741
Furniture and Equipment	32,104	10,016			(6,680)	35,441
Information and Communication	6,051	3,265			(6,680)	2,636
Other Equipment	76,089	5,842			(15,050)	66,881
Library & Textbooks Resources	25,760	4,013			(3,010)	26,763
Leased Assets	66,713	13,177			(29,283)	50,607
Other Furniture & Equipment	3,240	-			(430)	2,810
<b>Balance at 31 December 2018</b>	<b>624,448</b>	<b>46,669</b>	<b>-</b>	<b>-</b>	<b>(72,283)</b>	<b>598,834</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Buildings	519,361	(113,405)	405,956
Building Improvements	483,341	(475,600)	7,741
Furniture and Equipment	205,822	(170,381)	35,441
Information and Communication	159,041	(156,405)	2,636
Other Equipment	250,189	(183,309)	66,880
Library & Textbooks Resources	108,223	(81,460)	26,763
Leased Assets	119,697	(69,090)	50,607
Other Furniture & Equipment	16,184	(13,374)	2,810
<b>Balance at 31 December 2018</b>	<b>1,861,858</b>	<b>(1,263,024)</b>	<b>598,834</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Buildings	414,380	-	-	-	(10,180)	404,200
Building Improvements	13,177	-	-	-	(2,886)	10,291
Furniture and Equipment	39,989	-	-	-	(7,885)	32,104
Information and Communication Technology	8,620	4,754	-	-	(7,323)	6,051
Other Equipment	93,429	445	-	-	(17,785)	76,089
Library & Textbooks Resources	23,611	5,829	-	-	(3,680)	25,760
Leased Assets	89,464	2,711	-	-	(25,462)	66,713
Other Furniture & Equipment	3,040	720	-	-	(520)	3,240
<b>Balance at 31 December 2017</b>	<b>685,710</b>	<b>14,459</b>	<b>-</b>	<b>-</b>	<b>(75,721)</b>	<b>624,448</b>



2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	509,005	(104,805)	404,200
Buildings	483,341	(473,050)	10,291
Building Improvements	-	-	-
Furniture and Equipment	195,805	(163,701)	32,104
Information and Communication Technology	155,776	(149,725)	6,051
Motor Vehicles	244,348	(168,259)	76,089
Textbooks	104,210	(78,450)	25,760
Leased Assets	106,519	(39,806)	66,713
Library Resources	16,184	(12,944)	3,240
<b>Balance at 31 December 2017</b>	<b>1,815,188</b>	<b>(1,190,740)</b>	<b>624,448</b>

### 13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	11,868	10,500	9,657
Accruals	12,525	15,000	26,815
Employee Entitlements - salaries	158,360	135,000	135,183
Employee Entitlements - leave accrual	12,386	10,000	9,740
	<b>195,139</b>	<b>170,500</b>	<b>181,395</b>
Payables for Exchange Transactions	195,139	170,500	181,395
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
	<b>195,139</b>	<b>170,500</b>	<b>181,395</b>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	4,571	4,000	4,320
	<b>4,571</b>	<b>4,000</b>	<b>4,320</b>

### 15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	172,142	172,142	98,242
Increase/ (decrease) to the Provision During the Year	38,479	38,000	73,900
Use of the Provision During the Year	(8,800)	(28,142)	-
Provision at the End of the Year	<b>201,821</b>	<b>182,000</b>	<b>172,142</b>
Cyclical Maintenance - Current	33,277	32,000	31,272
Cyclical Maintenance - Term	168,544	150,000	140,870
	<b>201,821</b>	<b>182,000</b>	<b>172,142</b>

### 16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	28,589	25,000	26,083
Later than One Year and no Later than Five Years	23,138	25,000	41,581
Later than Five Years	-	-	-
	<u>51,727</u>	<u>50,000</u>	<u>67,664</u>

### 17. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Modifications of Buildings	<i>completed</i>	147,020	322,567	482,569	-	(12,982)
Upgrade Swimming Pool	<i>completed</i>	8,359	-	-	-	8,859
Totals		<u>155,379</u>	<u>322,567</u>	<u>482,569</u>	<u>-</u>	<u>(4,123)</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	8,859
Funds Due from the Ministry of Education	12,982
	<u>(4,123)</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Modifications of Buildings	<i>in progress</i>	(12,982)	200,000	39,998	-	147,020
Upgrade Swimming Pool	<i>in progress</i>	13,311	-	4,452	-	8,859
Totals		<u>329</u>	<u>200,000</u>	<u>44,450</u>	<u>-</u>	<u>155,879</u>

### 18. Funds Held on Behalf of Nelson Community of Learning Cluster

Victory Primary School's Principal is the lead co-ordinator of the Nelson Community of Learning (COL). Each school in the cluster receives funds from the Ministry of Education. Victory Primary Schools holds these funds on behalf of the cluster.

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held at Beginning of the Year	15,246		6,964
Funds Received from Cluster Members	25,048		26,519
Funds Spent on Behalf of the Cluster	20,529		18,238
Funds Held at Year End	<u>19,765</u>	<u>-</u>	<u>15,246</u>

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

#### Current Assets

Cash at bank	14,808	14,467
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#### Current Liabilities

Operating Creditors	19,765	15,246
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### 19. 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.

Lois Lester is a trustee of the Board and also prepares the School's annual financial reports in her capacity as a chartered accountant. The total value of all transactions for the year was \$3,300 (2017: \$3,000) and no amount is outstanding at balance date (2017: nil). Because the amount is less than \$25,000 for the year the contract does not require Ministry approval under section 103 of the Education Act 1989.

## 20. Remuneration

### *Key management personnel compensation*

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

	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<i>Board Members</i>		
Remuneration	4,675	4,325
Full-time equivalent members	0.23	0.29
<i>Leadership Team</i>		
Remuneration	623,638	615,517
Full-time equivalent members	6	6
Total key management personnel remuneration	<u>628,313</u>	<u>619,842</u>
Total full-time equivalent personnel	<u>6.23</u>	<u>6.29</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:

	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	150-160
Benefits and Other Emoluments	4-5	4-5

### Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100-110	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

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

## 21. Contingencies

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2018 the Board has not entered into any contract agreements for capital works.

Capital commitments at 31 December 2017: the Board had committed to a contract to have classrooms upgraded as agent for the Ministry of Education. This project was fully funded by the Ministry of Education and is now completed.

### (b) Operating Commitments

As at 31 December 2018 the Board has not entered into any operating leases.

(a) operating lease of a laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	1,109
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>1,109</u>

## 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 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.

## 24. 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	281,704	294,000	373,784
Receivables	154,193	136,000	134,648
Total Loans and Receivables	<u>435,897</u>	<u>430,000</u>	<u>508,432</u>

**Financial liabilities measured at amortised cost**

Payables	195,139	170,500	181,395
Finance Leases	51,727	50,000	67,664
Total Financial Liabilities Measured at Amortised Cost	<u>246,866</u>	<u>220,500</u>	<u>249,059</u>

**25. Events After Balance Date**

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