

HARE KRISHNA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	4204
Principal:	Chris de la Mare
School Address:	1229 Coatesville-Riverhead Hwy, Kumeu
School Postal Address:	PO Box 349, Kumeu
School Phone:	09 412 6325
School Email:	admin@harekrishna.school.nz

Members of the Board of Trustees

Name	How Position Gained	Position	Term Expires
Amu Nadarajan	Elected	Parent Rep	Apr-22
Annie Duchon	Elected	Staff Rep	Apr-19
Banerjee Shubendu	Elected	Parent Rep	Apr-22
Chris de la Mare	Appointed	Principal	Current
David Knight	Elected	Parent Rep	Apr-22
Eric Beecroft	Appointed	Proprietor's Rep	Current
Jennifer Foulds	Appointed	Chairperson	Apr-22
Rama Goyal	Elected	Parent Rep	Apr-22
Vimala Howie	Elected	Staff Rep	Apr-22

Service Provider:

Leading Edge Services (2017) Ltd, PO Box 20496, Glen Eden, Auckland

HARE KRISHNA SCHOOL

Annual Report - For the year ended 31 December 2019

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Hare Krishna School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Jenny Faulds.

Full Name of Board Chairperson



Signature of Board Chairperson

21/7/2020.

Date:

Chris De la Maza

Full Name of Principal



Signature of Principal

21/7/20

Date:

Hare Krishna School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	1,024,869	699,759	701,573
Locally Raised Funds	3	94,482	82,980	88,928
Use of Land and Buildings Integrated		186,048	37,238	186,048
Interest income		3,766	1,000	2,840
International Students	4	-	-	2,702
		<u>1,309,165</u>	<u>820,977</u>	<u>982,091</u>
Expenses				
Locally Raised Funds	3	19,194	8,747	142,763
International Students	4	137	-	877
Learning Resources	5	640,859	435,266	453,884
Administration	6	101,321	80,800	79,340
Finance		374	670	671
Property	7	239,656	73,083	220,639
Depreciation	8	46,117	55,700	42,557
Loss on Disposal of Property, Plant and Equipment		1,278	-	156
Transport		148,600	143,829	-
		<u>1,197,536</u>	<u>798,095</u>	<u>940,887</u>
Net Surplus / (Deficit) for the year		111,629	22,882	41,204
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>111,629</u></u>	<u><u>22,882</u></u>	<u><u>41,204</u></u>

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

Hare Krishna School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>374,858</u>	<u>374,858</u>	<u>333,654</u>
Total comprehensive revenue and expense for the year		111,629	22,882	41,204
Equity at 31 December	21	<u>486,487</u>	<u>397,740</u>	<u>374,858</u>
Retained Earnings		486,487	397,740	374,858
Equity at 31 December		<u>486,487</u>	<u>397,740</u>	<u>374,858</u>

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

Hare Krishna School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	240,358	203,865	144,783
Accounts Receivable	10	41,411	27,261	27,261
GST Receivable		7,035	2,270	2,270
Prepayments		3,147	261	261
Investments	11	-	-	50,000
		<u>291,951</u>	<u>233,657</u>	<u>224,575</u>
Current Liabilities				
Accounts Payable	13	62,724	38,247	38,247
Finance Lease Liability - Current Portion	14	2,089	3,655	3,655
Funds held in Trust	15	-	95	95
		<u>64,813</u>	<u>41,997</u>	<u>41,997</u>
Working Capital Surplus/(Deficit)		227,138	191,660	182,578
Non-current Assets				
Property, Plant and Equipment	12	262,528	206,310	192,510
		<u>262,528</u>	<u>206,310</u>	<u>192,510</u>
Non-current Liabilities				
Finance Lease Liability	14	3,181	230	230
		<u>3,181</u>	<u>230</u>	<u>230</u>
Net Assets		<u>486,487</u>	<u>397,740</u>	<u>374,858</u>
Equity	21	<u>486,487</u>	<u>397,740</u>	<u>374,858</u>

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

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

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		493,403	353,583	319,878
Locally Raised Funds		94,482	82,980	78,780
International Students		-	-	2,702
Goods and Services Tax (net)		(4,765)	(2,267)	(2,267)
Payments to Employees		(159,486)	(126,057)	(124,849)
Payments to Suppliers		(262,827)	(218,859)	(201,330)
Cyclical Maintenance Payments in the year		(2,591)	(1,500)	-
Interest Paid		(374)	(670)	(670)
Interest Received		3,858	908	2,748
Net cash from Operating Activities		161,700	88,118	74,992
Cash flows from Investing Activities				
Proceeds from Sale of PPE		(1,278)	-	4,844
Purchase of PPE		(110,289)	(106,255)	(29,312)
Purchase of Investments		50,000	-	(50,000)
Net cash from Investing Activities		(61,567)	(106,255)	(74,468)
Cash flows from Financing Activities				
Finance Lease Payments		(4,463)	155	155
Funds Administered on Behalf of Third Parties		(95)	(10,053)	95
Net cash from Financing Activities		(4,558)	(9,898)	250
Net increase/(decrease) in cash and cash equivalents		95,575	(28,035)	774
Cash and cash equivalents at the beginning of the year	9	144,783	231,900	144,009
Cash and cash equivalents at the end of the year	9	240,358	203,865	144,783

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

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

Hare Krishna School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	10years
Information and communication technology	4 years
Motor vehicles	5 - 10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

l) Impairment of property, plant, and equipment

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

Non cash generating assets

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

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

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

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

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) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

p) Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable, 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.

q) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

r) 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.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	283,851	167,300	140,774
Teachers' Salaries Grants	531,466	354,490	381,695
Resource Teachers Learning and Behaviour Grants	14,497	3,862	2,558
Other MoE Grants	32,592	22,107	176,546
Transport grants	162,463	152,000	-
	<u>1,024,869</u>	<u>699,759</u>	<u>701,573</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	24,640	12,500	21,922
Activities	18,504	5,000	13,528
Trading	7,024	8,000	8,188
Fundraising	2,879	2,000	5,713
Other Revenue	41,435	55,480	39,577
	<u>94,482</u>	<u>82,980</u>	<u>88,928</u>
Expenses			
Activities	11,506	-	6,069
Trading	7,688	8,747	10,769
Fundraising (Costs of Raising Funds)	-	-	325
Transport (Local)	-	-	125,600
	<u>19,194</u>	<u>8,747</u>	<u>142,763</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>75,288</u>	<u>74,233</u>	<u>(53,835)</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	0	0	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	-	-	2,702
Expenses			
International Student Levy	137	-	877
	137	-	877
<i>Surplus/ (Deficit) for the year International Students'</i>	(137)	-	1,825

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	28,173	17,700	14,298
Equipment Repairs	5,625	2,000	207
Library Resources	802	630	28
Employee Benefits - Salaries	600,444	409,936	434,597
Staff Development	5,815	5,000	4,754
	640,859	435,266	453,884

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,146	5,150	4,996
Board of Trustees Fees	2,560	3,000	2,470
Board of Trustees Expenses	1,316	820	336
Communication	2,244	2,200	2,642
Consumables	6,920	3,500	3,896
Other	6,712	5,420	2,540
Employee Benefits - Salaries	67,992	51,700	53,462
Insurance	904	630	730
Service Providers, Contractors and Consultancy	7,527	8,380	8,268
	101,321	80,800	79,340

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,862	3,150	3,284
Cyclical Maintenance Provision	2,591	1,500	-
Grounds	4,648	1,500	1,239
Heat, Light and Water	6,915	5,850	6,996
Repairs and Maintenance	12,363	4,600	4,253
Use of Land and Buildings	186,048	37,238	186,048
Employee Benefits - Salaries	23,229	19,245	18,819
	<u>239,656</u>	<u>73,083</u>	<u>220,639</u>

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	1,208	1,459	1,104
Information and Communication Technology	4,400	5,315	2,341
Motor Vehicles	32,803	39,620	31,173
Leased Assets	4,983	6,018	6,537
Library Resources	2,723	3,288	1,402
	<u>46,117</u>	<u>55,700</u>	<u>42,557</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	215,256	128,807	119,725
Bank Call Account	24,902	24,858	24,858
Short-term Bank Deposits	-	50,000	-
Cash and cash equivalents for Cash Flow Statement	<u>240,358</u>	<u>203,865</u>	<u>144,783</u>

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

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Interest Receivable	-	92	92
Teacher Salaries Grant Receivable	41,411	27,169	27,169
	<u>41,411</u>	<u>27,261</u>	<u>27,261</u>
Receivables from Exchange Transactions	-	92	92
Receivables from Non-Exchange Transactions	41,411	27,169	27,169
	<u>41,411</u>	<u>27,261</u>	<u>27,261</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	-	-	50,000
Total Investments	<u>-</u>	<u>-</u>	<u>50,000</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Furniture and Equipment	3,600	23,075	(1,154)	-	(1,208)	24,313
Information and Communication Technology	12,032	12,027	(124)	-	(4,400)	19,535
Motor Vehicles	163,591	64,500	-	-	(32,803)	195,288
Leased Assets	3,470	5,848	-	-	(4,983)	4,335
Library Resources	9,817	11,963	-	-	(2,723)	19,057
Balance at 31 December 2019	<u>192,510</u>	<u>117,413</u>	<u>(1,278)</u>	<u>-</u>	<u>(46,117)</u>	<u>262,528</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Furniture and Equipment	69,555	(45,242)	24,313
Information and Communication Technology	40,649	(21,114)	19,535
Motor Vehicles	344,364	(149,076)	195,288
Leased Assets	8,315	(3,979)	4,335
Library Resources	35,986	(16,928)	19,057
Balance at 31 December 2019	<u>498,869</u>	<u>(236,339)</u>	<u>262,528</u>

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	4,860	-	(156)	-	(1,104)	3,600
Information and Communication Technology	2,554	11,819	-	-	(2,341)	12,032
Motor Vehicles	189,346	5,418	-	-	(31,173)	163,591
Leased Assets	10,007	-	-	-	(6,537)	3,470
Library Resources	11,220	-	-	-	(1,402)	9,817
Balance at 31 December 2018	217,987	17,237	(156)	-	(42,557)	192,510

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	53,565	(49,965)	3,600
Information and Communication Technology	34,126	(22,094)	12,032
Motor Vehicles	279,864	(116,273)	163,591
Leased Assets	20,690	(17,220)	3,470
Library Resources	24,023	(14,206)	9,817
Balance at 31 December 2018	412,268	(219,758)	192,510

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	12,900	3,528	3,528
Accruals	5,146	4,996	4,996
Employee Entitlements - Salaries	41,411	29,723	29,723
Employee Entitlements - Leave Accrual	3,267	-	-
	62,724	38,247	38,247
Payables for Exchange Transactions	62,724	38,247	38,247
	62,724	38,247	38,247

The carrying value of payables approximates their fair value.

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	2,464	3,655	14,919
Later than One Year and no Later than Five Years	3,433	230	18,523
Later than Five Years	-	-	-
	5,897	3,885	33,442

15. Funds held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	95	95
	-	95	95

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

16. Related Party Transactions

The Proprietor of the School (International Society for Krishna Consciousness Inc.) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$18,864 (2018: \$10,129). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$Nil, (2018: \$95).

17. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,560	2,470
Full-time equivalent members	0.09	0.08
<i>Leadership Team</i>		
Remuneration	164,489	141,041
Full-time equivalent members	2	1
Total key management personnel remuneration	167,049	143,511
Total full-time equivalent personnel	2.09	1.08

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	100 - 110
Benefits and Other Emoluments	0 - 4	0 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
0	0.00	0.00
	0.00	0.00

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

18. 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:

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works.
(Capital commitments at 31 December 2018: \$nil)

(b) Operating Commitments

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

	2019 Actual \$	2018 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	-

21. 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.

22. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	240,358	203,865	144,783
Receivables	41,411	27,261	27,261
Investments - Term Deposits	-	-	50,000
Total Financial assets measured at amortised cost	<u>281,769</u>	<u>231,126</u>	<u>222,044</u>

Financial liabilities measured at amortised cost

Payables	62,724	38,247	38,247
Finance Leases	5,270	3,885	3,885
Total Financial Liabilities Measured at Amortised Cost	<u>67,994</u>	<u>42,132</u>	<u>42,132</u>

23. Events After Balance Date

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.

24. Comparatives

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

25. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments:

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

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

26. Failure to comply with section 87 of the Education Act 1989

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.