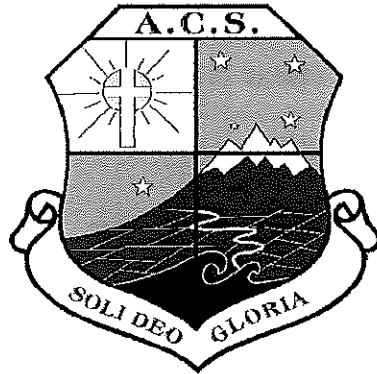


# ASHBURTON CHRISTIAN SCHOOL



## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	608
Principal:	Tim Kuipers
School Address:	119 Albert Street, Elgin, Ashburton
School Postal Address:	PO Box 632, Ashburton, 7740
School Phone:	03 307 6340
School Email:	<a href="mailto:office@acs.school.nz">office@acs.school.nz</a>

**Solutions & Services**  
Collaborative School Administration

# ASHBURTON CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2020

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# Ashburton Christian School

## Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflect the financial position and operations of the School.

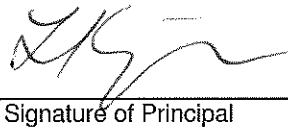
The School's 2020 financial statements are authorised for issue by the Board.

Joyce Anne Stowell  
Full Name of Board Chairperson

  
Signature of Board Chairperson

31/05/2021  
Date:

Timothy-Bert Kuipers  
Full Name of Principal

  
Signature of Principal

31/05/2021  
Date:

# Ashburton Christian School

## Members of the Board of Trustees

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Joyce Stowell	Chairperson	Elected	May 2022
Tim Kuipers	Principal	ex Officio	
Harry Stanway	Parent Rep	Elected	May 2022
Keith Spragg	Proprietors Rep	Appointed	May 2022
Alistair Weaver	Proprietors Rep	Appointed	Nov 2020
Bowen Jon	Staff Rep	Elected	May 2022
Amanda Van Asperen	Parent Rep	Elected	Dec 2020
Brad Raukawa	Parent Rep	Elected	May 2022
David Bayne	Proprietors Rep	Appointed	May 2022
Ashton Syme	Student Rep	Elected	Dec 2020

# Ashburton Christian School Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	1,267,194	785,100	1,011,712
Locally Raised Funds	3	53,301	22,840	60,467
Use of Proprietor's Land and Buildings		144,800	30,800	144,800
Interest Income		187	500	493
		<u>1,465,482</u>	<u>839,240</u>	<u>1,217,472</u>
<b>Expenses</b>				
Locally Raised Funds	3	63,490	49,400	35,903
Learning Resources	4	980,388	575,700	866,870
Administration	5	86,794	100,500	81,574
Finance		1,412	-	905
Property	6	212,609	97,300	223,466
Depreciation	7	36,787	23,000	42,222
Loss on Disposal of Property, Plant and Equipment		3,504	-	-
		<u>1,384,984</u>	<u>845,900</u>	<u>1,250,940</u>
<b>Net Surplus / (Deficit) for the year</b>		80,498	(6,660)	(33,468)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>80,498</u>	<u>(6,660)</u>	<u>(33,468)</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.

# Ashburton Christian School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Balance at 1 January</b>		<u>196,840</u>	<u>196,840</u>	<u>226,363</u>
Total comprehensive revenue and expense for the year		80,498	(6,660)	(33,468)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		5,859	-	3,945
<b>Equity at 31 December</b>	22	<u>283,197</u>	<u>190,180</u>	<u>196,840</u>
Retained Earnings		283,197	190,180	196,840
<b>Equity at 31 December</b>		<u>283,197</u>	<u>190,180</u>	<u>196,840</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.

# Ashburton Christian School Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	173,907	96,175	79,835
Accounts Receivable	9	63,831	52,347	52,347
GST Receivable		9,495	4,018	4,018
Prepayments		1,237	116	116
Inventories	10	3,000	4,874	4,874
		<u>251,470</u>	<u>157,530</u>	<u>141,190</u>
<b>Current Liabilities</b>				
Accounts Payable	12	91,504	64,191	64,191
Finance Lease Liability - Current Portion	14	6,155	5,084	5,084
Funds held in Trust	15	1,545	-	-
Funds Held on Behalf of Mindplus Cluster	16	12,298	12,862	12,862
		<u>111,502</u>	<u>82,137</u>	<u>82,137</u>
<b>Working Capital Surplus/(Deficit)</b>		139,968	75,393	59,053
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	164,258	134,225	157,225
		<u>164,258</u>	<u>134,225</u>	<u>157,225</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	10,660	14,549	14,549
Finance Lease Liability	14	10,369	4,889	4,889
		<u>21,029</u>	<u>19,438</u>	<u>19,438</u>
<b>Net Assets</b>		<u>283,197</u>	<u>190,180</u>	<u>196,840</u>
<b>Equity</b>	22	<u>283,197</u>	<u>190,180</u>	<u>196,840</u>

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

# Ashburton Christian School Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		401,448	335,100	293,897
Locally Raised Funds		48,570	22,840	29,056
Goods and Services Tax (net)		(5,477)	-	(3,394)
Payments to Employees		(75,723)	(110,500)	(114,267)
Payments to Suppliers		(242,350)	(231,600)	(185,876)
Funds Administered on Behalf of Third Parties		981	-	13,916
Interest Received		187	500	493
Net cash from/(to) Operating Activities		127,636	16,340	33,825
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(33,718)	-	(27,323)
Net cash from/(to) Investing Activities		(33,718)	-	(27,323)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		5,859	-	3,945
Finance Lease Payments		(5,705)	-	(7,730)
Net cash from/(to) Financing Activities		154	-	(3,785)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>94,072</b>	<b>16,340</b>	<b>2,717</b>
Cash and cash equivalents at the beginning of the year	8	79,835	79,835	77,118
Cash and cash equivalents at the end of the year	8	173,907	96,175	79,835

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



# Ashburton Christian School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Ashburton Christian School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

##### 1.2. Basis of Preparation

###### *Reporting Period*

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 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 and Training Act 2020 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 11.

#### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

#### ***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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### 1.6. 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.

### 1.7. 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.

### 1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

### 1.9. 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.

### 1.10. 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.

### 1.11. 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.

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

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements	20 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Leased assets	3 years

### **1.12. 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.

### **1.13. 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.

### **1.14. Employment 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

#### *Long-term employee entitlements*

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

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

### **1.15. Revenue Received in Advance**

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

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

### **1.16. 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 and these transactions 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 at any time.

### **1.17. 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 the School's 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.

#### **1.18. 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).

#### **1.19. Financial Instruments**

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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' 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.

#### **1.20. 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.

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

#### **1.21. 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.

#### **1.22. Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board.

#### **1.23. 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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	344,512	307,700	270,131
Teachers' Salaries Grants	862,984	450,000	717,815
Other MoE Grants	59,698	27,400	23,766
	<u>1,267,194</u>	<u>785,100</u>	<u>1,011,712</u>

The School has opted in to the donations scheme for this year. Total amount received was \$16,950.

Other MOE Grants total includes additional COVID-19 funding totalling \$6,447 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	5,940	2,000	1,664
Bequests and Grants	1,680	8,000	1,680
Other Revenue	26,815	9,840	28,904
Trading	8,724	3,000	4,347
Activities	10,142	-	23,872
	<u>53,301</u>	<u>22,840</u>	<u>60,467</u>
<b>Expenses</b>			
Activities	46,257	28,000	14,916
Trading	5,898	4,000	7,664
Fundraising (Costs of Raising Funds)	-	4,500	565
Other Locally Raised Funds Expenditure	11,335	12,900	12,758
	<u>63,490</u>	<u>49,400</u>	<u>35,903</u>
<i>(Deficit) / Surplus for the year Locally raised funds</i>	<u>(10,189)</u>	<u>(26,560)</u>	<u>24,564</u>

## 4. Learning Resources

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	66,051	45,700	44,844
Equipment Repairs	758	1,000	-
Information and Communication Technology	9,802	4,000	3,927
Employee Benefits - Salaries	891,639	517,000	799,871
Staff Development	12,138	8,000	18,228
	<u>980,388</u>	<u>575,700</u>	<u>866,870</u>

## 5. Administration

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	4,534	2,600	4,401
Board of Trustees Fees	3,650	6,000	2,980
Board of Trustees Expenses	2,833	3,000	3,139
Communication	1,263	2,000	2,511
Consumables	7,833	9,400	9,248
Operating Lease	4,397	10,500	4,608
Other	8,831	22,500	9,723
Employee Benefits - Salaries	47,060	38,500	39,154
Insurance	2,303	1,200	1,080
Service Providers, Contractors and Consultancy	4,090	4,800	4,730
	<u>86,794</u>	<u>100,500</u>	<u>81,574</u>

## 6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,583	1,500	1,765
Consultancy and Contract Services	29,538	27,000	28,538
Cyclical Maintenance Provision	(3,889)	4,000	2,774
Heat, Light and Water	13,204	13,000	13,790
Repairs and Maintenance	21,479	16,000	25,812
Use of Land and Buildings	144,800	30,800	144,800
Employee Benefits - Salaries	5,894	5,000	5,987
	<u>212,609</u>	<u>97,300</u>	<u>223,466</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.

## 7. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	522	500	522
Furniture and Equipment	17,598	10,000	19,379
Information and Communication Technology	12,495	8,000	14,435
Leased Assets	6,172	4,500	7,886
	<u>36,787</u>	<u>23,000</u>	<u>42,222</u>

## 8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	23,673	96,175	24,159
Bank Call Account	150,234	-	55,676
Cash and cash equivalents for Statement of Cash Flows	<u>173,907</u>	<u>96,175</u>	<u>79,835</u>

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

Of the \$173,907 Cash and Cash Equivalents, \$12,298 is held by the School on behalf of the Mindplus cluster. See note 16 for details of how the funding received for the cluster has been spent in the year.

## 9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	5,600	869	869
Teacher Salaries Grant Receivable	58,231	51,478	51,478
	<u>63,831</u>	<u>52,347</u>	<u>52,347</u>
Receivables from Exchange Transactions	5,600	869	869
Receivables from Non-Exchange Transactions	58,231	51,478	51,478
	<u>63,831</u>	<u>52,347</u>	<u>52,347</u>

## 10. Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	3,000	4,874	4,874
	<u>3,000</u>	<u>4,874</u>	<u>4,874</u>

## 11. Property, Plant and Equipment

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2020</b>	\$	\$	\$	\$	\$	\$
Building Improvements	6,853	1,074	-	-	(522)	7,405
Furniture and Equipment	101,538	22,891	(46)	-	(17,598)	106,785
Information and Communication Technology	38,919	10,945	(3,458)	-	(12,495)	33,911
Leased Assets	9,915	13,606	(1,192)	-	(6,172)	16,157
<b>Balance at 31 December 2020</b>	<b>157,225</b>	<b>48,516</b>	<b>(4,696)</b>	<b>-</b>	<b>(36,787)</b>	<b>164,258</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2020</b>	\$	\$	\$
Building Improvements	11,516	(4,111)	7,405
Furniture and Equipment	204,713	(97,928)	106,785
Information and Communication Technology	121,036	(87,125)	33,911
Leased Assets	23,984	(7,827)	16,157
<b>Balance at 31 December 2020</b>	<b>361,249</b>	<b>(196,991)</b>	<b>164,258</b>

The net carrying value of equipment held under a finance lease is \$16,157 (2019: \$9,915)

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2019</b>	\$	\$	\$	\$	\$	\$
Building Improvements	7,375	-	-	-	(522)	6,853
Furniture and Equipment	115,321	5,596	-	-	(19,379)	101,538
Information and Communication Technology	31,627	21,727	-	-	(14,435)	38,919
Leased Assets	12,981	4,820	-	-	(7,886)	9,915
<b>Balance at 31 December 2019</b>	<b>167,304</b>	<b>32,143</b>	<b>-</b>	<b>-</b>	<b>(42,222)</b>	<b>157,225</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2019</b>	\$	\$	\$
Building Improvements	10,442	(3,589)	6,853
Furniture and Equipment	182,564	(81,026)	101,538
Information and Communication Technology	126,837	(87,918)	38,919
Leased Assets	30,146	(20,231)	9,915
<b>Balance at 31 December 2019</b>	<b>349,989</b>	<b>(192,764)</b>	<b>157,225</b>

## 12. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Operating creditors	14,532	-	-
Accruals	5,530	5,388	5,388
Employee Entitlements - salaries	70,485	58,465	58,465
Employee Entitlements - leave accrual	957	338	338
	<b>91,504</b>	<b>64,191</b>	<b>64,191</b>
Payables for Exchange Transactions	91,504	64,191	64,191
	<b>91,504</b>	<b>64,191</b>	<b>64,191</b>

The carrying value of payables approximates their fair value.

## 13. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Provision at the Start of the Year	14,549	14,549	11,775
Increase to the Provision During the Year	6,621	-	2,774
Adjustment to the Provision	(10,510)	-	-
Provision at the End of the Year	<b>10,660</b>	<b>14,549</b>	<b>14,549</b>
Cyclical Maintenance - Term	10,660	14,549	14,549
	<b>10,660</b>	<b>14,549</b>	<b>14,549</b>



#### 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:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	7,360	5,717	5,717
Later than One Year and no Later than Five Years	11,418	5,316	5,316
	<u>18,778</u>	<u>11,033</u>	<u>11,033</u>

#### 15. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,545	-	-
	<u>1,545</u>	<u>-</u>	<u>-</u>

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. Funds Held on Behalf of Mindplus Cluster

Ashburton Christian School was the lead school and holds funds on behalf of the Mindplus cluster.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	12,862	12,862	(1,054)
Funds Received from MoE	102,473	-	102,726
Funds Spent on Behalf of the Cluster	(103,037)	-	(88,810)
Funds Held at Year End	<u>12,298</u>	<u>12,862</u>	<u>12,862</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.

The Proprietor of the School (Christian Schools Trust) 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 1.4. 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".

## 18. Remuneration

### Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, and Assistant Principal.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,650	2,980
Full-time equivalent members	0.41	0.37
<i>Leadership Team</i>		
Remuneration	262,409	215,374
Full-time equivalent members	2.25	2.00
Total key management personnel remuneration	266,059	218,354
Total full-time equivalent personnel	2.66	2.37

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130- 140	120-130
Benefits and Other Emoluments	3- 4	3 - 4
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	1.00	-
	1.00	-

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:

	2020 Actual	2019 Actual
Total	\$ -	\$ -
Number of People	-	-

## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2019: nil)

### (b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: nil)

## 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:

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	173,907	96,175	79,835
Receivables	63,831	52,347	52,347
Total Financial Assets Measured at amortised cost	<u>237,738</u>	<u>148,522</u>	<u>132,182</u>

### Financial liabilities measured at amortised cost

Payables	91,504	64,191	64,191
Finance Leases	16,524	9,973	9,973
Total Financial Liabilities Measured at Amortised Cost	<u>108,028</u>	<u>74,164</u>	<u>74,164</u>

## 24. Events After Balance Date

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF ASHBURTON CHRISTIAN SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Ashburton Christian School (the School). The Auditor-General has appointed me, Mike Hoshek using the staff and resources of Deloitte Limited, 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 2020, 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:
  - its financial position as at 31 December 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2021. 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our 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 for the financial statements

The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 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 arises from the Public Audit Act 2001.

## **Other information**

The Board is responsible for the other information. The other information 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: *International 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.



Mike Hoshek  
Deloitte Limited  
**On behalf of the Auditor-General**  
Christchurch, New Zealand