

MATAMATA CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 01186
Principal: Alistair Paterson
School Address: 91a Smith Street, Matamata
School Postal Address: 91a Smith Street, Matamata
School Phone: (07) 888 5444
School Email: office@matamata.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Les Steed-Conway	Chair Person	
Alistair Paterson	Principal	ex Officio
Kobus Engelbrecht	Parent Rep	
Spence Reichardt	Parent Rep	
Peter Nieuwenhuizen	Parent Rep	
Craig Hawes	Parent Rep	
Michele Lee	Staff Rep	

Accountant / Service Provider CATAS Ltd

MATAMATA CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2018

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Matamata Christian 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.

213 STEED-CONWAY
Full Name of Board Chairperson

213 Steed-Conway
Signature of Board Chairperson

6-6-2019
Date:

Michele Day Lee
Full Name of Principal

M Lee
Signature of Principal

6-6-2019
Date:

Matamata Christian School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	537,764	465,378	486,894
Locally Raised Funds	3	59,712	52,167	45,059
Use of Land and Buildings Integrated		99,600	99,600	99,600
Interest Earned		3,155	2,400	2,872
		<u>700,231</u>	<u>619,545</u>	<u>634,425</u>
Expenses				
Locally Raised Funds	3	27,478	24,960	26,431
Learning Resources	4	432,386	412,365	388,080
Administration	5	70,363	82,575	79,303
Finance		87	96	204
Property	6	124,970	126,139	125,008
Depreciation	7	20,505	12,480	13,606
		<u>675,790</u>	<u>658,615</u>	<u>632,632</u>
Net Surplus / (Deficit) for the year		24,441	(39,070)	1,793
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>24,441</u>	<u>(39,070)</u>	<u>1,793</u>

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



Matamata Christian School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	150,194	150,194	148,401
Total comprehensive revenue and expense for the year	24,441	(39,070)	1,793
Capital Contributions from the Ministry of Education	-	-	-
Equity at 31 December	174,635	111,124	150,194
Retained Earnings	174,635	111,124	150,194
Reserves	-	-	-
Equity at 31 December	174,635	111,124	150,194

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



Matamata Christian School Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	84,517	22,603	29,674
Accounts Receivable	9	46,189	20,522	20,522
GST Receivable		1,910	2,662	2,662
Prepayments		807	4,198	4,198
Inventories	10	9,184	5,117	5,117
Investments	11	33,083	26,111	71,891
		<u>175,690</u>	<u>81,213</u>	<u>134,064</u>
Current Liabilities				
Accounts Payable	13	38,348	29,118	28,998
Finance Lease Liability - Current Portion	14	5,322	3,795	3,795
Funds held in Trust	15	6,645	-	-
		<u>50,315</u>	<u>32,913</u>	<u>32,793</u>
Working Capital Surplus/(Deficit)		125,375	48,300	101,271
Non-current Assets				
Property, Plant and Equipment	12	60,603	69,059	59,022
		<u>60,603</u>	<u>69,059</u>	<u>59,022</u>
Non-current Liabilities				
Finance Lease Liability	14	11,343	6,235	10,099
		<u>11,343</u>	<u>6,235</u>	<u>10,099</u>
Net Assets		<u>174,635</u>	<u>111,124</u>	<u>150,194</u>
Equity		<u>174,635</u>	<u>111,124</u>	<u>150,194</u>

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



Matamata Christian School Statement of Cash Flows

For the year ended 31 December 2018

	2018	2018 Budget	2017
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	155,376	135,378	158,847
Locally Raised Funds	40,801	52,167	51,747
Goods and Services Tax (net)	752	(2,662)	77
Payments to Employees	(60,904)	(91,711)	(76,950)
Payments to Suppliers	(110,593)	(124,259)	(118,125)
Interest Paid	(87)	(96)	(204)
Interest Received	3,361	4,530	2,631
Net cash from / (to) the Operating Activities	28,705	(26,653)	18,023
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(12,848)	(22,517)	(13,678)
Purchase of Investments	38,808	45,779	(2,103)
Net cash from / (to) the Investing Activities	25,960	23,262	(15,781)
Cash flows from Financing Activities			
Finance Lease Payments	(6,468)	(3,801)	(2,030)
Funds Administered on Behalf of Third Parties	6,645	-	-
Net cash from Financing Activities	177	(3,801)	(2,030)
Net increase/(decrease) in cash and cash equivalents	54,842	(7,192)	212
Cash and cash equivalents at the beginning of the year	8 29,674	29,795	29,462
Cash and cash equivalents at the end of the year	8 84,516	22,603	29,674

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.



Matamata Christian School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Matamata Christian 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 14.

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

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 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 \$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:

Furniture and equipment	10–20 years
Information and communication technology	3 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

o) 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.

p) Revenue Received in Advance

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

q) 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.

r) 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).

s) 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.

t) 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.

u) Budget Figures

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

v) 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	140,358	128,630	135,855
Teachers' salaries grants	382,388	330,000	324,471
Other government grants	15,017	6,748	26,568
	<u>537,764</u>	<u>465,378</u>	<u>486,894</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	11,897	7,600	15,178
Activities	31,108	34,737	16,113
Trading	4,302	3,700	4,446
Fundraising	4,548	4,000	5,460
Other Revenue	7,856	2,130	3,862
	<u>59,712</u>	<u>52,167</u>	<u>45,059</u>
Expenses			
Activities	22,725	19,080	17,816
Trading	3,191	3,480	5,859
Fundraising costs	1,562	2,400	2,756
	<u>27,478</u>	<u>24,960</u>	<u>26,431</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>32,234</u>	<u>27,207</u>	<u>18,628</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	8,049	16,475	12,348
Library resources	345	500	498
Employee benefits - salaries	404,886	380,600	369,587
Staff development	19,107	14,790	5,647
	<u>432,386</u>	<u>412,365</u>	<u>388,080</u>

5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,555	3,800	3,555
Board of Trustees Fees	1,660	2,350	2,130
Board of Trustees Expenses	802	1,612	938
Communication	1,909	1,920	968
Consumables	5,601	12,000	11,018



Operating Lease	319	420	247
Other	10,150	10,055	18,431
Employee Benefits - Salaries	39,587	41,670	37,716
Service Providers, Contractors and Consultancy	6,780	8,748	4,300

	70,363	82,575	79,303
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6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	2,184	2,700	2,676
Consultancy and Contract Services	14,332	13,800	13,492
Grounds	3,247	2,504	2,283
Heat, Light and Water	4,161	5,015	4,784
Repairs and Maintenance	1,446	2,520	2,115
Use of Land and Buildings	99,600	99,600	99,600
Security	-	-	58
	124,970	126,139	125,008

7. Depreciation

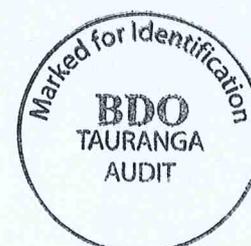
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Furniture and Equipment	2,835	-	2,544
Information and Communication Technology	9,177	-	7,720
Leased Assets	8,380	-	2,114
Library Resources	113	-	1,228
	20,505	12,480	13,606

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	33,187	(23,176)	14,496
Bank Call Account	4,049	-	15,178
Short-term Bank Deposits	47,280	45,779	-
Cash and cash equivalents for Cash Flow Statement	84,517	22,603	29,674

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	12,272	-	-
Interest Receivable	199	404	404
Matamata Business Network Due	6,639	-	-
Teacher Salaries Grant Receivable	27,079	20,118	20,118
	46,189	20,522	20,522



Receivables from Exchange Transactions	19,110	404	404
Receivables from Non-Exchange Transactions	27,079	20,118	20,118
	<u>46,189</u>	<u>20,522</u>	<u>20,522</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
School Uniforms	9,184	5,117	5,117
	<u>9,184</u>	<u>5,117</u>	<u>5,117</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	33,083	26,111	71,891

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Furniture and Equipment	25,768	498	-	-	(2,835)	23,431
Information and Communication	10,850	11,897	-	-	(9,177)	13,570
Leased Assets	13,810	9,240	-	-	(8,380)	14,670
Library Resources	8,594	451	-	-	(113)	8,932
Balance at 31 December 2018	<u>59,022</u>	<u>22,086</u>	<u>-</u>	<u>-</u>	<u>(20,505)</u>	<u>60,603</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Furniture and Equipment	73,470	(36,229)	37,241
Information and Communication	87,199	(90,679)	(3,480)
Leased Assets	25,163	(10,493)	14,670
Library Resources	26,205	(14,033)	12,172
Balance at 31 December 2018	<u>212,038</u>	<u>(151,434)</u>	<u>60,603</u>



2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture and Equipment	22,659	5,653	-	-	(2,544)	25,768
Information and Communication Technology	12,325	6,245	-	-	(7,720)	10,850
Leased Assets	-	15,924	-	-	(2,114)	13,810
Library Resources	8,042	1,780	-	-	(1,228)	8,594
Balance at 31 December 2017	43,026	29,602	-	-	(13,606)	59,022

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Furniture and Equipment	57,048	(31,280)	25,768
Information and Communication Technology	94,465	(83,615)	10,850
Leased Assets	15,924	(2,114)	13,810
Library Resources	22,514	(13,920)	8,594
Balance at 31 December 2017	189,951	(130,929)	59,022

13. Accounts Payable

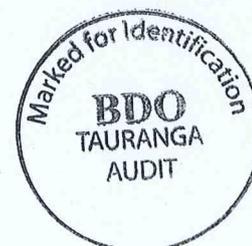
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	9,529	8,441	8,321
Banking staffing overuse	1,740	-	-
Employee Entitlements - salaries	27,079	20,118	20,118
Employee Entitlements - leave accrual	-	559	559
	38,348	29,118	28,998
Payables for Exchange Transactions	38,348	29,118	28,998
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
	38,348	29,118	28,998

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:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	5,322	3,795	3,795
Later than One Year and no Later than Five Years	11,343	6,235	10,099



Later than Five Years

-	-	-
16,665	10,030	13,894

15. Funds held in Trust

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
Funds Held in Trust on Behalf of Third Parties - Current	\$ 6,645	\$ -	\$ -
	6,645	-	-

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 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 (Peria Christian Education Incorporated) 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".

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.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	1,660	2,130
Full-time equivalent members	0.14	0.08
<i>Leadership Team</i>		
Remuneration	220,339	198,174
Full-time equivalent members	2.00	2.00



Total key management personnel remuneration	221,999	200,304
Total full-time equivalent personnel	2.14	2.08

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	110 - 120
Benefits and Other Emoluments	0 - 3	0 - 3
Termination Benefits	Nil	Nil

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
	Nil	Nil
	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:

	2018 Actual	2017 Actual
Total	Nil	Nil
Number of People	Nil	Nil

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

There are no Capital or operating commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil)



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:

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	84,517	22,603	29,674
Receivables	46,189	20,522	20,522
Investments - Term Deposits	33,083	26,111	71,891
Total Loans and Receivables	<u>163,789</u>	<u>69,236</u>	<u>122,087</u>

Financial liabilities measured at amortised cost

Payables	38,348	29,118	28,998
Finance Leases	16,665	10,030	13,894
Total Financial Liabilities Measured at Amortised Cost	<u>55,013</u>	<u>39,148</u>	<u>42,892</u>

23. Events After Balance Date

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

24. Comparatives

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

25. Breach of Legislation

The Board of Trustees did not comply with Section 87A (1) of the Education Act 1989 in that it did not submit its annual financial statements for audit by 31 March 2019. The board of trustees did not comply with section 87C (1) of the Education Act 1989 in that it did not submit its audited financial statements to the Ministry and Auditor General by 31 May 2019.





Tel: +64 7 571 6280
Fax: +64 7 571 6281
tauranga@bdo.co.nz
www.bdo.co.nz

BDO TAURANGA
Level 1 The Hub, 525 Cameron Road,
Tauranga 3110
PO Box 15660, Tauranga 3144
New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MATAMATA CHRISTIAN SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Matamata Christian School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 10 June 2019. This is the date at which our opinion is expressed.

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

Basis 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 of Trustees for the financial statements

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

PARTNERS: Fraser Lellman CA Kenneth Brown CA Janine Hellyer CA Jenny Lee CA
Donna Kemp CA Paul Manning CA

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand

Analysis of Variance Reporting



School Name:	Matamata Christian School	School Number:	1186
Strategic Aim:	To lift the achievement of students performing below expectations to be at or closing the gap on expectations.		
Annual Aim:	To lift achievement school wide in Writing and at Year 1 in Oral Language		
Target:	<p>Goal 1 To lift school wide achievement of all students in Writing so every child improves by 12 months progress or more, and those that are one year or more below the former National Standards will improve by 24 months to either be at the National Standards or close the gap on them.</p> <p>Goal 2 To lift Year 1 achievement in Oral Language so every child is performing at expectation by the end of Year 1.</p>		
Baseline Data:	<p>Writing At the beginning of 2018: 75% of the school are performing at or above the Standards 20% are one year below the Standards 5% are at risk (more than one year below the Standards)</p> <p>For Māori and Pasifika students: 80% are performing at the Standards 12% are below 8% are at risk</p>		


Oral Language

The beginning of year data for Oral Language at school entry is:

33% of students are at or above expectations

67% are below expectations

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Writing</p> <p>Writing has been a focus in the school over many years. We have developed in this time excellent programmes and pedagogies that we continue to tweak. In addition to this we:</p> <ul style="list-style-type: none"> - trialled changes in MLE practices to develop workshops to help develop effective practice - used teacher inquiries that were focussed on target students and developing progress to accelerate students - brought in an RT.Lit teacher to work at helping a group of students and the teacher in the middle class to accelerate progress - used Tataiako strategies we had developed as a school to involve parents of Māori students in their children's learning - started conversations with staff in CRRP using resourcing from our local Kāhui Ako to alter practice and ensure equity in classrooms - introduced Māori language through in-depth professional 	<p>Writing</p> <p>At the end of 2018: 80% of the school are performing at or above expectations 14% are one year below expectations 6% are at risk (more than one year below expectations)</p> <p>For Māori and Pasifika students: 74% are performing at or above expectations 20% are below 6% are at risk</p> <p>While overall Writing improved Māori declined slightly but Pasifika in fact had 100% at expectations or above</p>	<p>Writing</p> <p>Our results continue to be influenced by a partially transient roll. We had a number of very low performing and a few high students enrol since the baseline data was collected. This particularly impacts on areas of lower roll numbers such as Māori.</p> <p>We had nine original target students where we were aiming to make 24 months progress or get these students at expectations. This was achieved with four of these students including one with significant learning needs. Two only made 12 months progress so stayed static while three dropped further. Tremendous effort went into moving these students, especially through teacher inquiry and Rt.Lit support. For one student outside influences with the family had a significant impact and did to a lesser extent with at least one other too.</p>	<p>Writing</p> <p>Over the years we have developed some very good pedagogies and approaches which we will continue to refine and develop in newer staff. We intend to use largely the same strategies as these are what we want to develop and embed in more detail. It is our hope, through the Kāhui Ako, that over the next 3 years we will work on CRRP and service-learning as key strategies for lifting achievement in Writing for all students but particularly Māori and boys, both of which were lower in our data in 2018. As practice in our Junior and Senior classes are strong we will be particularly trying to develop pedagogical strength in our middle class.</p>

development to develop cultural practices and CRRP

- discussed termly the progress of target students as a whole staff to help generate ideas on how to accelerate them

Oral Language

Over a number of years we have noticed poor school entry level attainment of students when enrolling. It was our intention to work on the Oral Language component of this as a Kāhui Ako alongside pre-schools. This was unable to happen in 2018 as the Kāhui Ako has only recently completed being set up and didn't launch until January 2019. Most of the strategies intended for 2018 therefore are deferred to 2019. However we did try the following strategies to lift Oral Language attainment in our Year 1 students:

- We put every student through a 'Talk to Learn' course with a teacher aide.
- Ran an intensive phonics programme with each new entrant that focussed on Reading, Writing and Oral Language.

Oral Language

Effective tools are not yet developed for the deliberate measurement of Oral Language on its own. It is the aim of the Kāhui Ako to begin developing such a tool in 2019 with the support of Year 1 and pre-school teachers, Speech Language facilitators and the MoE. To make OTJ's for this data the teacher has used matrices developed for ESOL and data from SEA and 6 Year Netts to feed into her thinking.

While transience was a factor from the baseline data there were five students who turned 6 in 2018. 80% of them were ESOL students so had a lot to overcome. 40% (2) are now at expectations 20% (1) are slightly below 40% (2) have not met expectations

Oral Language

While transience affected the baseline data measure 80% of the students in the end data were ESOL so had more than usual to overcome. In spite of this they generally did. A real key to further acceleration will be linked with our Kāhui Ako development from here. We believe the strategies we have in place are good ones and we need to be able to build upon these now and have an effective tool for accurate measurement of where students start at and what they achieve.

Oral Language

We will continue to use the strategies we have in place as we can see these build into each student.

In 2019 we are also adding play-based learning as a way to engage students and promote further teaching and learning opportunities that will enhance Oral Language development (as well as a range of key competencies). We believe we have the right staff to use this as an effective strategy.

Our teacher aide is also adding the *HPP* programme as a strategy to work alongside *Talk to Learn*.

We will also look to develop teacher skills through the Kāhui Ako. One of its Achievement Challenges is in this area allowing our teacher to work closely with other teachers, pre-school

- Made Oral Language part of both our Reading and Writing programmes.

- Used individualised ESOL programmes with a teacher aide for those who were considered to be ESOL students.

teachers, our own pre-school and Speech Language advisors.

Planning for next year:

The Board will continue to run the same target in Writing in 2019 *'to lift school wide achievement of all students in Writing so every child improves by 12 months progress or more, and those that are one year or more below expectations will improve by 24 months to either be at expectations or close the gap on them.'* Such students will be target students. In addition to the strategies we presently use, over the next three years we will engage in the professional development of our Kāhui Ako to develop culturally responsive and relational pedagogies and service-learning.

As part of our strategic plan the Board will aim to realise its original goals in Oral Language through the opportunities being worked on in the Kāhui Ako. Whether this takes one or two years it is our intention to set these strategies up well as we see strong Oral Language capabilities as building self-confidence and feeding strongly into Reading and Writing development too. We also want to help this be strengthened through our pre-schools before students are even at school.



91A Smith Street

Matamata

P: (07) 888 5444

F: (07) 888 5443

E: office@matamata.school.nz

www.matamata.school.nz

29 May 2019

To Whom it May Concern,

Matamata Christian School received around \$800 in Kiwi Sport Funding for the 2018 school year. This money was spent towards funding a sports camp which had the intention of increasing the children's participation in organised sport, in addition to this money was also used towards mini-ball, netball and swimming activities.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Michele Lee', written in a cursive style.

Michele Lee

Deputy Principal Acting Up